

71,000 Self-employed enrolled onto Tier 1 pension scheme — SSNIT

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THE Social Security and National Insurance Trust (SSNIT) has enrolled over 71,000 informal sector and self-employed persons onto the state-run Tier One pension scheme.

The significant increase of contributors from 14,200 to 71,000 as of May last year followed the implementation of a self-employed enrolment drive (SEED) initiative.

"The initiative has made it possible for artisans, carpenters, masons, tailors, auto-mechanics and traders to contribute towards their pension.

"SSNIT has targeted to enrol about 10 per cent of the 3.6 million self-employed Ghanaians who are yet to join the

Highlight

■ The increase in the number of contributors from 14,200 to 71,000 as of May last year followed the implementation of a self-employed enrolment drive initiative.

scheme although they fall within the required contributors age of 15 and 45," the Director-General of SSNIT, Dr John Ofori-Tenkorang, said when he appeared before the Public Accounts Committee (PAC) of Parliament in Accra yesterday to respond to some infractions contained in the Auditor-General's report on the fund.

Situation

The Director-General told the committee that currently, only 0.3 per cent of pensioners on the SSNIT monthly payroll were self-employed.

That represents 630 of the 245,000 pensioners, he added.

"This shows the existence of a retirement insurance gap of the more than 6.7 million persons engaged in the informal sector and self-employed as captured in the 2021 national population census.

"Per the 2021 population census, 6.7 million Ghanaians are working as self-employed. Out of this figure, 3.6 million fall between the age bracket of 15 and 45 years and can join SSNIT," Dr Ofori-Tenkorang said.

Tier Two pension

On Tier Two pension, the Director-General said the Minister of Employment and Labour Relations,

Ignatius Baffour Awuah, would this month meet key stakeholders in the pension industry regarding the fund of an outstanding four per cent Tier Two contributions to the SSNIT.

The 2022 Auditor-General's report highlighted SSNIT's inability to fully retrieve contributions from the tier Two fund managers who were entrusted with managing the funds on behalf of contributors following the enactment of the National Pension Act, 2008 (Act 766).

Since the enactment of the Act, a total of 105,124 contributors from the public and private sectors had already made contributions to SSNIT.

The contributors, whose four per cent contributions were managed by private

fund managers, had now been retired and were receiving full pensions from SSNIT.

As of the beginning of 2021, the fund managers owed SSNIT GHe483,365,156. However, only GHe6,076,705 was received by SSNIT in 2021, leaving an amount of GHe477,288,451 yet to be retrieved from the fund managers.

On advance payments of the 15 per cent contract sum threshold as stipulated in the Public Financial Management Regulations 2019 (L.I. 2378), the Deputy Director-General of SSNIT in charge of Investment and Development, Kofi Bosompem Osafo-Mafo, said the Trust had accepted the recommendations.

He said management had put in measures to ensure that subsequent payments would not exceed 15 per cent of the contract sum threshold.

Tier Three pension

On Tier Three pension, the Minister of Employment, Labour Relations and Pensions, Mr Awuah, explained that the government introduced the scheme to enable all workers, including those not enrolled on Tiers One and Two to save towards their retirement.

Currently, more than 800,000 workers, mainly in the public sector, had enrolled onto the Tier Three pension scheme, he said.