UNIVERSITY OF GHANA

BUSINESS SCHOOL

THE EFFECT OF EXPANSION OF COVERAGE AND EMPLOYERS' COMPLIANCE ON PENSION FUND: A CASE STUDY OF SSNIT TESHIE-NUNGUA BRANCH

BY

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DECLARATION

I, Emmanuel Maclean Ofori hereby declare that this thesis with the exception of specified ideas attributed to specific researches and duly acknowledged, is entirely my own work, and that no part or whole of it has been presented for another award in any University or Tertiary Institution in Ghana or elsewhere.

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CERTIFICATION

I hereby certify that this thesis was supervised in accordance with procedures laid down by the university

Signature……………… Date …………………..

DR. KARIM AMIN

(SUPERVISOR)

DEDICATION

I dedicate this work first to Almighty God for His wonderful guidance, direction and protection and to my beloved family for their prayers, patience and support.

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ABSTRACT

The main purpose of the study was to examine the effect of expansion of coverage and employers' compliance on pension fund. The study employed the convenience sampling design and sampled 150 Employers on the SSNIT scheme and 50 Staff of SSNIT for data collection purposes. The data was analyzed with the Statistical Package for Social Sciences. On the level of employers' compliance, it was identified that employers pay their workers' contributions regularly by the deadline for prudent investment of the pension fund and also, there has been a decrease in the non-compliance of workers' contributions payment by employers due to enforcement of the compliance law. However, most of the employers have never faced a penalty on delayed payment of workers' contributions. The overall level of compliance by the employers was noted to be high. The leading causes of employers' compliance on pension's scheme were observed to be the idea of retaining employees and stringent penalty rates. Other causes such as financial security in the future and legal obligations attached to pension scheme compliance were added by the employers. With references to the effects of employers' compliance on pensions, the study noted that there has been an increase in pension funds and meeting investment expectations of pension funds. Nevertheless, the pension funds were not properly invested. In addition, the staff members were of the view that they achieved most pension fund goals, and SSNIT mostly benefited from the expansion of coverage. The overall rating of the success of the pension fund, which results from expansion of the scheme was considered good by the staff members. Based on the results of the study the following recommendations are worth considering. Since pension funds were not invested promptly and does not yield required returns, it is recommended that the management of pension funds should establish a strong

organizational structure and policy implementation, which will enhance their portfolio composition. A solid organizational structure will also influence the firms' investment portfolio choice leading to improved investment returns. In addition, the study recommended that payment of contributions by employers should continue adhering to the set regulations. From the study findings, regulation was found to have a significant influence on payment of contributions by employers and hence, managers of the Trust should put more measures in place to ensure that they are compliant. To ensure timely payment of contributions by employers, and deal with misappropriations of pension funds and investment/assets, SSNIT authorities must ensure effective implementation of the penalties provided by the non-compliance law, regardless of their position, status, affiliation or origin. Pension Fund Administrator should be transparent in their dealings and accountable to their clients through regular update of the employees' contributions status. The contributory pension scheme should be encouraged by its practitioners in the form of provision of adequate means of sensitization or interactions such as seminars to continually update employers and employees on the benefits of the pension scheme and its importance on life after retirement.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

In many countries, pension provision is covered by a mandatory public scheme (usually referred to as social security schemes), which is often supplemented by occupational pension schemes. The extent to which occupational pension schemes supplement public schemes varies substantially among advanced economies. In emerging economies, the access to any form of pension coverage among the working population is quite limited – only around 10 to 25 percent (Schwarz, 2003). This shows the coverage is low, hence the need for expansion in the pension coverage. The working lives of employees move continuously towards a certain direction that is, from employment, to grow, to retirement, some are fortunate to save enough money to take them through the retirement period; while a majority leaves the service with little or no savings at all. Ideally, governments and employers need to identify a way of accommodating and adequately rewarding employees' past efforts through organized pension plans and increase its coverage so that it can achieve the goals of their existence (Rabelo, 2002).

There are three schools of taught on pension schemes. The first school of thought, emphasizing on contribution, is advocated by most accounting standards setting bodies as well as by writers (Campbell and Feldstein, 2001). These scholars argued that should the employers contribute a certain percentage to the plan, their employee will be able to receive the entire or part of the benefits at retirement, or in case of termination of appointment or dismissal. The second school of thought (the non-contributory) also advocated by some accounting setting bodies (McGill, 2007; and Byrne, 2003). The belief of this school was that the singular funding made by the sponsor encourages and attracts more qualified and dedicated employees into the organization. Under this arrangement, the benefit is defined by a formula, and pension at retirement is paid either as a lump sum amount or as a life annuity (SAS 8, 1991).

In between the two extremes lies another school – the hybrid, with the view that on an aggregate basis, the active working employees of the firm should always provide the funds for the firms' pensioners (Feldstein, 1996). In other words, employers should pay pensioners out of the company's cash flow (Hendriksen and Van Breda, 1992). This is because the cash flows generated are as a result of the employees' efforts and contributions, and hence they deserved a share of it especially now that they are unproductive.

