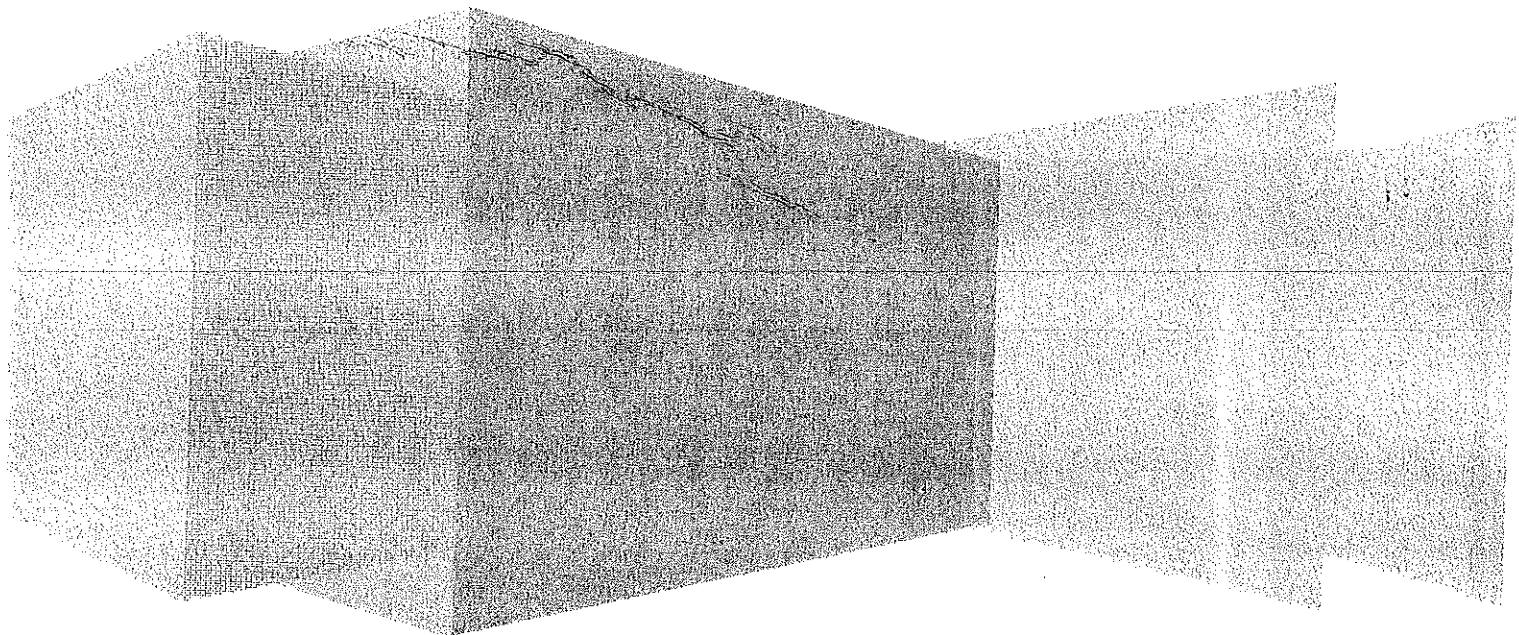


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IN THE FOURTH SESSION OF THE FOURTH PARLIAMENT OF THE  
FOURTH REPUBLIC OF GHANA

**REPORT OF THE FINANCE  
COMMITTEE ON THE  
NATIONAL PENSION  
REFORM BILL**

14th July, 2008



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## **1.0 INTRODUCTION**

The *National Pension Reform Bill* was laid in the House on *Friday June 27, 2008* and referred to the Finance Committee for consideration and report in accordance with article 103 of the Constitution and Standing Orders of the House.

To consider the Bill, the Committee met with the Minister of Finance and Economic Planning, Hon. Kwadwo Baah-Wiredu, Minister of State at the Ministry of Finance and Economic Planning, Hon. Dr. Anthony Akoto Osei, Deputy Minister of Finance and Economic Planning, Hon. Professor George Gyan-Baffour, officials from the Presidential Commission on Pensions, Pensions Reform Implementation Committee, the Ministry of Finance & Economic Planning, as well as officials from the Ministry of Manpower, Youth & Employment and reports as follows:

## **2.0 REFERENCE DOCUMENTS**

In considering the Bill, the Committee referred to the following documents:

1. The 1992 Constitution of the Republic of Ghana
2. Social Security Act, 1991 (P.N.D.C.L. 247)
3. Long Term Savings Act, 2004 (Act 679)
4. Government White Paper on the Report of the Presidential Commission on Pensions (W.P. No. 1/2006)
5. The Standing Orders of the House

### **3.0 ACKNOWLEDGEMENT AND APPRECIATION**

The Committee wishes to express its profound gratitude to the following *persons* and *groups* for attending upon the Committee to assist in its deliberations via oral and written presentations, memoranda etc:

1. The Pension Reforms Implementation Committee
2. The Social Security and National Insurance Trust(SSNIT)
3. Polytechnic Teachers Association of Ghana (POTAG)
4. Ghana Government Pensioners Association (CAP 30)
5. Pensioners Association (under SSNIT)
6. Ghana Prisons Service Officers
7. Immigration Service Officers
8. Customs, Excise and Preventive Service (CEPS) Officers
9. Ghana Employers' Association (GEA)
10. Ghana National Association of Teachers (GNAT)
11. Civil Servants Association (CSA)
12. Ghana Federation of Labour (GFL)
13. University Teachers Association of Ghana (UTAG)
14. Trades Union Congress (TUC)
15. Ghana Police Officers
16. Mr. W. Kusi (Pensioner, Tema)

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### **4.0 BACKGROUND**

In 1950, the Pensions Ordinance No. 42 (CAP 30) established a pension scheme for public servants in the Gold Coast which later became popularly known as Cap 30 scheme. Later in 1965, a Social Security Act, 1965 (Act 279) was enacted to create a contributory Social Security

Fund for payment of superannuation, invalidity, survivors, and other pension benefits for workers.

In 1972, the Social Security Decree (N.R.C.D. 127) repealed Act 279 and established the Social Security and National Insurance Trust (SSNIT) to administer a social security fund for the country.

The Social Security Act, 1991 (PNDC Law 247) was promulgated in 1991 to transform the 1972 scheme from provident fund to a full pension scheme.

Ghana has, thus, been operating two major public pension schemes since 1965. That is Cap 30 and the SSNIT scheme.

The inequalities between these two schemes have become pronounced over the years, leading to agitations and protests by some public sector workers on the SSNIT scheme demanding to be placed on the Cap 30 scheme which is considered more favourable, especially the lump sum element.

His Excellency the President therefore constituted a nine member *Presidential Commission on Pensions* in July 2004 chaired by Mr. T.A. Bediako.

The Bediako Commission was tasked to, among other things, make appropriate recommendations for sustainable pension scheme that will ensure retirement income security for workers with special reference to the public sector.

The Commission submitted its final report in March 2006 and the Government subsequently issued a White Paper (W.P. No. 1/2006) on the report in July 2006.

The main recommendation of the Committee which forms the basis of this Bill is the creation of a new contributory *Three-Tier Pension System* to replace the existing parallel pension schemes.

## **5.0 OBJECT OF THE BILL**

The object of the Bill is to provide for pension reforms in the country by the introduction of a contributory three-tier pension scheme, establishment of a National Pensions Regulatory Authority (NPRA) to oversee the administration and management of registered pension schemes and trustees of registered pension schemes; establishment of a Social Security and National Insurance Trust (SSNIT) to manage the basic national social security scheme to cater for the first tier of the contributory three-tier scheme; the establishment of a second compulsory tier; a third voluntary tier and to provide for related purposes.

## **6.0 CONTENTS OF THE BILL**

The Bill contains a total of **218 clauses** and has been divided into **four (4) parts** and **one Schedule**.

**PART ONE** contains *clauses 1 to 30*. Clause 1 of this PART establishes a contributory *three-tier pension scheme*. It consists of a mandatory basic national social security scheme to be managed by SSNIT, a mandatory fully funded and privately managed occupational pension scheme, a voluntary fully funded and privately managed provident fund and personal pension schemes.

This PART also establishes the National Pensions Regulatory Authority. The Authority is a body mandated to regulate, supervise and monitor the three-tier scheme. The governing body of the Authority is an eleven member Board consisting of a Chairperson, the Chief Executive of the Authority and other representatives from the Bank of Ghana, Organised Labour, National Pensioners Association and the Securities and Exchange Commission (SEC), among others.

Further provisions are made for tenure of office of members of the Board, meetings and disclosure of interest, appointment of Chief Executive and other staff of the Authority as well as administrative and financial provisions.

**PART TWO (clauses 31 to 92)** deals with the Basic National Social Security Scheme which is to be the first-tier of the three-tier scheme. It is principally a revision of the existing Social Security Act, 1991 (P.N.D.C.L. 247)

Provisions are made in this part for the extensive restructuring of the Social Security and National Insurance Trust (SSNIT) in the areas of its governance, management and administrative structures as indicated in the Government White Paper on the Report of the Presidential Commission on Pensions.

**PART THREE (clauses 93 to 179)** deals with occupational pension schemes, provident funds and personal pension schemes as well as the management of the schemes.

Stringent requirements are set to be met by trustees, pension fund managers and custodians in order to safeguard the security of fund assets, and hence the interest of the members.

**PART FOUR** of the Bill covers *clauses 180 to 218* and deals with general provisions in relation to supervision, examination, disclosure of information, offences, penalties, enforcement powers, among others. The Part deals with powers of the governing board of the Authority with regards to the activities of all tiers of the scheme. Dispute resolution mechanisms have also been provided for in this part.

**SCHEDULE:** The *Schedule* provides for Paternal System and Maternal System.

## 6.0 OBSERVATIONS

The Committee observed that as part of measures to reform pensions in the country, a National Pensions Regulatory Authority is being established to supervise, regulate and monitor the three-tier scheme.

The Director-General of the Social Security and National Insurance Trust (SSNIT) assured the Committee that SSNIT has been heavily involved in the whole process beginning from the Presidential Commission on Pensions through the Pension Reform Implementation Committee.

The Committee noted that currently there are serious disparities between the pension benefits of workers who retire under SSNIT Pension Scheme and those who retire under the Cap 30 pension scheme. On the average, the lump sum paid to Cap 30 retirees is said to be about 2.5 times that which is paid to SSNIT pensioners.

