
Social Security in Post-Covid-19 Ghana: A Doorknob or a Coffin?

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Abstract

The existing literature on Ghana's social security programme primarily focuses on social security during colonial rule and the post-independence evolution of the social system. The revisions made to the policy in response to the COVID-19 pandemic have generated significant concern among the general public, scholars, and experts in social policy. The outbreak of COVID-19 resulted in severe economic challenges for Ghana, and key social institutions such as the country's social security program were disrupted. It is crucial to examine the degree of stratification and segmentation within the system in connection with the onset and aftermath of COVID-19. This study specifically addresses the policies of the Social Security and National Insurance Trust (SSNIT), which is granted authority by Ghanaian law to address social security issues. The study also examines whether changes were made to Ghana's social security program in response to the COVID-19 pandemic and explores the rationale behind and types of new specific social security measures that were introduced during that period. The study highlights that Ghanaian worker faced significant challenges as a result of the reforms to social security policy during the COVID-19 pandemic. Government policy decisions continue to undermine Ghana's social welfare system, affecting the official response to the social challenges arising from the pandemic. This study utilized qualitative research methods and drew from primary sources, including government and annual reports, as well as archival data. Furthermore, we utilized both structured and informal individual interviews with social security experts and retirees. We also collected and examined pertinent scholarly works from books, periodicals, and online resources.

Keywords: Ghana, Post-Covid-19 era, Social Policy, Social Security, Pensioners

Introduction

Ghana's focus during colonial rule was on agricultural expansion, with social assistance being left to families and communities. Similar to other British colonies, Ghana's colonial strategy prioritized agricultural growth and did not prioritize the establishment of formal social security systems, leading to minimal development

in this area. The origins of Ghana's Social Security Plan date back to the 1960s, when the government was tasked with exploring the potential for implementing a National Pension and Insurance Plan for workers. As a result, there was minimal advancement in the formal social security system of the country during this time. The initiation of Ghana's Social Security Plan occurred when the government was directed to assess the feasibility of creating a National Pension and Insurance Plan for workers in the 1960s. In the 2000s, Ghana made significant changes to its social protection policies. The framework for contributing pensions was expanded to include additional mandatory and optional privately-administered "tiers" within a reorganized system. Initially, there was an underfunded program for colonial-era civil officers and a single statutory defined-benefit plan. Ghana appeared to have extended social insurance coverage more than most Sub-Saharan African nations and was among the few African countries providing jobless compensation, at least in theory. The coronavirus disease (COVID-19) epidemic has affected every aspect of a country's life.

Given the near collapse of economies, the ensuing job losses, and the difficulties experienced by the elderly, emerging countries particularly require effective social programs that can support people in need. Because of this, several of these countries were compelled to enact emergency social policies in order to support their citizens, while other countries did nothing in terms of social security legislation. Ghana did, in fact, win a lot of awards for managing the COVID-19 outbreak so well. The existence of any pensioner-specific programs or strategies in Ghana, if any, was lost on a much larger number of individuals. Ghana is hardly an isolated instance. Lockdowns and other gathering and movement restrictions, which were required to halt the pandemic's spread, negatively impacted the impoverished, most of whom are unemployed or retired, work in the unorganized sector, and depend on daily survival activities like purchasing and selling necessities. People believed they would die from malnutrition rather than the epidemic, therefore they ignored several of the protocols. Policy stacking thereby highlighted the Ghanaian government's pandemic response and exposed the fragile social support systems. The challenges of effectively containing the epidemic underscore the critical importance of a revolutionary social welfare framework for ensuring public safety. To set the stage for the present policy, this article first provides a historical review of Ghana's social security history, including an outline of the country's previous social security programs from 1965 and 1972. In order to ascertain whether or whether Ghanaian workers and retirees profited from Act 766 of Ghana's social security and National Insurance Trust policy both during and after the COVID-19 epidemic, this article ultimately assesses the policy. Therefore, this study set out to ascertain whether or whether

employees' choices to enroll in a pension plan for their later years are impacted by their level of satisfaction with pension needs. Do they consistently anticipate great bargains from the SSNIT?

Problem of statement

Politicians have generally prioritized social welfare since independence, with Kwame Nkrumah being the first nationalist leader in this regard. Based on statistics from the 2000 Population Census and the SSNIT, a growing proportion of Ghana's population appears to lack access to general social protection. The formal sector's employment and contribution to SSNIT declined gradually in the new century, even as the work force grew, from 10.7% of the economically active population in 1997 to 9.3% in 2001. Contributions to the SSNIT Fund may be at risk if the economy's present dismal performance—an average real GDP growth rate of about 4% per year—continues. This would have disastrous consequences for social protection in the formal sector as well as with traditional extended families. When COVID-19 initially emerged, Ghana was lauded as one of the continent's finest for its leadership and smart pandemic management, implementing a variety of ad hoc policy initiatives to mitigate the virus's effects on the government system. However, more individuals are growing concerned about the feasibility and usefulness of an existing policy than about a legislation becoming law. The biggest challenge is putting choices into practice. It is crucial to highlight that cultural dynamics and economic conditions have a substantial influence on how policies are implemented in Ghana. Early in the execution of a policy, there is always a frenzy, but later the rate of implementation slows, and it is occasionally abandoned entirely. The issue at hand is evaluating the effectiveness of Ghana's national social security policy in the wake of the Covid-19 outbreak to determine how well it handled Ghanaian retirees.