Kenny (2004) posits that retirement today should only be seen as a change in lifestyle and not an end to the productive life as it was in the past. The baby-boom era in the early 1960s has also been reduced as a result of social and economic factors. For this reason, there was the need to plan for retirement period ahead of time. This can be made possible when employers pay pension funds for their employees. It is therefore very essential that everyone should be encouraged to make adequate provision during their time at work to ensure financial security through what may be a lengthy period in retirement. Though, the percentage of Ghana's population considered as old is still very small (less than 5%) compared to 20% or higher in some developed countries like Japan, this figure is expected to increase gradually as a result of rising life expectancy and declining fertility. This calls for the need to expand the coverage of pension funds.

The expansion of pension coverage and sharp practices in management of pension funds exaggerated the problem of pension liabilities to the extent that pensioners, due to poor condition of their health status, were slumping and/or dying on verification queues for payments of their pension rights or go home without receiving their pensions and gratuities (Olurankinse and

Adetula, 2010). Retirees and their families were subjected to ridicule and unbearable lives as they could not meet their social needs. Employer's reason for the restructuring of pension schemes include the desire to reduce overall pension costs, moderate the effect of government regulations, reduce administrative costs and respond to perceived worker preferences (Clark and Munzenmaier, 2000).

The expansion of pension coverage in Africa has registered negative effect on the employers' compliance (Impavido, 2002). The International Social Security Association (ISSA) attributes poor compliance by employers on pension funds to a number of reasons including macroeconomic factors, unfavorable market conditions, poor portfolio planning, and limited knowledge in pension contributions to the employees. Impavido (2002) linked poor expansion of coverage to undue political interference. He argues that, governments have often imposed on financial intermediaries, explicitly mandate are absent, governments have often relied on their power of coercion to ensure sufficient demand for their debt to finance public expenditure or demand for other securities to finance well connected enterprises and public enterprises. Many employers are not paying the right pension funds to cover their employees leading to poor employers' compliance to the payment of pension funds. This study seeks to examine the effect of expansion of coverage and employers' compliance on pension fund case study of Social Security and National Insurance Trust (SSNIT).

1.2 Problem Statement

Some cases of employer's pensions fund non-compliance, mismanagement and poor expansion in coverage of pension scheme have put pension fund in the spotlight of public interest (Mayners2001). Poor compliance of pension fund by employers has taken centre debate in other countries like Germany, the Netherlands and the U.K. The public and political debate on pension fund is often centered on the misuse of pension assets and employer's non-compliance. Taking such a holistic view, the Organization for Economic Cooperation Development (OECD) has adopted guidelines containing twelve fundamental principles and aim at setting international standards biding employers to pay pension funds for their employees.

Empirical studies found significance evidence on employer's non-payment of employees' pension fund across the world. Stewart and Yermo (2008) document the ineffectiveness of the pension enforcement body in Hungary in enforcing employers compliance; Clapman (2007) show evidence of the lapses in USA; Amachtsheer et al (2006) document the same problem in Australia, Canada, New Zealand, UK and USA; Dias (2006) disclose the problem in Brazil, and Rusconi (2008) unveil the problem in South Africa. No Social Security will achieve its objectives if participants fail to comply with the contribution collection conditions.

Compliance occurs when employers and employees do pay required pension contributions. It is a critical problem for Social Security programmes when non-compliance occurs. In some countries, it has even caused the Social Security System to collapse with revenue falling far short of that needed to pay benefits. Non-compliance of employers / employees contributions especially those in the private sector had attracted public attention and officials of the Social Security and National Insurance Trust (SSNIT) Pension Scheme in Ghana. However, problem of non-payment of contributions had led to huge indebtedness by employers and subsequently, reducing the quantum of funds needed which affects the operations of the Scheme since a significant portion of the benefits are derived from investment income.

Non-payment of contributions had led to a situation where most defaulting employers had been taken to the Law Court to seek redress for employees. But unfortunately instituting legal action against defaulting employer had not yielded much more gains. The increasing number of nonpayment of contributions have led to a situation where most of employees after retirement do not get high benefits because non-payment of contribution reduces the margin of profits on investments made by the Trust. Due to the high level of non-payment of contributions, management of the SSNIT have intensified public education on the dangers of the non-payment of contributions on the scheme.

Despite this public education, majority of employers still do not honour their obligations even though, they are mandated under the law to do so. Also, many of the studies in employers' compliance on pension were done in the developed countries with very small attention in Africa, particularly in Ghana. Most of these studies did not include how expansion of coverage affected pension funds. This therefore is the wish of the Researcher to determine the effect of expansion of coverage and employers' compliance on pension fund. Specifically, SSNIT office at Teshie-Nungua will be the focus of the study as the area will be convenient for the study in terms of data collection.

1.3 Objectives of the study

Examining the effect of expansion of coverage and employers' compliance on pension fund is the main purpose of this study. In order to achieve this main purpose, the following research objectives are developed;

1. To examine the causes of employers' compliance on pensions scheme

2. To investigate the effects of employers' compliance on pensions

3. To analyze the effects of expansion of coverage on pension funds

1.4 Research Questions

Based on the research objectives, the following research questions are formulated;

1. What are the causes of employers' compliance on pension's scheme?

2. How does employers' compliance affect pension funds?

3. How does expansion of coverage affect pension funds?

1.5 Research Methodology

This research used the quantitative approach using the survey strategy technique. A specifically designed questionnaire was used as a tool to gather relevant information and data. The primary data gathering instrument was the structured questionnaires. The questionnaire was designed with the focus on the objective and study questions of the research. The Statistical Package for the Social Science (SPSS) was employed for the statistical analysis.