The Committee observed that under the new three-tier arrangement proposed in the Bill, SSNIT will no more pay lump-sum to pensioners

but only pay monthly income to pensioners. Lump-sum will be paid from the second tier which is mandatory and privately managed.

In order to enhance workers retirement benefits under the new three-tier scheme, the *total mandatory contribution* will be increased from 17.5% to **18.5%**. The Additional 1% will be shared between the employer and the employee. (Employer's contribution increases from 12.5% to **13%** and Employee's contribution increases from 5% to **5.5%**)

The Committee was informed that in order to ensure ownership and participation, workers will be involved in the management of the new scheme.

Again, the second and third-tier contributions will be made transferable to ensure flexibility. This means that when a worker leaves one employer and joins another employer, he/she would be able to transfer his/her accumulated contribution to the new employer's scheme.

The Committee observed with satisfaction the fact that stringent provisions are made in the Bill to put a cap on the amount of contributed pension funds that could be spent on administration expenses by trustees, fund managers, and custodians. Also, provisions are made to regulate how pension funds can be invested in order to secure pension funds and to safeguard the interest of contributors.

After the passage of the Bill, there will be a transitional period of five (5) years to allow for the unification of existing schemes into the three-tier scheme.



## 6.1 INTEREST GROUPS' SUBMISSIONS:

Persons that made representations to the Committee could be broadly categorized into three; Worker Groups, Employers' Group and Current Pensioners.

The **Worker Groups** unanimously voiced concern over the level of *administrative expenses* being incurred by the Social Security and National Insurance Trust (SSNIT). They appealed to the Committee to ensure that provisions are made in the law to put a cap on the percentage of contributed funds that could be used for administrative expenses. Some recommended specifically that it should *not exceed 10%* and that this cap should apply to SSNIT in particular and all tiers in general.

The workers also welcomed the creation of the National Pensions Regulatory Authority (NPRA) and reiterated the need for the Authority, when established, to control the mode of investment of pension funds. In their view, this will help to ensure the *security of and reasonably safe returns on pension funds*.

The **employers**, spearheaded by the Ghana Employers' Association (GEA), on their part took issue with clause 106 of the Bill and called for the *removal of the third tier scheme*. In their view, the creation of the voluntary third-tier scheme would cause a lot of agitations on the labour front against employers and that employers would be forced to negotiate with employees to create a third-tier scheme for them eventhough the law says it should be voluntary. Again, they did not understand why a voluntary arrangement should be legislated.

Upon extensive discussions, the Committee agreed that enough provisions are made in the Bill to cater for the employers' concerns. The committee drew their attention to clauses 3(9), 106 (2) and 113 of the Bill to clarify the voluntary nature of the third tier and to allay their fears.

**Pensioner Groups and individuals already on pension** also made presentations to the Committee. To them, the Bill is in the right direction since it aims at securing the future of workers. They were however worried that the Bill does not address the concern of people who are already on pension, such as the meager monthly incomes they receive, especially those who went to pension under the SSNIT scheme. They said "pensioners are suffering" and prayed the Committee to do something about their plight.

**Management of the Social Security and National Insurance Trust (SSNIT)** also on their part expressed support for the creation of the National Pension Regulatory Authority. They however wished that matters like administrative expenses and investment decisions should be left to the discretion of the Board of Trustees of the Trust. To them, this will help ensure the necessary flexibility needed to take advantage of the ever-changing investment market.

On transitional arrangements, SSNIT requested the Committee to allow SSNIT to be the collector of the new 18.5% until the other tiers come into operation instead of asking every employer to open a second tier account with the Bank of Ghana.

The Committee however refused this request after due consideration and in view of objections raised by organized labour and other parties.

The Committee agreed that the second tier 5% needs to be kept separately in order to give full effect to the new arrangement.

## 7.0 AMENDMENTS PROPOSED

Upon extensive discussions and deliberations on the Bill and taking into account submissions made by various stakeholders, the Committee respectfully proposes the following amendments to the Bill:

- i. **Clause 3 - Amendment Proposed - Sub-clause (6),** *delete* "subsection (5)" and *insert* "subsection (5)(b)"
- ii. **Clause 3 - Amendment Proposed - Sub-clause (7), line 3,** *delete* "prescribed" and *insert* "relevant"
- iii. **Clause 3 - Amendment Proposed - Sub-clause (8)** *delete* and insert the following "(8) Subject to guidelines that may be issued by the Board, any person who is not covered under the first or second tier may make voluntary contributions under the third tier"
- iv. **Clause 3 - Amendment Proposed - Sub-clause (9)** *delete* "this Act applies" and *insert* "first and second tiers apply"
- v. **Clause 6 - Amendment Proposed - line 1,** *delete* "supervise"

