

Employer and Employee Obligations under the National Pensions Act 2008, Act 766

The Ghana Pensions Act 766 places obligations on both employers and employees of Ghanaian businesses. However, the burden of compliance rests solely with the employer, as the employee typically has no option to opt out unless he or she is over 55 years of age.

And non-compliance can result in penalties being levied against the business, not to mention a damaging loss of reputation. So, how can business owners safeguard against this? They must understand their obligations, and those of their employees.

On this page, we'll give you a quick overview of both:

EMPLOYER OBLIGATIONS AND PROCEDURES

Employers must:

1. Be registered with both Social Security National Insurance Trust (SSNIT) and a fund manager(s) of its choice.
2. Ensure all their employees are registered, deduct and pay contributions on their behalf.
3. Submit required returns and contributions at the end of every month.
4. Make pension payments not later than the 14th day of the following month as late payment will attract penalty.
5. Keep adequate records of all Social Security numbers, remunerations and personal records of workers and notify SSNIT of change of labour force, location, status and cessation of operation. This is important as pension contribution can be subject to audit.
6. Make available all such information and documents for inspection when required to do so by an accredited officer of the Trust.

EMPLOYEE OBLIGATIONS

Employees must:

1. Register with SSNIT to get a membership number (Social Security number) and a smart card under the scheme. The Social Security number is a unique number and used to track your contribution and related personal data.
2. Be honest in the information submitted to register for pension. Untruthful information is fraudulent and can have consequences.
3. Contribute to the SSNIT Scheme during their working life to receive monthly pension during retirement or when incapacitated. Since deductions are made at source, this is typically not a problem.
4. Check that your employer deducts and makes monthly pension payments to SSNIT and your private pension fund managers. If your employer does not make deductions and payment on your behalf this affects your contributions and benefits. Notify SSNIT and your fund manager of any default.
5. Do not register more than once. If you lose your card or forget your number report to SSNIT and they will help you.
6. Update your personal data and your next of kin when there are changes in your status.
7. Take steps to update or correct missing or inaccurate information in the statement of account presented by SSNIT.
8. Notify SSNIT of any disability or decision to take early retirement.

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