Methodology

The qualitative document analysis approach was used in this inquiry. Document analysis is an important research instrument and social research approach for evaluating an assessment issue and giving it voice and significance. This approach is primarily used to ensure that policies are evaluated consistently. Academics have emphasized why the qualitative document analysis technique is appropriate for policy evaluation. Because of the nature of the topic and the necessity for a design based on the research's practice, method, and setting, this study took a qualitative approach. It was highly analytical, thorough, and historical. Information about Ghana's social security policy over time was closely tied to

discussions and data interpretation. The study's research design was especially exploratory. This design was chosen because it allowed the researcher to receive extensive replies from respondents. The research used this approach to examine whether or not seniors in Ghana were allocated to contribute to the social security program. To recruit respondents for the fieldwork in Ghana, purposive and snowball sampling approaches were utilized. The study relied on both secondary and primary data sources. Secondary data was obtained from websites, published papers, journals, and the SSNIT corporation. The investigation relied on official data and statistics provided by SSNIT. Personal interviews with SSNIT personnel and other pensioners are utilized to supplement this. The primary data was derived from interviews with selected respondents in the research region. Although in-person procedures and interview guides were valuable, the questionnaire approach was the principal research tool. The distribution of the questionnaire and the data collection technique were scheduled for two weeks, during which each respondent was anticipated to complete the questionnaire.

Aims and objectives of the study

1. To investigate SSNIT's policies after COVID-19
2. To evaluate the effects of COVID-19 on Ghanaians' general well-being.
3. To investigate the efficacy of Ghana's existing SSNIT policy for social security following COVID-19.

Significance of the study

The goal of this research is to assist general workers' unions in Ghana and other developing countries in providing well-informed input into the national pension reform debate, with a view to reviewing the Social Security Law and developing a workable framework for the expansion of long-term savings plans for social insurance in Ghana. Furthermore, this study will enhance public awareness of how academics are extremely concern about Ghana's social security policy, emphasizing the need for substantial adjustments. As a result, the Ghanaian experience is worth analyzing, especially in light of the societal challenges raised by the epidemic. The purpose of this research is to assist policymakers and other developing countries in their efforts to build contemporary, effective policies that fulfill their populations' social needs, particularly those of the elderly.

Literature Review

The literature on social security and general social protection is extremely limited. Kpessa-Whyte has chronicled endogenous social policy as well as other social policies from Ghana's Colonial Era, such as the Children's Protection Act of 1903, the Workers' Protection Act of 1891, the Health Insurance Bill of 1883, the Accident Insurance Bill of 1884, and the Old Age and Disability Insurance Bill of 1889. (Anyidoho and Kpessa-Whyte, 2023; Kpessa-Whyte, 2021)

In terms of the macroeconomic climate and the need for social protection, Kumado and Gockel wrote about social protection and the Social Security and National Insurance Trust (SSNIT). They said unequivocally that the implementation of the aforementioned economic policy adjustments has undeniably reversed prior years of economic decline (Kumado and Gockel, 2023). They went on to add that, while Ghana's economy experienced sustained inflation from 1996 to 2001, there was modest economic growth throughout that period. Other authors have written about Ghana's primary social security schemes in general. Raju and others also revealed that Ghana monitors several social protection schemes. While some of the programs, such as the National Health Insurance Scheme, Livelihood Empowerment Against Poverty, Labor Intensive Public Works, and Ghana School Feeding Program, have been in place for a long time, the Social Security and National Insurance Trust pensions are newer additions. (RAJU et. al., 2023).

Osei wrote on the many types of schemes, the administrative structure of the national pension plan, the limitations on the SSNIT's coverage, and the difficulties surrounding the elements that limited the SSNIT policy's total coverage. (Osei, 2003). Furthermore, according to Abbey, COVID-19 has wreaked havoc on the business sector for nearly two years, resulting in a significant decrease in income for most enterprises. Monthly contributions to the Social Security National Insurance Trust (SSNIT) Ghana, Ghana's major statutory organization in charge of supervising employee pension schemes, have also declined. The study's goal was to assess how the COVID-19 epidemic affects Ghana's Social Security Monthly Contribution Payment noncompliance. (Abbey, 2022).

Scholars such as Foli and Ohemeng have underlined Ghana's historical trajectory of social policy and inequality, as well as providing a historical trajectory of social provisioning. Their talk demonstrated how colonial practices created inequity, which Ghana has failed to adequately redress over time. (Foli and Ohemeng, 2022).