- vii. **Clause 7 - Amendment Proposed - Sub-clause (d) line 1, delete "supervise"**
- viii. **Clause 7 - Amendment Proposed - Sub-clause (g) line 1, delete "supervise" and insert "regulate and monitor"**
- ix. **Clause 7 - Amendment Proposed - Sub-clause (o), delete**
- x. **Clause 7 - Amendment Proposed - Sub-clause (q), after "fees" delete "and levies"**
- xi. **Clause 8 - Amendment Proposed - Sub-clause (1)(d), after "Pensions" add the following words "not below the rank of a director"**
- xii. **Clause 8 - Amendment Proposed - Sub-clause (4), delete "perform" and insert "ensure the performance of"**
- xiii. **Clause 16- Amendment Proposed - Sub-clause (1) line 3, after "insurance" delete "and" and insert "or"**
- xiv. **Clause 27 - Amendment Proposed - Sub-clause (1)(a) delete and insert the following " between the hours of 8.00 am and 5.00 pm, enter any premises in which an employer or a self-employed person operates business for the purpose of inspection and examination"**
- xv. **Clause 28 - Amendment Proposed - Delete**

- xvi. **Clause 35 - Amendment Proposed** - Sub-clause (a) line 1, before "social", *insert* "basic national"
- xvii. **Clause 36 - Amendment Proposed** - Sub-clause (1) *delete* and *insert* the following

**Governing body of the Trust**

"36 (1) The governing body of the Trust is a Board of Trustees consisting of

- (a) a chairperson nominated by consensus from Government, Employers' Association and Organised Labour on rotational basis for a maximum term of three years,
- (b) two persons nominated by the President, at least one of whom is a woman
- (c) two representatives of Employers' Associations,
- (d) four representatives of Organised Labour
- (e) one representative of National Pensioners' Association
- (f) one representative of the Ministry responsible for Finance not below the rank of a Director
- (g) one representative of the Security Services
- (h) the Director-General of the Trust

xviii. **Clause 37 - Amendment Proposed** - Sub-clause (1) line 2, *delete* "be conversant with" and *insert* the following "must have knowledge and understanding of"

xix. **Clause 37 - Amendment Proposed** - Sub-clause (2), *delete*

- xx. Clause 37- **Amendment Proposed** - Sub-clause (5), *delete* "Despite sub-sections (1) to (3)"
- xxi. Clause 38 - **Amendment Proposed** - Sub-clause (1) at end *add* "in succession"
- xxii. Clause 39 - **Amendment Proposed** - Sub-clause (3) *delete* and *insert* the following "the quorum at a meeting shall be seven members including the Director-General or any other person acting as Director-General"
- xxiii. Clause 42 - **Amendment Proposed** - Line 3, *delete* "on the recommendations of the Authority and"
- xxiv. Clause 43 - **Amendment Proposed** - Sub-clause (1) line 1, *delete* "shall" and *insert* "may" and in line 2, *delete* "by" and *insert* "as"
- xxv. Clause 44 - **Amendment Proposed** - Sub-clause (1) line 2, *delete* "and in consultation with the Authority"
- xxvi. Clause 46 - **Amendment Proposed** - *Delete* and *insert* "the President may appoint for the Trust such Deputy Directors-General as may be necessary"
- xxvii. Clause 47 - **Amendment Proposed** - *delete*
- xxviii. Clause 48 - **Amendment Proposed** - Sub-clause (1) *delete* and *insert* "The President shall in accordance with article 195"

of the Constitution appoint for the Trust other staff necessary for the proper and effective performance of the functions of the Trust"

- xxix. Clause 49 - **Amendment Proposed** - Sub-clause (1) line 1, after "shall" *delete* all words and insert "have a Secretary"
- xxx. Clause 50 - **Amendment Proposed** - Sub-clause (2)(a) line 2, after "months" *insert* "or such shorter periods determined by the board"
- xxxi. Clause 54 - **Amendment Proposed** - Headnote, *delete* "Supervision" and *insert* "Regulation"
- xxxii. Clause 54 - **Amendment Proposed** - *Delete* "supervise" and *insert* "regulate"
- xxxiii. Clause 55 - **Amendment Proposed** - Sub-clause (1) line 1, after "valuations" *insert* "from an external actuary"
- xxxiv. Clause 56 - **Amendment Proposed** - *delete* and *insert* "The Trust is exempted from the payment of corporate income tax and subject to article 174 of the Constitution, the Minister may, with prior approval of Parliament, waive other taxes in relation to the Trust."
- xxxv. Clause 58 - **Amendment Proposed** - Line 3, *delete* "prescribed" and *insert* "determined"

- xxxvi. **Clause 59 - Amendment Proposed** - Sub-clause (2) last line, *delete* "issue" and *insert* "send"
- xxxvii. **Clause 62 - Amendment Proposed** - Sub-clause (1) line 1, *delete* "An employee" and *insert* "A worker"
- xxxviii. **Clause 63 - Amendment Proposed** - Sub-clause (1) line 2, *delete* "obtain" and *insert* "be given"
- xxxix. **Clause 65 - Amendment Proposed** - Sub-clause (1) line 1, *delete* "Subject to sections 3(1) and (2)"
- xl. **Clause 65 - Amendment Proposed** - Sub-clause (8) line 2, *delete* "second"
- xli. **Clause 65 - Amendment Proposed** - Sub-clause (9) line 2, *delete* "prescribed" and *insert* "determined"
- xlii. **Clause 66 - Amendment Proposed** - Sub-clause (1) line 2, *delete* "prescribed" and *insert* "specified"
- xliii. **Clause 67 - Amendment Proposed** - line 2 after "responsible" *delete* all words and *insert* "for only that employer's obligation under this Act"
- xliv. **Clause 69 - Amendment Proposed** - Sub-clause (1)(b), after "necessary" *delete* all words
- xlv. **Clause 69 - Amendment Proposed** - Sub-clause (2) line 1, *delete* "Before" and *insert* "In" and in line 2, *delete* all words



after "with" and *insert* "guidelines issued by the Authority in consultation with the Board of Trustees"