1.6 Scope of the study

The study focused on expansion of coverage and employers' compliance on pension funds using SSNIT as a case study. With the scope of the study narrowed to the effect of expansion of coverage and employers' compliance on pension fund. SSNIT employers from different firms and Staff at SSNIT would be the focus of information.

1.7 Significance of the study

This study which probes into compliance of pension fund contributions by employers would highlight the causes of compliance by employers. This knowledge can help the management of the Scheme to put remedial actions in place to help improve and encourage compliance rate. It is believed that without an acceptable level of compliance, a social security scheme cannot live up to its stated objectives.

Another significance of the study is that, the employers would be more sensitive to the implications of non-compliance rate. Employers and workers who have a real interest in the scheme may be much more prepared to cooperate with the administrators of the scheme when they are knowledgeable of the benefits of the scheme. It is also envisaged that this study can provide materials for public education on social insurance principles. Finally, the data from this study would serve as benchmark data for further research and academic purposes.

1.8 Organization of the Study

The study is organized into six chapters. Chapter One is the background of the study and dealt with the problem to be researched, scope and objectives of the study. Chapter Two focuses on an overview of the study area and organizational profile. Chapter Three is the literature review, which reviews some of the relevant literature on the topic. Chapter Four describes the methods employed in undertaking the study. The chapter also provides an overview of the research approach employed, specified the procedure followed in collecting data and outlined the data collection technique. Chapter Five analyses and discusses the empirical results. It presented the major findings of the study and discussed the key results of the study in relation to the literature review. Chapter Six focuses on the summary, conclusions and recommendation of the analyzed data.

CHAPTER TWO

OVERVIEW OF THE STUDY AREA AND ORGANIZATIONAL PROFILE

3.1 Introduction

This chapter focuses on an overview of the study area which is Teshie-Nungua Branch of SSNIT. It also presents an organizational profile of the Social Security and National Insurance Trust (SSNIT).

3.2 Study Area (Teshie-Nungua)

Teshie-Nungua is a coastal town in the Krowor Municipal Assembly, a Municipal in the Greater Accra Region of southeastern Ghana. The area is the ninth most populous settlement in Ghana, with a population of 171,875 people. It is believed that the original Teshie-Nungua people came from La, a town that lies to the west of Teshie-Nungua. Its alternative definition refers to an individual devoted to the John Tesh radio program. Fort Augustineborg, built by the Danes in 1787, is located in Teshie and was occupied by the British from 1850 to 1957. The national Officer Cadet Training School and Kofi Annan International Peacekeeping Training Centre (KAIPTC) are also located here.

The town is rich in diversity as a result of the country's current democracy and development program. Every August, the town celebrates the Homowo festival. Teshie stretches from the Kpeshie Lagoon to Teshie-Nungua Estates (first junction) from East to West on the Teshie Road. Teshie has grown enormously to become one of the biggest towns in Ghana.

3.3 Organizational Profile

The Social Security and National Insurance Trust (SSNIT) is a statutory public Trust charged with the administration of Ghana's National Pension Scheme. The Trust is currently the biggest non-bank financial institution in the country. Its primary responsibility is to replace part of lost income due to Old Age, Invalidity and payment of Survivors' benefits to deceased dependents.

The Pension Scheme administered by SSNIT has a registered active membership of over 1.2 million and over 140, 000 pensioners who collect their monthly pension from SSNIT. The Social Security and National Insurance Trust (SSNIT) is governed by the National Pensions Act 2008, (Act 766) which has a contributory 3-tier Pension Scheme with SSNIT operating the Mandatory first-tier scheme. The contribution rates are, for employers - 13% of workers basic salary and for workers - 5.5% of workers basic salary, Totaling 18.5%. Of this, 13.5% is remitted to Mandatory first tier managed by SSNIT and 5% to the Mandatory second tier privately managed occupational scheme.

The core functions of the trust are; to be responsible for the general administration of the Social Security Scheme and any regulations under it.

Provide income protection for the contributors under specified contingencies, e.g. Superannuation Pension, Invalidity Pension and Survivor's Lump sum, and such other contingencies as may be specified by Law, be responsible for the management of the fund and carry out any other activities incidental to the realization of its objectives.

The core business activities are decentralized with most of the functions carried out in 51 Branches, monitored by eight (8) Area Offices and supervised by the Operations coordinator. The Management of the fund is at the Head Office.

The scheme is self-financing through the contributions of members and returns on the investments of the funds. The contribution rate is 18.5% (worker - 5.5%, employer 13.0%) of the earnings of a member.

The Trust has been in Social Security Business since 1965. In 1998 it won the "Good Corporate Citizen Award". It is a member of the International Social Security Association (ISSA) which is affiliated to the International Labour Organization (ILO). The Trust is the first Social Security Organization to go Pension in Africa South of the Sahara.

Our Vision

“To be the model for the administration of Social Protection Schemes in Africa and Beyond”.

Our Mission

“To provide income security for workers in Ghana through excellent business practices”.

