

KEYNOTE ADDRESS BY HON. BRIGHT WIREKO-BROBBY (MP), DEPUTY MINISTER FOR EMPLOYMENT AND LABOUR RELATIONS AT STAKEHOLDERS' FORUM CONCERNING THE STATE OF THE 3-TIER PENSION SCHEME IN GHANA HELD ON WEDNESDAY, 31ST JANUARY, 2018 AT THE ORCHID HOSPITALITY MANAGEMENT SERVICES, ACCRA

Mr. Chairman;

The Chief Executive Officer, National Pensions Regulatory Authority (NPRA);

Heads of Departments and Agencies;

Social Partners;

Distinguished Invited Guests;

The Media;

Ladies and Gentlemen;

I am extremely delighted for the honour done me and I consider the invitation a privilege to deliver the keynote address on this important forum concerning the state of 3-Tier pension scheme in Ghana.

I wish to also convey my Minister's warm greetings to you all who desperately wanted to be here to interact with you on this sensitive subject but had to attend to other equally important national assignments outside the country.

Mr. Chairman; indeed, it is prudent I acknowledge the significance of pensions in our lives today. Discussions on pensions are sensitive and they form important component of social protection a key pillar of the Decent Work Agenda we seek to promote. Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace, social protection and social dialogue. Interestingly, coverage of pensions in Ghana is limited and largely confined to workers in the formal sector. This reflects the fact that, only a small minority of workers are in the formal sector whereas a large proportion of about **88.9%** of the labour force are in the informal sector. With these estimates, this is unacceptable and an indictment to our commitment to the welfare of workers and pensioners in the country.

Mr. Chairman; against this backdrop, I seize this unique opportunity to extol the contributions and efforts of the pioneers of this 3-Tier Pension Scheme. Permit me to also commend the NPRA and all other stakeholders for their unrelenting desire to the success of the 3-Tier Pension Scheme. Today's encounter is not only coincidental but an appropriate time to brainstorm on the true state of the 3-Tier Pension Scheme in Ghana and how it can be improved for the benefit of all. The 3-Tier Pension Scheme established by the National Pensions Act, 2008 (Act 766 as amended by Act 883) comprises two mandatory schemes and a voluntary scheme. The **1st tier**, which is the mandatory basic national social security scheme is managed by Social Security and National Insurance Trust (SSNIT) and covers all employees in both the public and private sectors. The **2nd tier**, which is the occupational pension scheme is mandatory for all employees but privately managed and designed primarily to give contributors higher lump sum benefits than previously available under the SSNIT scheme and the 3rd tier, which is the voluntary provident fund is to provide additional funds for workers in the formal sector who want to make voluntary contributions to enhance their

pension benefits as well as workers in the informal sector. It may interest you to know that, the focus of the 3rd Tier is on the informal sector due to their high levels of vulnerability, informality and social exclusion among others. Notwithstanding the above, special provisions have been made in the 3rd Tier to cater for peculiar needs of workers in the informal sector. Once this process is completed, we can be assured that, the United Nations 2030 Agenda for Sustainable Development that embraces the three dimensions of sustainability – economic, social and environmental will be attainable.

Mr. Chairman; unfortunately, the 2nd Tier of the 3-Tier Pension Scheme has been subjected to some tussle by labour unions for some years now until recently, when a Committee was constituted to investigate and resolve the matter. The outcome of the Committee's work is the seamless transfer by Government of an amount of GH¢ 3.1 billion from the Temporary Pension Fund Account (TPFA) held at the Bank of Ghana into the custodian accounts of the various labour unions' pension schemes. This

concern has been pending for 6 years destabilizing the labour front and almost making government unpopular. Thankfully, with the support of all stakeholders and their incontestable cooperation, the matter has been resolved amicably and has become a thing of the past. The Ministry of Employment and Labour Relations therefore seizes this platform to express its deepest appreciation to all involved in the resolution process.

Ladies and Gentlemen; formalising the informal sector is atop government's medium-term development priorities and this has been keenly demonstrated in the National Identification Programme and the National Digital Property Addressing System. The principal objective of formalisation is to broaden the tax base for revenue mobilisation towards policy and development planning. In view of this, discussions on financial inclusion cannot be overemphasized. It is in this light that, the Ministry together with its Social Partners is committed to expanding pension coverage to all workers in the country particularly those in the informal sector. I am ecstatic to inform you that, last year 31st

May at the National Theatre in Accra, TUC-UNIWA Informal Workers' Pension Scheme was launched. This is directly in tandem with government's vision of enhancing financial inclusion, one of the key pillars of the formalisation process.

Mr. Chairman, Distinguished Invited Guests, as a sector with the mandate of regulating the world of work for decent work outcomes, we are very unwavering in our commitment to ensure that, the wellbeing of all workers is not compromised. **Ladies and Gentlemen;** it is very important to note that, Ghana is in the process of finalising the 2009 reform of the pension system which saw the creation of the 3-Tier pension scheme. However, one piece of unfinished business is the Unification of the various parallel pension schemes in the public sector into the three-tier system. One of the major reasons for the enactment of **Act 766** is the issue of unification. Unification is to ensure retirement income security for all Ghanaian workers through equity. It is therefore incumbent on us to lead that process, continue from where our predecessors' paused otherwise posterity will judge us

for not fully implementing the recommendations of the Presidential Commission on Pensions. To this end, let's intensify our efforts so that, our hardwork will translate into significant outcomes for economic growth and sustainable development.

Mr. Chairman, Distinguished Invited Guests, Ladies and Gentlemen; having said all these, it is my expectation that, discussions today will add to the reputation of this relevant stakeholder's forum on the state of 3-Tier Pension Scheme in our country. Let's continue to engage, collaborate and share experiences towards the common goal of ensuring that, the 3-Tier Pension Scheme will be fully implemented as required by the law.

I thank you all for your attention and for having me.

GOD BLESS US ALL.