- xlvi. Clause 69 - **Amendment Proposed** - Sub-clause (3) line 1, after "shall" *delete* "be in a prescribed form and shall"
- xlvii. Clause 69 - **Amendment Proposed** - Sub-clause (3)(b), *delete* "policy as to the" and insert "types"
- xlviii. Clause 69 - **Amendment Proposed** - Sub-clause (3)(c), *delete* "policy as to"
- xlix. Clause 70 - **Amendment Proposed** - line 2, *delete* all words after "Trustees"
- I. Clause 71 - **Amendment Proposed** - Sub-clause (1) line 2, *delete* "Authority" and insert "Board of Trustees"
- li. Clause 71 - **Amendment Proposed** - Sub-clause (2) *delete*
- lii. Clause 72 - **Amendment Proposed** - *Delete and insert* the following:

*Benefits and qualifying conditions*

**Superannuation pension**

- "72.A A member of the social security scheme who
  - ↗ (a) retires on attaining the compulsory retirement age of sixty years; or
  - (b) retires voluntarily on attaining the age of fifty-five years

And has contributed to the social security fund for a period of not less than fifteen years in the aggregate or one hundred and eighty months in the aggregate is entitled to a superannuation pension

### **Invalidity pension**

72B. (1) A member of the social security scheme who becomes an invalid is entitled to invalidity pension if

- (a) The member has contributed to the Fund for not less than twelve months within the last thirty-six months before the occurrence of the invalidity; and
- (b) A medical board certifies that the member is incapable of normal gainful employment because of the permanent physical or mental disability.

(2) Where a person to whom subsection (1) applies is subsequently certified by a medical board to have fully recovered and that person has not attained the compulsory retirement age, that person may rejoin the scheme.

### **Lump sum payment**

72C. (1) Where a member of the social security scheme has made less than fifteen years contribution to the fund before the member retires either compulsorily or voluntarily, the member is entitled to

- (a) A lump sum of money equal to the member's contribution as benefit; and
- (b) An interest of seventy-five percent at the prevailing government Treasury Bill rate on the lump sum.

#### Survivor's lump sum benefit

72D. (1) Where a member of the scheme dies, a lump sum benefit is payable to the deceased's family who

- (a) are dependants of the deceased; or
- (b) have been validly nominated as beneficiaries of the deceased.

(2) Where no nomination was made or the nomination made is found to be invalid by the Trust, the lump sum shall be distributed to the dependants in accordance with the Intestate Succession Act, 1985 (P.N.D.C.L. 111)

(3) Where a deceased member failed to nominate a surviving spouse and children as beneficiaries, the spouse and children may apply to the court for a variation of the nomination to include them

#### Other benefits

72E. The Minister on the advice of the Authority and in consultation with the Board of Trustees of the scheme may by legislative instrument prescribe other classes of benefits.

## Hazardous employment benefit

72F. A member of the social security scheme who has attained the age of fifty-five years and has been a worker

- (a) at an underground mine;
- (b) at a steel works; or
- (c) in any other employment determined as hazardous employment by the Authority

for an aggregate period of not less than one hundred and eighty months is entitled on retirement to full retirement benefit."

- liii. **Clause 75 - Amendment Proposed** - Sub-clause (1) line 2, after "thirty-six months" *insert* "prior to the member's death"
- liv. **Clause 78 - Amendment Proposed** - Sub-clause (1) line 2, after "shall" *delete* "on demand by the employer" and in line 3, after "dependants" *delete* "for the receipt of" and *insert* "who are to receive the"
- lv. **Clause 78 - Amendment Proposed** - Sub-clause (3)(c) after "establishment" *insert* "where that person was employed"
- lvi. **Clause 78 - Amendment Proposed** - Sub-clause (3)(d) *delete*
- lvii. **Clause 79 - Amendment Proposed** - Sub-clause (2) *delete*
- lviii. **Clause 80 - Amendment Proposed** - Sub-clause (1)(d) *delete* and *insert* the following "willfully fails or refuses to submit its

contributions payment with a contributions report to the Trust within the prescribed period in the form and manner prescribed"

- lix. **Clause 80 - Amendment Proposed** - Sub-clause (1)(f)(i) line 2, after "fine" *insert* "not exceeding the" and after "amount" *insert* "of contribution and penalty"
- lx. **Clause 80 - Amendment Proposed** - Sub-clause (1)(f)(ii) *delete* "(d) or (e)" and *insert* "(d), (e) or (f)"
- lxi. **Clause 80 - Amendment Proposed** - Sub-clause (2) line 4, *delete* "prescribed" and *insert* "provided"
- lxii. **Clause 81 - Amendment proposed** - Sub-clause (2) line 2, after "may" *insert* "in addition to the fine or imprisonment"
- lxiii. **Clause 83 - Amendment Proposed** - Sub-clause (3) last line, *delete* "quantum" and *insert* "amount"
- lxiv. **Clause 88 - Amendment proposed** - *Add* a new sub-clause as follows: "(7) In this section, an inspector includes a compliance officer or such officer appointed by the Trust to perform such functions"
- lxv. **Clause 92 - Amendment proposed** - *delete*
- lxvi. **Clause 99 - Amendment Proposed** - Sub-clause (1) at beginning, *insert* "Under the second tier,"

