

# HEALTH SERVICES WORKERS' UNION OF TUC (GHANA)

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**GENERAL SECRETARY  
TO WHOM ALL COMMUNICATIONS  
SHOULD BE ADDRESSED**

December 4, 2022

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## PRESS RELEASE

### TOUCH NOT OUR PENSIONS

Good morning distinguished ladies and gentlemen from the media and members of the HSWU. We wish to welcome you all to today's press conference and also apologize for disrupting your Sunday morning. However, as the saying goes "a Toad does not run in the daytime for nothing, either it is after something, or something is after it". We convene this gathering to vehemently send a signal to the government not to embark on what they intend to do pertaining the Pensions of Workers in Ghana and for that matter members of the HSWU.

After the Finance Minister presented the 2023 budget statement, a lot of worrying issues emerged and have since agitated the minds of the leadership and members of the HSWU. Paramount to this is the debts restructuring for domestic bondholders in terms of interest payments. In view of this, bondholders would receive;

- Zero interest rate in 2023
- 5% interest in 2024
- 10% interest in 2025

Added to this, the government is going to forward or extend the tenure of all maturing bonds by 10 years.

Leadership found it most pressing to call for this press release today largely because it had wind of the resolve and outcome of a meeting held between the Bank of Ghana, Ministry of Finance and Economic Planning and some other stakeholders to actually go ahead with this plan which also puts the Pensions of workers at risk.

All these unfolding events bring shivers to the spine of our members who have struggled all these years with meager salaries. The actions and intentions of the government bring to question the principles of investment and saving. Workers were made to believe that there

would not be any “hair cut” on Pension Funds. The president of the republic of Ghana reaffirmed and reassured Ghanaian workers.

Members have all these years accumulated their pensions for;

- Consumption smoothing, by this they optimize standard of living and ensure a proper balance between spending and saving during the different phases of their lives
- Averting longevity risk where workers may live longer than expected and would need to rely on their monies they save now

It is so worrying that the government is deciding to discourage and dumping the spirits of the workers as they are already feeling the heat of;

- High inflation rate which is hovering around 40.4%. This is affecting the disposable income of workers and drastically reducing their purchasing power
- High lending rate which is around 33%. This has also extended the loan repayment tenure of workers who thought they had almost finished paying their loans.
- Low salaries to the extent that some public sector workers are earning below the minimum wage
- Increase in taxes like VAT which is been increased by 2.5%, electively bringing it to about 21%
- Reviewing the upper limit of income tax from 30% to 35%
- Reducing the E-levy to 1% but obliterating the threshold of GH 100 and many other new taxes.

We wish to remind the government that these policy responses to the economic crises are bringing untoward hardship to all workers and for that reason our members.

The attempt to touch the pension fund in the quest to restructure debts means that the government is tempering with the present and the future of workers who had the hope of sacrificing today to have a better future tomorrow. Furthermore, Pensions and Investment is been put at risk by the actions of the government.



The promulgation of the Act 766 was to resolve the problem of inadequate and low Pensions that was received by workers. The second Tier was designed primarily to give contributors higher lump sum benefits. In the light of this, anything short of this would be calamitous to workers.

We are on this premise assuring the government that the Health Services Worker's Union shall resist any attempt by the government to cut anything from the Pensions of its members.

If the government finds it so important to do the debt restructuring, we will urge them to ring-fence the Pension Funds of workers. Workers of Ghana can't continue suffering to the grave. Enough is enough.

We would also take this opportunity to thank members for their sacrifices and always remaining calm in times like these. The leadership would like to assure members that the pressure would be mounted until our Pension Funds are safe.

United Brotherhood of Workers by hand and by brain all over Ghana

**Franklin Owusu Ansah**

A handwritten signature in black ink, appearing to read 'Franklin Owusu Ansah', written over a dotted line.

General Secretary

Health Services Workers' Union

0244652929