Core Functions of SSNIT

- Register employers and workers
- Collect contributions
- Manage records on members
- Invest the funds of the Scheme
- Process and pay benefits to eligible members and nominated dependents

Core Values of SSNIT

1. Professionalism (Ethical conduct, confidentiality and discipline)
2. Leadership (Empowerment)
3. Integrity (Accountable and Transparent)
4. Customer Focus (Service Excellence and Empathy)
5. Commitment (Passion)
6. Innovation
7. Team Work (Collaboration and Participation)

Currently, SSNIT operates from eight (8) Area Offices, fifty-one (51) Branches, twenty-three (23) Day Offices and an Agency in the country.

CHAPTER THREE

LITERATURE REVIEW

3.1 History of Pensions Schemes in Ghana

Darkwa (1997) posits that almost all societies have a mechanism by which they provide a form of social security system against unforeseen contingencies of life such as old age, unemployment, sickness, and disability. In Ghana, before the advent of colonial rule, most Ghanaians, more especially, those residing in the rural areas depended on the traditional forms of social protection such as the extended family and a number of mutual aids from organizations for their security, welfare, and social protection.

With the introduction of colonial rule in Ghana, a number of Western social security interventions were introduced in Ghana together with other bureaucracies and institutions. Like other social intervention introduced during this era, the Ghanaian social security system was designed to cater for the needs of urban workers. The scheme did not cover the over 60% of Ghanaians residing in rural areas and working in the non-formal sectors as farmers, petty traders, and self-employed people (Dei, 2001).

Currently, the SSNIT and the CAP30 pension schemes are the two mandatory schemes running parallel in Ghana. Though there are other social security systems predating them. There are schemes like the superannuation scheme and teachers fund. SSNIT pension scheme covers workers in both the formal and the informal sector workers. The CAP 30 takes care of the military and the security services and a few civil servants.

3.2 Occupational Pension Scheme

The provision of an occupational pension scheme by an employer must be viewed in the broader context of human resource strategy, since pension provision is generally regarded as having an important place in a range of fringe benefits that may be offered to employees as part of an overall reward package (Colin et al, 2008). Early occupational pension schemes were essentially paternalistic, provided as part of an employer's diffuse obligation to look after their workforce through various forms of welfare provisions. It has always been assumed however that since this provision was an aspect of one side of a set of mutual obligations on the part of employer and employee, there would be some form of reciprocation in terms of desirable forms of employee behaviour (Colin et al, 2008).

The rationale of establishing retirement benefit arrangements is often similar for both defined contribution (DC) scheme and defined benefits (DB) schemes with the primary objective of providing for members upon retirement. It is also meant to provide retirees with a certain standard of living by ensuring that their income does not fall below a certain minimum level after retirement. Retirement benefits plan have therefore been instituted so as to help employees experience a wonderful life during their retirement years (Adkins, 2010). Traditional, funded occupational pension schemes were designed around Defined Benefits Pension; Defined contribution plans accounted for a small fraction of employer sponsored pensions and were typically offered by smaller firms or as supplementary plans for high income earners.

Most employers in the past have used defined benefit plans in competitive labour markets to attract and retain skilled worker as opposed to defined contribution plans where the benefits are portable once vested to the members (Turner and Hughes 2008). However, the traditional defined benefits retirement plans are gradually losing their dominance in the occupational pension system in many countries. There has been a gradual shift towards defined contribution retirement plans (Broadbent et al, 2006). Occupational pension schemes were introduced to meet the different needs of employers and employees. Employers view their occupational pension schemes as an important means of attracting, retaining, motivating and increasing the level of job satisfaction amongst the staff. The prospect of an occupational pension scheme can be attractive to employee in a variety of ways.

It's imperative for employees to look out for whether their employers have a pension scheme for the workers. Once the employee has been taken on, a pension scheme can play a role in retaining such a person. An employee would ceteris paribus, be attracted to remain with an employer who contributed, say 25% of salary to the pension fund rather than shift to an employer who made no such contribution. From an employer's perspective, pension scheme may also have the effect of inducing employees not simply to stay with the employer, but also to work diligently, to the satisfaction of the employer (Terry and White, 2000).

Employers wanted a tax efficient and paternalistic means to controlling their workforce and employees wanted a secure pension in retirement that bore some relation to the income they had received while working (Hannah, 1986). Indeed, it is still the case that employers view their occupational scheme as an important means of attracting and in particular, retaining staff (Taylor, 2000). However, although the relationship between withdrawal and retirement benefits provided by defined benefits scheme means that they might provide employees with a final incentive to remain with their employer, it is not certain that they do have this effect on employees employment decisions (Cooper, 1999). Provision of an occupational pension scheme is based more on a belief in its contribution to fostering employee loyalty than on hard evidence (Terry and White, 2000).

Organizations with pension schemes may have low employee turnover because they also offer better pay and conditions or more enlightened human resources management practices generally (Taylor, 2000). Mutuku (2004), has defined an occupational retirement scheme as a scheme to which access is linked to an employment relationship. These schemes are established by employers to act as vehicles for accumulation of retirement savings for the employee (RBA, 2000). Although the employer is responsible for sponsoring the scheme, it is actually run by a Board of Trustees. It is the Board of Trustees that is responsible for ensuring payment of benefits. There has been a belief that benefit provision fosters employee loyalty and commitment to the organization, not only by linking long service with economic self-interest but also in some way by creating favourable attitudes to the business which can improve commitment and performance (Colin et al, 2008).