- lxvii. Clause 99 - **Amendment proposed** - Sub-clause (5)(a) *delete* "personal representatives" and *insert* "nominated beneficiaries"
- lxviii. Clause 99 - **Amendment proposed** - Sub-clause (5)(b) *delete* and *insert* the following "if there are no nominated beneficiaries, to a person specified in the rules of the scheme"
- lxix. Clause 100 - **Amendment proposed** - Sub-clause (1) *delete* and *insert* the following " the accrued benefits of a member in an occupational pension scheme shall not be attached in execution of a judgment debt or be used as a charge, pledge or lien or be transferred, assigned or alienated by or on behalf of the member"
- lxx. Clause 101 - **Amendment proposed** - Sub-clause (2) *delete* and *insert* the following " a scheme may allow a member to use that member's benefit to secure a mortgage for the acquisition of a primary residence"
- lxxi. Clause 102 - **Amendment proposed** - Sub-clause (5) *delete*
- lxxii. Clause 103 - **Amendment Proposed** - Sub-clause (6) line 2, *delete* "and" and *insert* "or"
- lxxiii. Clause 106 - **Amendment proposed** - Sub-clause (1)(c) after "under" *insert* "sections 32 and 62 of"

- lxxiv. Clause 106 - **Amendment Proposed** - Sub-clause (2) after "employer" *delete* "may pay contributions to the provident fund scheme for a worker but"
- lxxv. Clause 106 - **Amendment Proposed** - Sub-clause (4) *delete* and *insert* "Where an employer contributes on behalf of a worker, the contribution does not vest in the worker until the end of the vesting period"
- lxxvi. Clause 106 - **Amendment proposed** - Sub-clause (6) line 2, *delete* "contributor" and *insert* "worker"
- lxxvii. Clause 106 - **Amendment Proposed** - Sub-clause (7) *delete* "contributor" and *insert* "worker"
- lxxviii. Clause 106 - **Amendment proposed** - Sub-clause (8) *delete* and *insert* the following "On the death of a worker before or after the expiry of the vesting period, any accrued benefit of the worker shall devolve on the worker's nominated beneficiary and in the absence of a nominated beneficiary, in accordance with any applicable law"
- lxxix. Clause 107 - **Amendment proposed** - Sub-clause (2) line 2, *delete* "may" and *insert* "shall"
- lxxx. Clause 112 - **Amendment proposed** - *delete* and *insert* the following "112 (1) A scheme shall have rules that prevent the assignment of benefit"

(2) A scheme may allow a member to use that member's benefit to secure a mortgage for the acquisition of a primary residence but a member is not liable to pay tax on any withdrawals under this section"

lxxxvi. Clause 113 - **Amendment proposed** - Sub-clause (a) line 1, *delete* "facilities" and *insert* "services"

lxxxvii. Clause 117 - **Amendment Proposed** - Sub-clause (1)(a), *delete* and *insert* the following "is a worker, partner or associate of a person who has applied to become a trustee"

lxxxviii. Clause 120 - **Amendment proposed** - Sub-clause (4) line 1, after "licence" *insert* "and yet acts as a trustee"

lxxxix. Clause 121 - **Amendment Proposed** - Sub-clause (2), *delete*

lxxx. Clause 121 - **Amendment Proposed** - Sub-clause (5) For "A person" *substitute* "An individual" and line 2, for "person" *substitute* "individual"

lxxxi. Clause 121 - **Amendment proposed** - Sub-clause (5)(b) line 1, *delete* "undercharged" and *insert* "undischarged"

lxxxii. Clause 122 - **Amendment Proposed** - Sub-clause (1) line 2, after "trustee" *insert* "an take a final decision"

lxxxiii. Clause 125 - **Amendment proposed** - Sub-clause (2), *delete* and *insert* the following "Where the Board refuses an



application, the Board shall give reasons in a written notice for the refusal to the applicant"

lxxxix. **Clause 125 - Amendment Proposed** - Sub-clause (3) line 2, *delete* all words after "for" and *insert* "settlement through an appropriate dispute resolution mechanism"

xc. **Clause 126 - Amendment proposed** - *delete* and *insert* "The Board may waive a condition where compliance with that condition in a particular case is not reasonably practicable"

xc. **Clause 127 - Amendment proposed** - In this clause *delete* "natural persons" wherever it appears and *insert* "individuals"

xcii. **Clause 127 - Amendment proposed** - Sub-clause (3) *delete* "those persons must be" and *insert* "whom is"

xciii. **Clause 130 - Amendment Proposed** - Sub-clause (1) line 1, *delete* "reject" and *insert* "refuse"

xciv. **Clause 130 - Amendment Proposed** - Sub-clause (2) *delete* "rejects" and *insert* "refuses"