Others have analyzed Ghana's government response to the Covid-19 epidemic, with an emphasis on the social sector. Gafaru described the many efforts implemented to mitigate the pandemic's consequences, such as providing free or significantly subsidized water and power and distributing food to those in need during Ghana's partial COVID-19 lockdown. On a related note, additional research clarifies the case for vertical expansion of the flagship social protection program and reveals that UNICEF and the World Bank worked closely with the government to develop a response that addressed the pandemic's immediate and long-term effects after the first COVID-19 cases emerged in Ghana in March 2020 (UNICEF, 2021). Furthermore, Botchwey argued that while most emerging nations were less fortunate than others, this was not always due to poor planning or the absence of adequate emergency response or welfare systems. He investigates Ghana's social policy and emergency response skills in light of the COVID-19 outbreak (Botchwey, 2021). According to his findings, the pandemic caused the government to implement a variety of emergency procedures, including bans on social gatherings, work, and travel, total lockdowns, and the shutdown of commercial and educational facilities. Despite the excellent work indicated above, there is still a major vacuum in the examination of SSNIT's post-COVID policy and strategy in Ghana.

A historical Overview of social security and National Insurance Trust in Ghana

In contrast to Europe, where social security was a direct result of the Industrial Revolution, Ghana and many other African countries saw the development of social security through a combination of colonization, industry, and urbanization. Colonialization and the introduction of new labor methods disrupted traditional structures and working conditions, resulting in an increase in paid employment in cities. With the start of the Industrial Revolution, the Ghanaian wage laborer and his family were wrenched from their traditional environment and subjected to social conditions similar to those seen in industrialized nations (SSNIT, 1991, 1).

Prior to the establishment of Ghana's government Social Security Scheme, private efforts were implemented to provide urban wage earners with a minimal level of material security. Prior to independence, Ghana did not have a national or consistent social security plan. There were both governmental and private initiatives designed to meet the security demands of various labor sectors. For example, once the country adopted the International Labour Organization's Convention on Workers in 1940, workers who were injured on the job were entitled to monetary compensation. (SSNIT, 1991, 3)

The Teachers' Pension Ordinance of 1955 extended eligibility for benefits under the 1946 Ordinance to qualified teachers. Senior academics and lecturers at the

University of the Gold Coast, the country's top university at the time, had access to a private superannuation plan. Several private sector firms, notably significant international trade and commercial enterprises, formed provident fund, pension, and superannuation programs that delivered benefits to senior African employees upon retirement (SSNIT: 1991, 3).

Following its proclamation of independence in 1957, Ghana started a massive industrial and educational development. In the end, many individuals relocated to cities and other metropolitan regions in search of white-collar work. Immigration raised several social, economic, and political difficulties. The worker faced an uncertain future after being cut off from his origins and losing the protection given by the traditional extended family structure. To address this untenable situation, the First Republic's government introduced compulsory savings schemes, followed by the Social Security Scheme. (SSNIT, 2024).

The Compulsory Savings Scheme was founded in the early 1960s, and it required forced withdrawals from all workers' pay and salaries, which were subsequently put into a government chest. Workers were informed that their funds will be returned to them with interest (SSNIT, 2024). Many employees got disinterested in the Scheme due to a lack of information about it. The inadequate return system, which eventually prohibited many workers from retrieving their money, worsened this attitude. This plan was discontinued in 1965. Thus, the Compulsory Savings Plan was a critical first step toward the establishment of Ghana's Social Security system, and its influence cannot be underestimated (SSNIT, 2024). The impact was disastrous in terms of the contributors' psychological profiles. When the Scheme first began in 1965, it had a skeleton workforce of 37 people who were all public workers. (SSNIT, 2024)

Furthermore, the Asare Committee was formed in 1960 to explore the viability of establishing a National Pension and Insurance Scheme for Workers, with Mr. T.O. Asare, the then-Managing Director of the Ghana Commercial Bank, serving as the committee's chairman. Mr. A. Zelenka, an expert from the International Labour Organization (ILO) on Social Security issues, later assisted the Committee. During the opening of the Trade Union Hall in Accra in 1960, Osagyefo Dr. Kwame Nkrumah, President of the First Republic, stated that "the government was considering the possibility of establishing a National Pensions and Insurance Fund to manage the Pension and Provident Fund of all workers irrespective of their employers." On February 17, 1965, the First Republic's Parliament passed a bill (later known as "The Social Security Act, 1965", Act 279) with the purpose of creating a Social Security Fund "to provide for contributions thereto, for payment

there out of superannuation, in-invalidity, survivors and other benefits. and for matters connected therewith or incidental thereto" (SSNIT, 1991, 3). As a result, the nation witnessed a watershed moment in the lives of its workers. Workers now have access to a national Social Security program (SSNIT, 1991, 3).

In November 1972, NRCD 127 established the Social Security and National Insurance Trust (SSNIT) as an autonomous institution to supervise the Social Security Program. The SSNIT administered benefits; for qualified members who paid into the program throughout their working years, the benefit served as a kind of retirement income. To be eligible for a full pension, the individual must be at least 60 years old and have contributed for a total of 180 months. (Google, 2024). Act 766 of 2008, an Act of Parliament, updated the scheme and implemented it in January 2010 to replace all pension systems in Ghana, including Cap 30. Act 766 was amended in part by the National Pensions (Amendment) Act 883, which was passed in 2014. (SSNIT, 2024).