Indeed, fostering employee loyalty became a commonly stated objective of occupational pension schemes (Hannah, 1986) and was also reflected in the growth of employee participation in the administration of these schemes, although employee participation tended to be confined to receiving information or having some say in discretionary administrative decisions rather than major decision over deployment of the capital tied up in pension funds or in the appointment, role and training of trustees (Terry and White, 2000). The Occupational Retirement schemes can be operated on defined benefits or on defined contribution ideologies. Although there is no compulsion for employers to set up the Occupational Retirement Scheme, once established, the scheme falls under the mandate of the Retirement Benefits Authority and must comply with the laid down regulations. The employer is referred to as the sponsor and will normally assist its employees in making contribution into the scheme. Such schemes are established under a trust deed (Chizueze, Nwosu and Agba, 2011).

Employers in many parts of the world are not mandated to establish occupational retirement benefit schemes for their employees. Employers therefore voluntarily chose to establish occupational retirement benefits schemes for their employees (Rulof, 2005). An employer who starts an occupational scheme has an upper hand first and foremost to choose the design of the scheme. Upon setting up the scheme, an employer is not prohibited from changing the design or terminating the scheme (Chirchir, 2010). Based on how the scheme is designed or how benefits are determined, a retirement benefits scheme can be classified as a defined contribution scheme or defined benefit scheme.

3.3 Concept of Compliance

Compliance is one important determinants of implementation success. Compliance is either a state of being in accordance with the established guidelines or specifications or the process of becoming so. It is the efforts to ensure that organization are abiding by both industry regulations and government legislation (Njogu, 2016). According to Anderson & Paine (1975) compliance is the adherence of the implementing agencies, departments and officials to prescribed policy standards, rules, methods, objects and target.

3.4 Problems of non-compliance on Social Security Contributions

McGillivray (2000) argues that failure of participants to comply with their contribution obligations to Social Security Scheme is a problem which threatens the legitimacy of the Scheme, the adequacy of the Social protection of persons whose contributions due have not been paid and the financial viability of benefit Scheme. He states that Social Security Contributions are normally withheld from Wages / Salaries by employers who are legally responsible to remit the contributions, along with the employers' contributions, to a collection agency. According to him, in most cases, employers fail to remit contributions which they have withheld from their employees to the collection agency.

Asare, (2000), states that the Social Security Scheme as is currently operated in Ghana has not been without its own peculiar problems and challenges. According to him, the major area of concern is the payment of contributions. He quotes that PNDC Law 247 (1991) as well as the legislative instrument regulating the operation of the Scheme stipulates the obligation of the employer. In order to facilitate the collection or payment of contributions, the law provides for the deduction at source by an employer, the workers' portion of the contribution and adds the employer's portion of the contribution and pays this contribution to SSNIT, by the 14th day of the subsequent month. However, he states that employers are often found falling into arrears in the payment of Social Security contribution of their workers which in some cases run into several millions of cedis. He further stresses that the Social Security law empowers the Trust to take civil and criminal action against employers who do not comply with the law, such as evading payment of Social Security contributions.

Chonzi (2000), states that the National Social Security Authority (NSSA) was established by an Act of parliament primarily to administer the National Pension and other Benefits Schemes, (which covers every employee in formal employment with the exception of civil servants and domestic workers employed in individual household), and the workers compensation insurance Scheme. He mentions that the Scheme is designed in such a way that the employer is the main source for all input, NSSA needs from the employee ranging from registration to deduction and remittance of contributions. Evasion by employees is directly linked to the employer and therefore an employee cannot evade registration and payment of contribution to the Scheme unless he / she connive with the employer. He states that, employers are required by law to register and contribute to NSSA by the 10th day of each month and submit the list of names of their employees, the employee's insurable earning as well as contribution amount by the 16th of each month.

However, according to Chonzi, evasion is high in the construction and mining industries where additional employees to the permanent staff are mostly engaged depending on the projects being undertaken. If the project is small then the additional employees are engaged and terminated at the end of it, before NSSA learns about the project. He points out that this is an area where NSSA faces serious problems in trying to combat evasion. Madukwe (2014), stresses that, in a contributory Social Security Scheme, collection of contributions is of critical importance. Contributions are the means by which the Social Security Scheme obtains the financial resources on which it depends. The administration of the collection system often constitutes the largest block of the work in the social security organization. Sometime there are serious problems in enforcing the legislation and in coping with the workload resulting from collection (Cannon & Tonks 2012). These problems tend to become more prevalent as schemes expand into new areas and sectors of the economy (e.g. to smaller employers).

Social Security programmes involve the transfer of funds in the form of cash benefits or services. In centrally organized contributory scheme, a financial plan has to be carefully devised to meet the projected benefit and administrative expenditures (Kawor, 2008). Kay (2003), states that the financing is established through Social Security legislation which specifies who must participate in the financing (the contributors to the Scheme) and the amount they must pay (the contribution rate). It is in the manual that in the majority of the Scheme, the employing establishments (the employers) and the eligible workers (the ensured members) are required to contribute though not always in equal parts. The employer is responsible for collection (from the employee) and for the remittance of the total contribution (employee's and employer's share combined) to the Social Security institution.

