

# SSNIT increases pension by 15%

By Emmanuel Bonney

THE Social Security and National Insurance Trust (SSNIT) has increased the monthly pension payments by 15 per cent, effective January this year.

Under the arrangement, all persons on the SSNIT pension payroll as of December 31, 2023, will have their monthly pension increased by a fixed rate of 10 per cent plus a redistributed flat amount of GH¢79.10.

The redistribution is to cushion persons with low pensions under the current economic situation, SSNIT said at a press conference in Accra yesterday to announce the new increase in the monthly payments.

The redistribution is a mechanism applied to the rate (indexation rate) to cushion low-earning pensioners in conformity with the solidarity principle of social security.

SSNIT, in consultation with the National Pensions Regulatory Authority (NPRA) and in line with Section 80 of the National Pensions Act, 2008, (Act 766), indexed the monthly



• Dr John Ofori-Tenkorang (inset), Director-General of SSNIT, addressing the press conference in Accra

pensions upwards by 15 per cent for the year 2024.

The effective increase in pensions would, therefore, range from 10.05 per cent for the highest-earning pensioner to 36.37 per cent for

the lowest-earning pensioner.

Accordingly, the highest-earning pensioner as of

December 31, 2023 will now receive GH¢186,777.58 per month in 2024.

The lowest-earning pensioner will now have the monthly pension increased from GH¢300 to GH¢409.10 in 2024.

Also, the average monthly pension will now increase from GH¢1,527.29 in 2023 to GH¢1,756.38 in 2024.

The 15 per cent indexation rate will result in an additional pension expenditure of GH¢697.64 million, bringing total pension payroll expenditure in 2024 to GH¢5.38 billion.

The total expenditure will exclude pension cost for new awards, that is the benefits to be paid to retirees who will be due for pension in 2024.

The total benefit expenditure is projected to increase from GH¢5.44 billion in 2023 to GH¢7.02 billion in 2024.

Addressing journalists, the Chief Actuary of SSNIT, Joseph Poku, said the indexation of pensions was a technique used to adjust



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pensions payment to help maintain the purchasing power of pensioners.

Four factors, he said, informed the 2024 indexation rate.

They are the projected average wage inflation rate of active contributors for 2024, which is 20 per cent; forecast of the change in annual average Consumer Price Index (CPI) for 2024 (23.16 per cent), the ability of the SSNIT fund to pay (liquidity), and the long-term sustainability of the scheme.

“So, we need to make sure that the scheme is protected, it’s in existence to be able to continue to pay pension or benefits when they fall due, so that is very crucial,” Mr Poku

said.

The Chief Actuary said SSNIT was maintaining the minimum pension of GH¢300 and that the amount was a subsidised pension as a result of very low salaries on which contributions were paid.

“That’s why I have taken time to explain that people are paying less, GH¢294, but the scheme, being so generous, pays GH¢300 to cushion them,” Mr Poku stated.

## Pensioners

Responding to questions, the Director-General of SSNIT, Dr John Ofori-Tenkorang, said over 70 per cent of pensioners would get about 15 per cent because of the

redistribution.

He said the mandate of SSNIT was to ensure that when people retired, their purchasing power was maintained and not made worse off because of inflation, adding “in the ideal world you would want to track inflation and if even possible, beat it.”

Dr Ofori-Tenkorang said pensions were not something that could be deferred.

He reminded employees whose SSNIT contributions were not being paid to check their statement by going online on the trust’s portal or visit any of its branch offices and ask for their statements to be printed for them.

“If your email address with us is not correct, please make sure that it is updated because every quarter, we actually send out

statements to all our subscribers,” Dr Ofori-Tenkorang said.

He said if contributors were not getting their statements that would mean that their email addresses with the trust were not correct and needed to be fixed.

“Once you have scrutinised your statement and you have found out that your contributions are not being paid, we have a whistle blower line where you can call and let us know,” Dr Ofori-Tenkorang said.

He said contributors could walk to any of the SSNIT branch offices to give a tip-off to any of the staff, who had been trained and sensitised to such issues so that the identity of the victim would not be compromised.