The social security and National Insurance Trust policy of 1965 (provident fund), 1972 (social security), and 1991 (pensions) in Ghana

The Social Security Program, created in 1965, was a Provident Fund Program that provided qualifying members with lump sum payments. The scheme was intended to last five years, or until 1970, when it was to be converted into a pension plan that would pay retiring employees on a regular basis. (SSNIT, 1991,6). The Provident Fund Scheme lasted 25 years, longer than intended. Despite several attempts to provide social security to Ghanaian workers, the first comprehensive program, the NRCD 127, was approved in November 1972, addressing some of the flaws of the 1965 Parliamentary Act 279. In order to oversee Ghana's social security programs, NRCD 127 established the Social Security and National Insurance Trust (SSNIT), an autonomous body corporate. With the introduction of SSNIT, a social security program that gave members lump sum payments became essentially a Provident Fund Scheme. (Kumado and Gockel, 2003, 9).

Act 279 of 1965 and NRCD 127 of 1972 both required insurance for employees in enterprises with five or more employees. Employees at firms with less than five employees, including independent contractors, could also participate optionally under the laws. Act 279 of 1965, as updated by NRCD 127 of 1972, established coverage standards for workers working in businesses with five or more employees. A firm with less than five employees might opt to join in the program; however, there was no obligation.

Nonetheless, the following groups of employees were legally barred from participating in the program, despite employing more than five people: a)

members of the armed forces, police, and prison service; b) foreign nationals serving in diplomatic missions; and c) senior staff members of universities and research organizations. The SSNIT-run Provident Fund Scheme provided five direct benefits, in addition to a superannuation payment, to address the following contingencies: unemployment, illness, invalidity, and surviving emigration. Ghana's provident fund plan only met the five minimum conditions for social security or contingencies outlined in ILO Convention 102 of 1952, which Ghana ratified. (Kumado and Gockel, 2003, 10).

Law 247 of the PNDC The "Social Security Law, 1991" (PNDC Law 247) succeeded NRCD 127, which was abolished by the PNDC administration in February 1991. PNDC Law 247 attempted to solve some of the most major faults of the now-defunct Provident Fund Scheme (SSNIT, 1991). In this sense, the principal purpose of Law 247 is to transition Ghana's social security system from one that paid out lump sum benefits to one that pays members on a monthly basis until they die. Unlike its previous scheme¹, the 1991 Social Security Scheme is based on insurance ideas that include a collective pooling of resources to solve specific situations. Another issue is the transfer of resources across generations.

Protection under PNDC Law 247 Coverage under Law 247 is more thorough than under NRCD 127. Law 247 states that all employee classes in both the official and informal sectors of the economy are eligible for the program. Unlike NRCD 127's restrictions, which banned enterprises with less than five employees from coverage, Law 247's program covers "self-employed persons who opt to join the scheme." Members of the now-defunct Provident Fund Scheme, including employers and workers, were automatically registered in the Social Security Program in 1991. Similarly, beneficiaries of lump sum payments under the Provident Fund Scheme who were under 60 years old were offered the option of repaying these sums plus interest in order to qualify for benefits under the new pension plan. (Kumado & Gockel, 2003, 11).

However, "officers and men of the Armed Forces and other officers as are expressly exempted by law" were not covered by the scheme. These groups are protected under the 1946 Pensions Ordinance, generally known as CAP 30, which we shall discuss later. Others have received exemptions under the Police Service Pension Law of 1985 (PNDCL 126), the Legal Service Public Officer Pensions Amendment Law of 1986 (PNDCL 165), and the Prisons Service Pension Law of 1987 (PNDCL 168). For these public-sector personnel, CAP 30 establishes specified benefits in a non-contributory pension. The Social Security Scheme established by

PNDC Law 247 is designed to be self-sufficient and self-sustaining through member payments.

The contribution rates remained unchanged from the ended scheme, which meant that the employer and employee contributed 12.5% and 5% of the employee's basic monthly income, respectively. A member who works for themselves must give 17.5% of their monthly salary. Although the legislation requires employers to pay employees' contributions within fourteen days of the end of each month, self-employed individuals are free to determine the time or periods of payment. This is especially true for independent contractors who earn seasonal income. (Kumado and Gockel, 2003, 12).

The employee and employer's monthly payments were initially set at 7.5% and 15% of the worker's basic wage, respectively. After the first six months of operation, the employers of both Schemes realized that the initial rates were too high for a portion of the contributions made by many employers and workers, so they reduced them to 5% and 12.5%, respectively, for the monthly payment into the Fund (SSNIT, 1991, 6). To expedite the process of collecting and paying contributions, the law permitted employers to deduct the employee's share of contributions from earnings at the source. The Provident Fund Scheme created six direct benefits to cover the following contingencies: unemployment, emigration, sickness and invalidity, death and survivors, and superannuation. In 1972 and 1968, the Scheme contained contingencies for unemployment and sickness, respectively. (SSNIT 1991, 6). The Social Security Act of 1965 originally established the superannuation age at 55 for women and 60 for males.

However, the Social Security Decree of 1972 reduced the retirement age for women to fifty and men to fifty. A member was entitled for an Interim Superannuation Benefit at age 50 for men and 45 for women. Final superannuation became payable when a member reached the ages of 55 (for male members) or 50 (for female members), or when the member retired after attaining that age. If a miner had worked underground continuously for ten years or more, they were qualified for interim superannuation at the age of 45 and above. (SSNIT; 1991, 6).