To Neuberger (2005), contribution payments must be supported with a schedule and must be delivered within a prescribed number of days after each calendar month end. This time is commonly set at 15 days, where payment is made late, a penalty will automatically be imposed. From the manual, the achievement and maintenance of satisfactory standards of compliance, with the legislation relating to payment of contribution, poses serious administrative problems for most Social Security organizations. According to Manchester (1999), compliance procedures are of basic importance in any contributory Scheme and all Social Security Schemes are engaged in a constant search for the most effective compliance procedures for their national Social and economic condition. Without a satisfactory level of compliance, a Social Security Scheme cannot function and properly meet the needs of its members. Manchester (1999), points out that, one of the measures of success of a Social Security Scheme is the extent of the acceptance of and compliance with the legislation. He stresses that there is always employers and indeed Scheme members who will seek to evade their liabilities.

Some may under-report the number of employees or understate employee earnings on contribution schedules. Others are guilty of deducting the contribution from employees' pay but not remitting payment to the Social Security Organization. Further, defaulting employers often go to the lengths to avoid compliance, sometimes in collusion with the employees concerned. Establishments which are in financial difficulties may go bankrupt or close down without warning. Some of them may then re-open, under a different name, in an attempt to avoid responsibility of arrears of contribution. Rulof (2005), also states that many employers, in attempting to evade compliance, will place difficulties and barriers in the way of any Social Security inspector trying to check on cases of non-compliance. Further, Uche & Uche (2002), points out that, most Social Security legislation provides for the levying of fines in respect of late paid contributions and many Schemes also include legal recovery procedures, through distrait.

Civil and criminal actions are also usually available to Social Security Administration for pursuance of a debt where non-compliance is of very serious nature. Usually, it is only as a last resort that such extreme measures are taken because there is always the chance that they may result in the closure or bankruptcy of an enterprise or company – with a consequent loss of jobs for the employees involved (i.e. Social Security members). Umar and Tsado (2012), concludes with a recommendation that the range of problems encountered in implementing the legislation requires that a broad and imaginative approach be adopted if satisfactory levels of compliance are to be achieved. And an aid to successful compliance work is sound and comprehensive legislation, which minimizes questions and doubts about liability, classification, due dates for remittances, etc. and which also makes clear the penalties for failure to comply with the legislation.

3.5 Causes of Non-payment of Social Security contributions

Understanding the causes of evasion is important for structuring social security reform. A partial understanding could lead to an overstatement of the reduction in evasion due to reform and thus an overstatement in the increased revenue caused by a change in social security systems. Adjei (1999), states that in Ghana, contributor's indebtedness to the fund is uncomfortably high. He stresses that a major cause of this is that employers have taken advantage of the penalty system. According to him, with penalty rates in respect of noncompliance and late payment of contribution falling below general lending rates in Ghana, employers find it quite profitable to use workers contribution as loans to run their business and pay later-even with penalty. If they were lucky, they could even obtain a waiver on the penalty.

Adjei (1999), mentions that even though the law empowered SSNIT to prosecute defaulting employers, SSNIT for a long time feared to apply the penalties on the defaulters. This, he explains by the fact that it was initially felt that ruthless prosecution of employers might rather endanger the employment security of the workers whose security is being ensured and as a result, however, employers take advantage of the Trust's leniency. He further stresses that an equally important aspect of compliance is non-completion of contribution reports that should accompany payment of contribution. This is the basis of most of the problems in record-keeping. He also mentions that this denies SSNIT most of the important data needed for keeping accurate records on members and on other transactions.

McGrillivray (2000) stresses that, lack of employment avenues in the economy makes both employers and employees conspire to evade payment of contributions completely or to under-declare the contributions payable. This is because the employee for fear of losing his / her job may feel powerless to challenge an employer subverting the Law. Total disregard of the Law by some employers as well as employees who feel that the scheme was forced upon them and contributions are considered as a form of tax, which is an additional cost to their business. Further more complete ignorance of the Law in the case of some employers and employees, especially in the rural and farming areas. Inadequate monitoring of both employers and employees alike by staff of the Trust is also another contributing factor in non-compliance. According to him, lack of logistics, also militate against effective and proper surveillance of the employer to ensure compliance, poor record-keeping also contributes to non-compliance of the Law.

Many employers are unable or unwilling to keep proper records on their operations including the staff and this makes it difficult or impossible for officials to inspect their books and ensure compliance. According to Ejuba (2000), all workers and employers bear a compliance cost in terms of time, expenses, inconvenience, and frustration in obtaining necessary forms, completing them, and otherwise complying with contribution requirements. He states that, evasion could occur because the penalties are low, or the low probability of their being levied causes them to have a low expected value. Contributions may be routinely paid in arrears when the interest penalty for late payment is low. Whatever the reasons for evasion, ineffective enforcement makes evasion more likely. He stresses further that, evasion may occur due to firm’s social security contributions from their employees but keeping the contributions. This is the worst form of evasion since it involves defrauding workers of their own contributions.

Fraud occurs in a more subtle form when employers delay transmitting employee contributions to the appropriate authorities. Such a practice benefits firms due to the interest gained while holding the employees’ contributions. Wu-wai (2000), points out that, financially weak firms may evade contributions because they place a low priority on those expenditures. Paying salaries would be a higher priority than payment of social security contributions. Among benefits, providing health benefits may be higher priority expenditure than providing retirement benefits. He further points out that firms may not comply because it is cheaper to bribe the labour inspector. Furthermore, employers may have developed their own retirement arrangements for their workers, and see no advantage in participating in the social security scheme. He explains further that evasion is more easily accomplished when production is mainly done by small firms and by firms with no fixed location of production. According to him, it is easier for the government to control evasion when production occurs primarily in large firms.