xcv. **Clause 133 - Amendment proposed** - Sub-clause (1)(b) line 1, *delete* "natural persons" and *insert* "individuals"

xcvi. **Clause 133 - Amendment proposed** - Sub-clause (2), *delete*

xcvii. **Clause 133 - Amendment proposed** - Sub-clause (3), *delete*

- xcviii. Clause 136 - Amendment proposed - Sub-clause (2) line 2, delete "rejects" and insert "refuses" and in line 2, delete "rejection" and insert "refusal"
- xcix. Clause 138 - Amendment Proposed - Sub-clause (1) delete and insert the following " Where the Board decides that it is appropriate to impose or amend any conditions imposed as regards the administration or marketing of a personal pension scheme, the Board shall give to the approved trustee
- (a) not less than thirty days notice of its decision and the reasons; and
  - (b) An opportunity to make written representation to the Board"
- c. Clause 142 - Amendment proposed - Sub-clause (2), delete
- ci. Clause 144 - Amendment proposed - Line 2, delete "licenced" and insert "registered"
- cii. Clause 145 - Amendment Proposed - (f) line 2, delete "is" and insert "are"
- ciii. Clause 146 - Amendment proposed - Line 1, delete "licenced" and insert "registered"
- civ. Clause 146 - Amendment Proposed - paragraph (d) delete and insert the following "satisfies the minimum capital requirement and net asset value or any sum that maybe determined by the Board"

- cv. Clause 146 - **Amendment Proposed** - *Add* a new sub-clause as follows "(2) A person shall not practice as a pension funds manager unless that person has been registered by the Board"
- cvi. Clause 147 - **Amendment Proposed** - Sub-clause (2) at end *add* "and be accompanied with the prescribed fee"
- cvii. Clause 147 - **Amendment Proposed** - Sub-clause (3), *delete*
- cviii. Clause 148 - **Amendment Proposed** - Sub-clause (1) line 4, *delete* "satisfied" and *insert* "fulfilled"
- cix. Clause 150 - **Amendment Proposed** - Line 2, *delete* all words after "manager" and *insert* the following "may refer the matter for resolution through an appropriate dispute resolution mechanism"
- cx. Clause 151 - **Amendment Proposed** - Sub-clause (1) at end *delete* "prescribed" and *insert* "determined by the Board"
- cxii. Clause 151 - **Amendment proposed** - Sub-clause (5) line 4, after "liable" *delete* all words and *insert* "to a penalty determined by the Board"
- cxiii. Clause 153 - **Amendment Proposed** - line 2, *delete* "licenced" and *insert* "registered"
- cxiiii. Clause 152 - **Amendment proposed** - line 2, between "trustee" and "subject" *delete* all words

- cxiv. Clause 155 - **Amendment proposed** - paragraph (c) at end *add* the following words "company or a non-bank financial institution"
- cxv. Clause 155 - **Amendment proposed** - Sub-clause (h), *delete*
- cxvi. Clause 155 - **Amendment Proposed** - paragraph (e) after "capital" insert "requirement"
- cxvii. Clause 155 - **Amendment Proposed** - Add a new sub-clause as follows "(2) A person shall not practice as a custodian of pension funds unless that person has been registered by the Board"
- cxviii. Clause 156 - **Amendment Proposed** - Line 1, *delete* "a licence" and *insert* "registration"
- cxix. Clause 157 - **Amendment Proposed** - *Delete* "licence" wherever it appears in the Clause and *insert* "registration"
- cxx. Clause 158 - **Amendment proposed** - Line 2, *delete* "arbitration" and *insert* "settlement through an appropriate dispute resolution mechanism"
- cxxi. Clause 162 - **Amendment Proposed** - Sub-clause (1) line 1, after "licence" *insert* "or registration"
- cxxii. Clause 162 - **Amendment Proposed** - Sub-clause (1)(b) line 1, before "custodian" insert "trustee, pension funds manager or a"

- cxxiii. Clause 162 - Amendment Proposed - Sub-clause (6) line 3, *delete* "or" and *insert* "and"
- cxxiv. Clause 166 - Amendment Proposed - Sub-clause (1) lines 2 and 3, after "custodian" *delete* "shall be responsible to the Board for the protection of pension funds and"
- cxxv. Clause 168 - Amendment Proposed - Line 2, *delete* "monthly"
- cxxvi. Clause 171 - Amendment Proposed - Sub-clause (1) line 2, *delete* "and" and *insert* "or"
- cxxvii. Clause 172 - Amendment Proposed - Sub-clause (1)(b) at end, *add* "in that custodian"
- cxxviii. Clause 174 - Amendment Proposed - paragraph (a) line 2, at end *add* "or Government of Ghana"
- cxxix. Clause 174 - Amendment Proposed - Sub-clause (i), at end *delete* "prescribe" and *insert* "determine"
- cxix. Clause 176 - Amendment Proposed - Sub-clause (2)(c) *delete* "and" and *insert* "or"
- cxix. Clause 177 - Amendment Proposed - paragraph (a)(iii), at end *delete* "and" and *insert* "or"
- cxix. Clause 178 - Amendment Proposed - Line 2, *delete* "pension trustees or" and *insert* "trustees and"