Every Social Security System beneficiary had access to life insurance coverage. If a member dies while enrolled in the Scheme, that is, before receiving their final superannuation, invalidity, or emigration benefit, their nominees or beneficiaries are entitled to a share of the benefit as long as they continued to make contributions for at least a year before the member's death.

To be eligible for unemployment benefits, the member had to have contributed at least 36 times every month, with two of those contributions occurring during the four months before the member's job loss. A member was disqualified if he lost his employment for reasons beyond his control (resignation or disciplinary action that

ended in termination), or if he took any job during that period that earned at least 50% of his previous base salary while jobless. Furthermore, the member would be ineligible for the benefit if he refused a suitable employment offer from the Labour Office or if his employer offered him severance or redundancy compensation (SSNIT, 1991, 7).

Except for sickness and unemployment, the member received the whole amount of his accumulated contributions, plus interest at a rate of three percent per year. However, because the unemployment and illness payments were fixed in cedi, numerous claimants decided not to claim them due to the high levels of inflation during that time. (SSNIT 1991, 7). The SSNIT scheme is the primary national pension plan for all Ghanaians; yet, it is just known as such since many public sector workers are also covered by a different pension plan. It is also known as CAP 30 and is derived from Chapter 30 of the Pension Ordinance of 1946, which predates all modern social security schemes. (Lawinsider, 2024). Until the Pension and Social Security Amendment Decree 1975 (SMCD 8) and the subsequent PNDC Law 247 were issued and implemented, the Pension Ordinance served as the "pension right" for pensionable Civil Service and Armed Forces officers. (Lawinsider, 2024). Since January 1, 1972, CAP 30 has most likely been closed to new recruits.

The Decree did, however, provide those who became Social Security Fund members on January 1, 1972 and held a pensionable position in the Public Service prior to that date with the option of continuing to receive the national pension under Cap 30 or joining the SSNIT Provident Fund as it existed prior to its conversion to a pension scheme under PNDC Law 247. In reality, the 1975 Decree stated that if persons did not use their choice to remain in the Social Security System within the time range established by the legislation, they were presumed to have elected to stay. Once exercised, the option could not be revoked. This clause projected that as time passed, fewer individuals would remain on Cap 30, however future events revealed that more people returned to Cap 30. This program operates simultaneously with the SSNIT Program. This was made possible by the Pensions and Social Security (Amendment) Decree of 1978 (SMCD 178). (Kumado & Gockel 2003, 14).

Furthermore, with the passage of the Police Service (Pension) Law, 1985 (PNDCL 126) and the Prison Service (Pensions) Law, 1987 (PNDCL 168), the Police and Prison Services have reverted to the Cap 30 scheme. According to both statutes, all money contributed to the SSNIT Social Security Fund must be refunded to individual contributors. Subsequent changes have made the CAP 30 Pension Scheme contributory for teachers and public officials, who remain

covered despite its initial status as a non-contributory plan with specified benefits. These members contribute 5% of their pre-tax income, which is recycled into the Consolidated Fund rather than saved. It remains a non-contributory program for the police, military, and prisons. These employees get their whole compensation; there are no pension deductions. Some debatable aspects of CAP 30 that make it superior to SSNIT include 70% of final salary as opposed to 50% of the average of the three highest years' compensation at SSNIT, a 10-year retirement period as opposed to 20 years at SSNIT, and annual salary scale indexation applied to CAP 30 pension payments. (Kumado and Gockel, 2003, 14).

The 2008 Social Security Policy (National Pension Act (2008) Act 766)

Act 766, which entered into force in 2010, provides for a contributory three-tier pension system and the establishment of a National Pensions Regulatory Authority (NPRO) to oversee the management and administration of the pension schemes. The contribution duration has been reduced to 15 years (180 months). The Act's major duty is to support SSNIT, which oversees the core National Social Security System, often known as the First Tier of a contributory three-tier system. SSNIT (2024). The stages of the National Pensions Scheme are as follows: Tier 2 is a privately operated occupational system that is fully supported by legislation. Tier 3 is a fully funded, private-managed provident fund with an optional personal pension plan. (SSNIT, 2024) In order to reduce the age of eligibility for the First Tier Scheme, Act 766, from 55 to 50 years old by 2010, an Act to amend the National Pensions Act 2008 (Act 766) was presented in 2014. The Act amended the formulas for calculating pensions, stating that a member is entitled to 37.5% of their pension right after a minimum of 15 years or 180 months of contributions, and that their pension right increases by 1.125% for each additional twelve (12) months of contributions, up to a maximum of 60%. A lump sum payment will also be provided to a non-Ghanaian Scheme member who confirms to the Trust that he is leaving Ghana or has departed permanently. In order. to facilitate a prompt assessment, employers must also provide the information requested by SSNIT within seven (7) working days.

More specifically, this study investigates the contributory three-tier pension scheme introduced by the National Pensions Act of 2008. It includes the following: A fundamental, legally required national social security scheme. a compulsory, fully funded, privately managed employee pension plan. AfricaPay.org was established in 2024. According to the Act, an employee's pension entitlement ranges from 37.5% to 60%, depending on how many months they work till retirement. A 37.5% pension right is provided for a minimum contribution of 180

months, with an additional percentage of 0.09375% granted for each month beyond that. (Google: 2024). Individuals who work—including those in the public sector who are not covered by any particular system—should follow the regulations. Optional coverage for independent contractors and uninsured workers a record of insurance. systems accessible only to senior government officials and members of the military forces. (SSA, 2019).

