

Pension Benefits Up 15%

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THE SOCIAL Security and National Insurance Trust (SSNIT), in consultation with the National Pensions Regulatory Authority (NPRA) has increased monthly pension benefits by 15% for the year 2024.

According to SSNIT, the increase is in line with section 80 of the National Pensions Act, 2008, (Act 766), and all pensioners on the SSNIT Pension Payroll as at December 31, 2023 will have their monthly pension increased by a fixed rate of 10% in addition to a redistributed flat amount of GH¢79.10.

"The effective increase in pensions would therefore range from 10.05% for the highest-earning pensioner to 36.37% for the lowest-earning pensioner. The lowest-earning pensioner as at December 31, 2023 will have the monthly pension increased from GH¢300 to GH¢409.10 in 2024," he explained.

Joseph Poku, Chief Actuary, said "the average monthly pension will increase from GH¢1,527.29 in 2023 to GH¢1,756.38 in 2024. The effective increase in pensions would therefore range from 10.05% for the highest-earning pensioner to 36.37% for the lowest-earning pensioner, while the highest-earning pensioner as at December 31, 2023 will receive GH¢186,777.58 per month in 2024".

"The lowest-earning pensioner as at December 31, 2023 will have the monthly pension increased from GH¢300 to GH¢409.10 in 2024. The average monthly pension will increase from GH¢1,527.29 in 2023 to GH¢1,756.38 in 2024," he added.

He said the redistribution is a mechanism applied to the indexation rate to cushion low-earning pensioners in conformity with the solidarity principle of social security. The SSNIT scheme, like any other defined benefit scheme, pays pensions which mirror the earned salaries on which contributions were paid.

He indicated that the 15% indexation rate will also result in an additional pension expenditure of GH¢697.64 million, with a total expenditure in 2024 for pensioners on the Pension Payroll as at December 31, 2023 amounting to GH¢5,387.72 million.

"The total benefit expenditure is projected to increase from GH¢5,445.91 million in 2023 to GH¢7,023.43 million in 2024," he added.