Alm, James (1996), state that, in most Social Security Schemes, employers are legally obligated to pay social security contributions on behalf of employees, and also withholding employee contributions from pay. The legal burden of contributions is placed on employers. Thus, opportunities to evade for workers wishing to do so are limited to collusion with employers and to changing their employment to become self-employed, casual, or contract workers, where contributions may not be required, or where required contributions are more easily evaded. Burkhauser (1985), stresses that, in some countries Social Security contributions are collected with income taxes and it is not possible to pay one and not the other. In that circumstance, the evasion of social security contributions must be considered with the evasion of income tax payments.

Contribution evasion must generally involve some form of collusion between employers and employees. Exceptions to their being collusion occur for self-employed workers and in the case of employer embezzlement of contributions when the employee would not consent to and may not be aware of the evasion (Branigan, 2013). Because employers are legally obligated either to make payments on behalf of their employees or to collect contributions from their employees, or both, when evasion occur, and employees are aware of it, the employees could report this to the social security institution enforcement office. He further points out that, when workers also wish to avoid contributing, collusion is easily established (Cai & Cheng, 2014). In that situation, employers evading contributions will have an advantage in labour markets because the compensation package they offer, which does not involve social security contributions, is more desirable than the compensation package offered by non-evading employers.

Thus, in some instances the motivations of employees may be a key factor to determine evasion. However, if employees wish to contribute in a system where employer contributions are required, then the employer must offer them higher wages to offset the disadvantage of working for an evading employer. Presumably, to some extent sorting occurs in the labour market, so that employees that most wish to evade contribution work for employers that also most wish to evade contributions. Cottani (1996), outline the reasons for contribution evasion into those affecting employees' willingness to pay or reluctance to report non-payment to authorities and those affecting employers' motivations. According to him, another factor is the government's attitude towards evasion. For contribution evasion to occur, three conditions are required involving employees, employers, and the government: employees must either prefer non-payment of contributions or be reluctant to report non-payment to authorities, employers must wish to evade or place a low priority on making social security contributions relative to other expenses, and government enforcement must tolerate evasion or be inadequate to prevent it.

Cottani (1996), further provides reasons why workers wish to evade paying Social Security contributions or are reluctant to report non-payment by employers by stressing that, a weak relationship between social security contributions by workers and the benefit they ultimately receive was stressed by the World Bank (1944) as a cause of evasion. He discloses that the relationship between contributions and benefits, however, is only one aspect of evasion, and argue that it is probably a relatively minor one, in part because of the role of other mandatory contributions and taxes. Hompson (1998), explains that, the marginal gain from social security contribution evasion, treating social security contribution evasion separately from income tax evasion, is measured by the true economic Social Security tax rate on earnings. The true economic tax rate facing workers is the difference between the social security contribution rate and the marginal accrual in actuarial present value of future benefits with a marginal increase in earnings. The higher is the true economic tax rate for social security, the greater is the marginal gain from contribution evasion.

Hompson (1998), again expresses that in a defined benefit scheme, the marginal accrual in actuarial present value of future benefits with a marginal increase in earnings is determined by the effect of current earning on future benefits, as specified by the benefit formula. If benefits are not tied to the work's earnings (or earnings-based contributions) in the period, the tax rate equals the contribution rate. The true economic tax rate varies across workers if the social security system provides more generous benefits relative to earnings or contributions for some workers than for others. He further mentions that employees' amount of evasion is also affected by the opportunities to evade, which depend in part on actions taken by employers and the government. Individuals have a three-part decision when considering the effect of mandatory social security contributions on work: 1) do not work, 2) work for an evading employer, 3) work for a contributing employer. In addition, there may be varying degrees of evasion that are offered by different work situations.

According to Clymer, Rappaport, & Schaus (2010), workers wanting to evade may be unable to do so because no attractive employment opportunities are available where evasion is possible. This could occur because of strict enforcement or because of the structure of the economy, with few good jobs in the causal or informal sector. The marginal cost of evasion is affected by the difference between wages in jobs where evasion is possible and wages in covered jobs, and by the expected value of the cost of governmental penalties for evading. In most countries, the penalties for evasion are levied solely on employers. If the marginal cost of evading is less than the marginal benefit of doing so, taking into account the accrual of future benefits, workers will seek employment where evasion is possible.

According to Lyer (1999), firms have their own decision problem as to whether to evade. The legal burden of not evading is placed on them. They will weigh the labour market benefits of providing contributions for their employees against various costs-the direct costs of providing them, the cost in terms of higher wages workers may require to work for an employer that does not contribute, the costs incurred to conceal evasion, and the expected present value of paying a penalty if caught evading. He concludes that, national legislative bodies, government social security agencies and tax collection agencies in dealing with evasion presumably weigh the costs of enforcing mandatory contributions against the perceived costs and benefits in terms of social objectives of doing so.

3.6 Selected Countries and their Pension Scheme Arrangement

The United States: The US is adjudged one of the advanced countries that set the pace in all round development while other countries follow. But this is not the case with her old age pension system that has been described as 'disappearing'. According to Capretta and Jackson (2007), the reform of old age benefit systems is made difficult in the United States. Most Republicans strongly favour moving toward defined contribution personal accounts in social security and intensifying market competition to control health-care costs, while the Democrats favour retaining social security's defined benefit structure and relying on government regulation to control health-care cost.