In addition, 5.5% of gross monthly covered earnings for covered persons and 18.5% of monthly covered declared income for optionally insured individuals. The federal minimum wage is used to calculate contributions every month. The country's minimum monthly pay is 287.55. Ghana Ceviche utilizes a maximum monthly income of \$25,000 to assess donations. Ghana pays premiums for both the insured and the employer, 11% of salaries for Old Age, Disability, and Survivors social insurance benefits, 5% for Mandatory Occupational Pensions, and 2.5% for medical payments. (SSA, 2019). 18.5% of a self-employed individual's monthly covered income was disclosed. The national monthly minimum salary is used as the minimal income criterion to calculate contributions. The country's minimum salary is 287.55 cedi per month. Contribution estimates are based on the maximum monthly wages of 25,000 cedis (MyWorkPay, 2024). Self-employed persons contributed 11% of their wages to social insurance benefits through the Old Age, Disability, and Survivors program, 5% to mandatory occupational pensions, and 2.5% to medical benefits. Meanwhile, the company paid out 13% of their gross monthly profits through payroll. (SSA, 2019). The national monthly minimum salary is used as the minimal income criterion to calculate contributions.

The country's monthly minimum swage is 287.55 cedi. Contribution estimates are based on a maximum monthly income of 25,000 cedis. Out of the overall payments provided by the insured person and their employer, 11% of salaries cover the expenses of social insurance benefits under the categories of Old Age, Disability, and Survivors; 5% go toward mandatory occupational pensions; and 2.5% go toward medical benefits. No, the government fulfills its role as an employer.

When it comes to disability benefits (also known as invalidity pensions or social insurance), an individual must be found to be permanently unable to work for pay and have made at least 12 months' worth of payments in the 36 months before the commencement of the disability. A regional medical board including a medical officer from the National Insurance Trust and Social Security must certify the disability after it has been evaluated by a licensed and accredited medical officer. The pension for disability is not payable overseas. If the deceased was under the age of 75 at the time of death, identified survivors will be eligible for a Survivor Grant. (SSA, 2019). Widow(er), orphans, parents, and any relatives specified by the dead are all eligible survivors. The deceased must have been totally or partially

dependent on the survivors. The Old Age Pension (Social Insurance) pays 0.09375% of average annual earnings for each month of payments after 180 months, as well as 37.5% of the insured's average annual earnings in the three highest earning years. The old-age pension has a monthly minimum of 300 cedi. The maximum annual old-age pension is 60% of the insured person's average annual salary over the previous three years. (SSA, 2019). The early pension benefits are examined each year and may be adjusted in response to the average increase in program members' earnings. The old-age grant (social insurance) is a one-time payout equal to the total of all employee payments plus interest accumulated. The interest rate is set at 75% of the 91-day Treasury bill rate. Starting July 1, 2019, the interest rate on 91-day Treasury notes is 14.7438% (SSA, 2019)

An assessment of the National Pension Act (2008) after Covid -19

In reality, SSNIT's social security policy has not altered since COVID-19. SSNIT's operating policy is based on the National Pensions (Amendment) Act of 2014 (ACT 883). To put it simply, the assessment is a study of the policy before and after COVID to determine if it should be altered or kept alone. In fact, the policy has experienced more positive adjustments. In addition to the self-employed component of the Social Security Law, SSNIT has launched a variety of activities aimed at attracting this category of people. These activities include the following: Increasing contribution payment flexibility: this policy allows self-employed persons to pick from a range of payment schedules, including monthly, quarterly, biannual, and yearly. There are no late payment penalties (Ohene-Djan, personal communication, 2023). To be eligible for full pension benefits in retirement, a worker must have contributed to the program for at least 240 months, or 20 years, and have reached either the statutory retirement age of 60 or the optional retirement age of 55 (Ohene-Djan, personal communication, 2023).

Nonetheless, anyone over the age of 55 who has worked for 240 months or more in hazardous professions, such as steel manufacturing or underground mining, is entitled for a full pension. For a minimum contribution period of 240 months, the minimum pension payout is 50% of the average earnings of the three best years. After 240 months of service, a worker earns a pension right of 0.125%, or 1.5% for every 12 months, in addition to the 50% start-off pension. (Tagoe, personal communication, 2023). As a result, after 40 years of contributing to the system, a worker may be entitled for an 80% pension. A reduced pension is owed to all other persons who opt to retire at age 55 or earlier than age 60. That is, at the age of 55, voluntary retirement is possible. The decreased payment, computed as

a percentage of the entire pension, changes with the beneficiary's age and is as follows: age 55, 60%; age 56, 67.5%; age 57, 75.0%; age 58, 82.5%; and age 59, 90.0%. (Interview with Tagoe). As a result, until the age of 59, when the reduced pension would have been 90% of the full pension, it is calculated as 60% of the full pension plus 7.75% for each additional year served. Although the pension is paid on a monthly basis, an individual has the option of receiving a lump sum payment equivalent to 25% of their 12-year pension in advance, resulting in a reduced benefit. However, a contributor would be entitled to receive his actual contribution plus interest at half the current Government Treasury Bill Rate if he were unable to work for 240 months prior to his voluntary or forced retirement (Komado and Gockel, 2003, 13).