- cxxxiii. Clause 179 - **Amendment Proposed** - Sub-clause (1) *delete* and *insert* the following " A trustee or pension fund manager who fails to comply with a provision of this Part is liable to a penalty determined by the Board"
- cxxxiv. Clause 184 - **Amendment Proposed** - paragraph (b)(ii) at end *delete* "and" and *insert* "or"
- cxxxv. Clause 186 - **Amendment Proposed** - Sub-clause (1)(b) line 2, before "person" *delete* "a" and *insert* "that"
- cxxxvi. Clause 186 - **Amendment Proposed** - Sub-clause (2) line 1, *delete* "section" and *insert* "subsection 1"
- cxxxvii. Clause 187 - **Amendment Proposed** - Sub-clause (1) line 2, after "document" *delete* all words and *insert* "is privileged under the Evidence Act, 1975 (N.R.C.D. 323)"
- cxxxviii. Clause 188 - **Amendment Proposed** - Sub-clause (4) line 1, *insert* after "may", "for the purposes of this section" and *delete* the last three lines.
- cxxxix. Clause 188 - **Amendment Proposed** - Sub-clause (5) line 3, after undertaking, *delete* all words and *insert* "to give reciprocal treatment to the Board"
- cxl. Clause 188 - **Amendment Proposed** - Sub-clause (7)(a) line 2, *delete* "not"

- cxli. Clause 188 - **Amendment Proposed** - Sub-clause (8) line 3, before "subject" insert "not"
- cxlii. Clause 190 - **Amendment Proposed** - Sub-clause (3) at end *add* "of that scheme"
- cxliii. Clause 194 - **Amendment Proposed** - *Delete* all words up to "Board" and insert : "A trustee, pension fund manager or a custodian who fails to comply with section 168"
- cxliv. Clause 195 - **Amendment Proposed** - Sub-clause (1) line 4, *delete* "and 194"
- cxlv. Clause 200 - **Amendment Proposed** - Sub-clause (3)(b) line 1, after "within" *delete* "of"
- cxlvi. Clause 201 - **Amendment Proposed** - *delete* and *insert* "A person aggrieved by an action or a decision of the Board may refer the matter for settlement through an appropriate dispute resolution mechanism"
- cxlvii. Clause 202 - **Amendment Proposed** - *Delete* and *insert* "A settlement agreed to by the parties under this Act is binding on them"
- cxlviii. Clause 203 - **Amendment Proposed** - Sub-clause insert a new subclause as follows: "(1B) The Pensions Adjudication Committee shall consist of seven members, three of whom shall constitute a panel for the determination of a petition or a complaint"

- cxlix. **Clause 203 - Amendment Proposed** - Sub-clause (4) line 2, delete "and regulations" and in line 3, delete "and Parliament"
- cl. **Clause 205 - Amendment Proposed** - Sub-clause (2)(a) *delete* and *insert* "provide for approved trustees and applicants for approval to give undertaking to the Board and to enter into arrangements to provide insurance against the risk of loss through malfeasance or other illegal conduct"
- cli. **Clause 208 - Amendment Proposed** - Line 3, after "imposed" *delete* "by" and *insert* "under section 3 of"
- clii. **Clause 209 - Amendment Proposed** - Definition of "Cap 30 Pension Scheme" *delete* "BNI" and *insert* "Bureau of National Investigations"
- cliii. **Clause 209 - Amendment Proposed** - Definition of "Salary" line 4, *delete* "water" and *insert* "worker"
- cliv. **Clause 209 - Amendment Proposed** - Definition of "self-employed person" at end *add* "or with others"
- clv. **Clause 209 - Amendment Proposed** - Definition of "trustee" *delete*
- clvi. **Clause 209 - Amendment Proposed** - Definition of "worker" under (b), after "employed" *delete* "is" and *insert* "as"



- clvii. Clause 210 - **Amendment Proposed** - *Insert* a new sub-clause as follows "(3) Despite the repeal, the regulations, bye-laws, notices, orders, directions, appointments or any other act lawfully made or done under the repealed enactment and in force immediately before the commencement of this Act, shall be considered to have been made or done under this Act and shall continue to have effect until reviewed, cancelled or terminated"
- clviii. Clause 217 - **Amendment Proposed** - Sub-clause (2) after "employee" in line 1, *delete* "other than beneficiaries under the Ghana Universities Staff Scheme"
- clix. Short title - **Amendment proposed** - *Delete* "Reform"

## 8.0 CONCLUSION

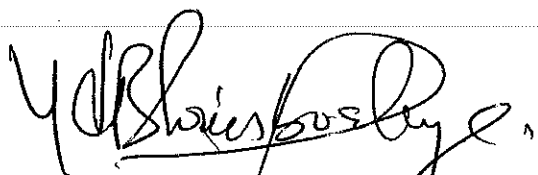
The Committee, after carefully considering the Bill and submissions made by various stakeholders, respectfully recommends to the House to adopt this report and pass the **National Pension Reform Bill** subject to the amendments proposed.

Respectfully submitted.

  
HON. NII ADU DAKU MANTE

CHAIRMAN

JULY 14, 2008.

  
LOUIS YIADOM BOAKYE

FOR CLERK, FINANCE COMMITTEE