**BASIC 7**

**WEEKLY LESSON PLAN – WEEK 8**

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| **Strand:** | Socio-Economic Development | **Sub-Strand:** | Financial and Investment Issues |
| **Content Standard:** |  B7.5.2.1. Demonstrate understanding of social security and pension issues |
| **Indicator (s)** | B7.5.2.1.1. Examine the importance of social security to the individual. | **Performance Indicator:** Learners can identify the bnefits of Social Security. |
| **Week Ending** | 01-03-2024 |
| **Class** | B.S.7  | **Class Size:** |  | **Duration:** |  |
| **Subject** | Social Studies |
| **Reference** | Social Studies Curriculum, Teachers Resource Pack, Learners Resource Pack, Textbook. |
| **Teaching / Learning Resources** | Power Point Presentation, Charts, Pictures, Video | **Core Competencies:** | * Personal Development and Leadership
* Critical Thinking and Problem solving.
* Communication and Collaboration.
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| **DAY/DATE** | **PHASE 1 : STARTER** | **PHASE 2: MAIN** | **PHASE 3: REFLECTION** |
| **TUESDAY** | Using Power Point presentation, explain the types of Social Security schemes. | 1. Learners brainstorm to explain the term “Pension”.
2. Discuss with the learners about the difference between Social Security and Pension.
3. Assist Learners to identify the eligibility and benefits of the Pension Scheme of Ghana.

****THE BASIC NATIONAL PENSION SCHEME (TIER-1)******National Pension Act (2008) Act 766**Act 766 makes provision for a contributory 3-Tier Pension Scheme and the establishment of a National Pensions Regulatory Authority (NPRA) to oversee the administration and management of the Pension Schemes. Under the Act, SSNIT is to manage the basic National Social Security Scheme referred to, as the 1st Tier of a contributory 3-Tier scheme.The other Tiers of the National Pensions Scheme are:* Tier 2 – A mandatory fully-funded and privately managed occupational scheme.
* Tier 3 – A voluntary fully-funded and privately managed Provident Fund and Personal Pension Plan.

****FEATURES OF Act 766***** Mandatory for all workers in the formal sector and optional for self-employed.
* Tier 1 – A mandatory basic contributory Social Security Scheme managed by SSNIT.
* Tier 2 – A mandatory fully-funded and privately managed occupational scheme.
* Tier 3 – A voluntary fully-funded and privately managed provident fund and personal pension plan.

**Contribution Rates under the Social Security Scheme ( Tier 1)*** – Employer – 13.0% from worker basic salary
* – Worker – 5.5% from workers basic salary
* – Total – 18.5%
* Out of the **18**.**5%,** the employer remits **13.5%** within **14 days** of the ensuing month to SSNIT. **5%** is remitted to the Second-Tier Mandatory Occupational Scheme.
* Subsequently, SSNIT also gives **2.5%** out of the **13.5%** to the National Health Insurance Authority (NHIA) for the member’s Health Insurance.
* SSNIT effectively withholds **11%** for the administration of Tier 1.
* **Entry Age of joining the scheme– 15 years (minimum) and 45 years (maximum)** only for new entrants (age **45+ to enter mandatory 2nd tier).**
* Age Exemption – 55 years and above exempted (option to join)
* Minimum and Maximum contributions indicated and reviewed periodically.
* Investment of Funds – investment policy, external investments permitted.

****BENEFITS & QUALIFYING CONDITIONS****.**Four (4) Benefits*** + Superannuation Pension
	+ Invalidity Pension
	+ Survivors Lump Sum
	+ Emigration Benefit