Furthermore, the Social Security and National Insurance Trust (SSNIT) has sponsored pensioners' medical funds and paid nearly GH¢7 billion in pensions to over 244,000 seniors nationally this year. The National Health Insurance Authority (NHIA) receives 2.5% of the 13.5% withheld by SSNIT for member health insurance, with the remaining 11% set aside for Tier 1 administration. In addition, the Scheme's Minimum and Maximum Entry Ages apply only to new members (age 45 or older to reach the necessary second tier). Furthermore, there is the 55-year-old age exemption (option to enroll). The minimum and maximum contributions are established and assessed on a regular basis. External investments are permitted under the investment policy for funds. According to the guideline, Invalidity of Superannuation Pension Contributors have received all gross benefits, including the Pension Survivors Lump Sum

The policy has reduced the qualifying term from 240 months (20 years) to 180 months (15 years) and raised the duration of the Guaranteed Survivors Benefits payout from 12 to 15 years. Furthermore, the guaranteed pension payout period has been expanded from 12 to 15 years. Even an underground miner who quits at 55 receives full retirement benefits after working for 72 to 75 years. Furthermore, if a person is disqualified for any of the aforementioned two (2) benefits, they will get a refund of their contributions plus interest. To promote transparency, the National Pensions Regulatory Authority (NPRA), a well-established regulator, is the last to regulate pension funds. Apart from the policy's potential, the primary private benefits supplied by Ghanaian employers are: retirement benefits, death benefits, medical benefits, disability benefits, and benefits for accidental death and dismemberment (GlobalData, 2024).

Furthermore, the policy (tier 3) provides for voluntary or personal contributions or provident funds from both the employee and the company.

Contributions are also made to private pension trustees or private pension fund managers who manage the contributors. (Ayebo, 2014). Contributors get lump amounts from tiers 2 and 3 when they retire. In order to avoid payment delays caused by COVID-19, the Social Security and National Insurance Trust (SSNIT) created procedures in June 2021 that allowed Scheme members to merge their SSNIT and NIA numbers (Personal ID numbers on their Ghana Cards) for easier identification and payment. (SSNIT, 2024).

Limitations of the Policy after covid -19

However, the policy is insufficiently restrictive. To assess SSNIT's ownership status, first analyze the persons who donate the funds, who may eventually be held liable, or who stand to lose money if the SSNIT Fund fails. Workers of all categories, on whose behalf money are given in line with Section 20 of PNDC Law 247, are the ultimate owners of the SSNIT Fund. Section 19 of PNDC Law 247 specifies that "the Board shall cause to be maintained for each member an account to which shall be credited all contributions" with relation to these persons. Even when the government refuses to pay contributions, it might be unpleasant at times. for workers. For instance, the National Association of Graduate Teachers (NAGRAT) raised grave worry over the government's alleged inability to pay Tier 2 pension plan payments and other third-party deductions for approximately 700,000 Ghanaian workers since July 2023. (Safo, 2024).

In fact, the Social Security Regulations, 1973 (L.I. 818), Regulations 20, and the antecedent legislation to PNDC Law 247 explicitly state that "The Trust at the end of each year, shall furnish to the employer of each member and the employer shall transmit to the member an annual statement showing the accumulation in the Fund at the credit of the member" and "The Trust shall maintain in respect of each member a record of contributions paid by or on behalf of the member As a result, there is a solid legal and financial foundation for the allegation that the SSNIT Fund is a private fund with the government serving as custodian (Owusu, personal communication, 2023). Section 18 of PNDC Law 247 states that any expenses incurred in "the direction of the day-to-day business of the Trust and of its administration" are deducted from members' contributions. It is crucial to highlight that the workers whose money are in the SSNIT Fund are solely responsible for any scheme administrative costs. The Fund is not run by the government or using public funds; any money provided to the Fund by the government is done so as an employer of particular workers, much like any other business, such as Ashanti Gold Fields and Volta Aluminum Company (Tano, personal communication, 2023).

Section 33 of Law 247, which provides that no action or other legal procedures may be launched against any member of the Board, or any officer or employee of the Trust, for anything done in good faith in the pursuit of the Law's goals, even indemnifies the Board members. In other words, the SSNIT Fund donors suffer SSNIT's loss. As a result, the SSNIT Fund is solely owned by the donors who take on the risk and send their money to the SSNIT management. (Offei, personal communication, 2023) It should be highlighted that, like with all other funded pension systems, large sums of surplus funds accumulate and require investment. Since the SSNIT Scheme under Law 247 was designed to be self-sustaining, it is expected that investment policy will be considerably more professionally created and implemented. Then there are government bonds, which, while having a longer maturity, are declining. This progressively declined, from 9.43% of total investments in 1997 to 7.16% in 2000.

Bonds and short-term investments are the least risky assets and frequently provide the best rate of return for SSNIT. Corporate loan investments fell from around 24% of SSNIT's total investment in 1997 to about 11% in 2000 (Kumado and Gockel, 2021). Following COVID-19, government bonds saw a dramatic decrease in value and profitability. The policy currently does not compensate donors, which is insufficient whenever contributors' cash are invested. Unsuccessful investments in unlisted stocks, negative experiences with corporate loans, and real estate investments with insufficient cash flow have all led to dismal returns. (Malcom, personal communication, 2023). Despite declining as a fraction of the total, property investment remains the largest investment industry, accounting for over one-third of all investments.

SSNIT General and Administrative Expenses Another key concern with the SSNIT fund's management is the relatively high administrative costs incurred. In reality, fund management expenditures are not only large, but also increasing, reaching a record of 30.1% in 1998. SSNIT's experience has been highly troubling, particularly since 1997. Between 1997 and 2000, SSNIT managed the Fund with an average of about 26% of total donations. (Kumado and Gockel, 2003, 24). The aforementioned self-indictment of excessive resource utilization and high administrative costs could not be expressed more properly. Even if this is not a Ghanaian occurrence, the growing trend in spending suggests that considerable cost-cutting measures are required to boost efficiency. Controlling administrative expenses can have a significant influence on the quantity of benefits available to SSNIT donors. Regarding coverage, despite the fact that SSNIT has enabled informal workers to enroll in the program under the policy, issues persist that have resulted in a poor coverage of this industry. Payments must be provided on a monthly basis within

a certain time frame and based on a specific percentage of the worker's monthly compensation, according to the statutory framework. Workers in the informal sector believed that this structure was unnecessarily rigid due to their irregular income. Workers in the informal sector are more open to short-term financial provisions than long-term ones because they lack the considerably higher employment and income stability that workers in the formal sector have. Workers in the informal sector think that the benefits provided under the statutory plan are inadequate to meet their immediate needs. (Malcom, private communication, 2023).

Unofficial Industry in emerging economies, unorganized sector employment is the rule rather than the exception. The majority of employed individuals, notably women, labor in the informal economy. While there are some variances, the key features include unstable contracts, poor income, and little to no protection against illness, unemployment, or other risks. Thus, the fact that contributory social insurance programs frequently exclude the enormous informal sector further limits their application in emerging countries. Furthermore, participants in the social security program must make their contributions in person at the nearest social security office in compliance with the statutory program's administrative procedures. The bulk of persons in the informal sector, however, find this process time-consuming and frustrating since it leaves their enterprises unattended while they are required to make the payment.

Employees in the unorganized sector have a significant distrust of bureaucratic organizations because they believe their processes are onerous, time-consuming, and ambiguous. Their preference for interactions with companies with simple procedures that are familiar to them, such as revolving credit and savings programs, demonstrates their mistrust. The purpose of pension programs is to provide a consistent income to persons who have reached retirement age. Nonetheless, the vast majority of individuals in poor countries are forced to labor until they are old, especially in the informal sector. This is either because pensions are insufficient, or there is no legislative right or actual access to pensions. The majority of retired people in underdeveloped countries do not get non-contributory social assistance or a universal pension, and the majority have never paid into contributory old-age pension plans (sometimes because they could not). Pension requirements are frequently too low to ensure a dignified existence. (Tagoe, personal communication, 2023). Also, SSNIT was scheduled to declare the revised pension indexation rate for 2024 in conjunction with the National Pensions Regulatory Authority (NPRA), as required by Section

80 of the National Pension Act, 2008 (Act 766) (GhanaWeb, 2023), and this reveals a narrative of dissatisfaction among pensioners.

Conclusion

The National Insurance Trust (SSNIT) and Social Security are in charge of the first layer of the three-tier pension scheme. SSNIT has managed social insurance in Ghana for many years, providing its members with excellent retirement and injury benefits. However, SSNIT always acts within legal limits. The major responsibility of SSNIT is to compensate Ghanaian workers for pay losses caused by the COVID-19 epidemic. It appears that the policy says nothing about this. In other words, it appears that the policy had evident faults prior to COVID-19. Many people still believe that reforms to the present social security scheme are necessary because they see the need for them. SSNIT must submit an annual report to Parliament and/or appear in person to respond to questions during House sessions. The Public Accounts Committee of Parliament should review the report, which should be supported by audited statements, to ensure that the policy is held responsible in front of all eyes. SSNIT should be substantially backed by government legislation as a First Tier National Pension Scheme. However, the government's excessive influence must be eliminated from its operations. In reality, the majority of the program's flaws may be linked to PNDC Law 247, the legislation that established SSNIT, and how it is administered. To put it another way, the government must play a substantial regulatory role.

Thus, the goal of this research was to discover whether or not in reality, workers' decisions to join the pension plan for their retirement years are heavily impacted by the satisfaction of their pension demands, and they continually expect excellent deals from SSNIT, which are not realized at all levels. The policy for retired contributors must indicate the right combination of social insurance that Ghana accepts. The policy, as it is currently, falls short of its desirable qualities. Stakeholders must guarantee that pensions are not reassessed on a discretionary or ad hoc basis, but rather based on economic progress in each year and in accordance with legislative regulations. Pension increment rates, in particular, must keep pace with general fluctuations in the prices of goods and services (inflation). This will ensure that pensioners' socioeconomic well-being remains stable.

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