**Qualifying Conditions*** Qualifying period of 240 months (20 years) reduced to 180 months (**15 years)**
* Guaranteed Survivors benefits payment period increased from **12 to 15 years.**
* Increase in guaranteed pension payment period from **12 to 15 years**. That is **72** to **75 years**
* **Hazardous employment benefit** – underground miner to retire at age **55** with full retirement benefit.
* Must be between **50 and 60** years to benefit.
	+ It is a Defined Benefit
	+ Return of contributions plus interest is given when one does not qualify for any of the two (2) benefits.
	+ Established a Regulator which is the National Pensions Regulatory Authority -NPRA.
 | Through questions and answers, conclude the lesson.**Exercise;**1. Explain the difference between Pension, retirement and social security.
2. State 4 types of Social Security scheme.
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| **WEDNESDAY** | Through questions and answers, review Learners knowledge on the previous lesson. | * + 1. Discuss with the Learners about the obligations of the Social Security and National Insurance Trust (SSNIT).
		2. Assist Learners to identify the provisions of the National Pensions **(Amendment) Act, 2014, Act 883**
		3. Learners in small groups to discuss and report to the class on how to register with the Social Security and National Insurance Trust.

****THE TRUST’S OBLIGATION****Social Security and National insurance Trust manages the 1st tier of the 3 tier Pension Scheme. SSNIT has over the years administered Social insurance in Ghana and workers have been well catered for upon retirement and injury under the scheme. All activities undertaken by SSNIT are within the confines of the Law.The Social Security and National Insurance Trust (SSNIT) is currently charged with the administration of Ghana’s Basic National Social Security Scheme. Its mandate is to cater for the first Tier of the Three-Tier Pension Scheme. The primary responsibility of SSNIT is to replace part of lost income of workers in Ghana.Therefore the TRUST is mandated by law to;1. Operate the Basic Social Security Scheme which is the 1st tier.
2. Ensure general administration of the Social Security Scheme and Regulations.
3. Keep a Fund for contributions and other cash received.
4. Provide Social protection for working population for contingencies including old age, invalidity, death and emigration.
5. Administer and invest funds of the Scheme under general directions of Board of Trustees and approved by the National Pensions Regulatory Authority (NPRA).
6. Collaborate with other complementary social protection schemes to achieve efficiency, cost savings and avoid duplication of functions.
7. Operate other Schemes that may be prescribed by Law.

SSNIT also registers establishments and employees to furnish them with unique Establishment Registration (ER) and Social Security numbers respectively.These numbers are not transferable and shall be used by employers and employees throughout their transactions with SSNIT.The Trust is to ensure that;* Contributions are paid regularly by employers on behalf of employees.
* Recalcitrant employers who refuse to pay contributions on behalf of its employees are sanctioned.
* Reserved funds are invested prudently
* Accurate data of its members is kept and managed appropriately
* Benefits are paid accurately and promptly to members.

**National Pensions (Amendment) Act, 2014, Act 883**An Act to amend the National Pensions Act 2008 (Act 766) to reduce the age for exemption from the First Tier Scheme, Act 766 and to provide for related matters.1. **Reduction in the Age Exemption**Members who were **55 years** and above as at J**anuary 2010** were exempted from Act 766. Members aged **50-54 years** who were affected by Act 766 were made worse off. Hence the implementation of National Pensions (Amendment) Act 2014, Act 883. Members who were aged 50 as at 2010 have now been exempted from Act 766. This means that all those exempted will continue to contribute **17.5%.** They will also be paid the full benefit namely, monthly pension and the **25%** **lump sum** by SSNIT. Despite the reduction in the age exemption from **55 to 50 years,** it is still optional for any such member to decide to join the Act 766.
2. **Correction of the formulas for computation of Pensions**The Amendment Act 833 also corrected the formula for the computation of pensions by providing that the minimum 15 years or 180 months period of contribution entitles a member to **37.5%** pension right and every additional twelve (12) months contribution entitles the member to **1.125% pension right** up to a maximum of 60%.
3. **Emigration Benefit**Emigration benefit is a lump sum payment of benefits to non-Ghanaian members of the Social Security Scheme under Act 766 whose services are ended and are leaving Ghana permanently. Whether the member has reached the retiring age or not, whatever benefit is due him/her will be paid as lump sum in Ghanaian currency to the member.
4. **Employers to furnish information by SSNIT within Seven (7) working days**The Amendment provides that, where SSNIT officials request an employer to furnish any information relating to the employer, the employer shall furnish the information within seven (7) working days.
 | Reflect on the need to register with SSNIT.**Exercise;**State 5 obligations of SSNIT. |

**Name of Teacher: School: District:**