Over the years, as politicians have adhered ever more rapidly to these opposing views, reaching a broad consensus in congress over reform has become nearly impossible. Unfortunately, a long delay before prudent reforms adopted could have the United States in no better fiscal position than, many other industrialized countries, despite its demographic and economic advantages. The US Senate Committee on Health, Education, Labour and Pensions, chaired by Tom Harkin, in July, 2012 came up with a startling report titled, "The Retirement Crisis and a Plan to solve it". In his comments Harkin, submitted that, after a lifetime of hard work, people deserve the opportunity to live out their golden years with dignity and financial independence. But for most of the middle class, the dream of a secure retirement is slipping out of reach. He unequivocally remarked, “We are facing a retirement crisis. Consider the following:

- The retirement income deficit – i.e., the difference between what people have saved for retirement and what they should have at this point – is $6.6 trillion;
- Only one in five people in the private sector workforce has a defined pension plan; and
- Half of Americans have less than $10, 000 in savings.”

According to the report, the retirement crisis is directly attributable to the breakdown of the traditional three-legged stool of retirement security (i.e. pensions, savings, and social security). Out of the three plans only social security is still strong, but it was always intended to be supplemented by other sources of retirement income. In Harkin’s words, ‘the retirement crisis is simply too big to ignore, and it is time for us to roll up our sleeves and get to work”. A recent survey found that 92% of the people think there is a retirement crisis in America (Allianz, 2010). The Centre for Research at Boston College estimates that USA retirement income deficit is $6.6 trillion.

Employee Benefit Research Institute (2012) reported that, only 14% of the people say they are very confidence they will have enough money to live comfortably in retirement. And 69% of the people believe they could save until age 65 and still not have enough (Transamerica Centre for Retirement Studies, 2012), while employers are even more pessimistic; only 4% are ‘very confident’ their employees will retire with sufficient assets (Hewitt, 2012). Traditionally, in the US, defined benefit pension plans (pensions, personal savings, and social security) were seen as the three pillars creating a solid foundation for the retirement system, each playing an important role in supporting people in old age. However, the pension system has been in a steady decline for decades, and only one out of every five people working in the private sector has a pension (Bureau of Labour Statistics, 2010), and as pensions disappear, the US would be losing a key source of investment capital and a driving force behind their economy.

Employers have largely stopped offering pensions at all. Those that choose to offer their employees a retirement plan tends to provide defined contribution plans (DC Plans). Defined Contribution Plans can be an effective way to help people save for retirement, but they are not substitutes for pensions because they do not provide people with the same level of protection from financial risk and do not provide a guarantee stream of income for life (Broadbent et. al., 2006). At the same time as middle class families have seen their pensions disappear, economic conditions are making it tougher and tougher for people to save through DC Plans or on their own. People are working longer and harder than ever before, and productivity has steadily increased. The middle class is being squeezed, and we are at a point where half of households would not even be able to come up with $2, 000 in 30 days if faced with an emergency (Lusardi, Schneider and Tufano, 2011).

However, social security was never meant to be people's sole source of retirement income, the program replaces only about 40% of the average person's income after retiring, but people typically need 65 – 85% of pre-retirement earning to maintain their standard of living (Social Security Administration, 2012). In 2010, nearly 6 million Americans aged 65 and over were living in poverty or near poverty (Department of Health and Human Services, 2011). In his opening remarks, Gary Koenig, Director of Economic Security at AARP described inadequate savings as an international problem and said the system in the US is not working well enough for everyone and needs significant tinkering. At September, 17th 2013's event at Brookings Institute, hosted by Retirement Security Project and the AARP Pubic Policy Institute, Speakers and Panelists discussed what the US could learn from the retirement savings systems in Australia and Asia (Gunu & Tsado, 2012). If a country like US could have its pension system in crisis so much that they needed urgent study of some countries' pension systems, how much less developing countries like Ghana. Nobody, no country is a custodian of knowledge. This is instructive to Ghanaian policy makers.

Sweden: In Sweden pensions are a Notionally Defined Contribution (NDC) supplemented by mandatory funded individual retirement accounts. This leaves Sweden better positioned to confront the age wave than most countries (Capretta and Jackson, 2007).

The UK: In the UK pension system provides an affordable public pension safety net supplemented by a large, funded employer-based pension system as well as personal pensions. But the interaction of public pensions with the voluntary "contracted out" employer and personal pensions is complex and has come under heavy criticism for leaving a growing number of British workers with uncertain retirement income prospects (ibid.).

Australia: In 1993, in recognition of the demographic changes, the Australian retirement system was reformed. Australia provides a two-pillar system. The first pillar is a means tested program known as the Age Pension which is financed by general revenues. The second pillar, called the Superannuation Guarantee, requires employers to contribute on behalf of their employees to privately managed funds. Employers make contributions to these funds at the rate of nine percent of employee earnings and some employers make contributions that are above what is required (Briggs, 2015).

Benefits may be paid out as early as age 55, either as an annuity or as a lump sum. Thus, Australia has approached the problem of improving retirement income not by expanding public programs, but by imposing a mandate on all employers to offer at least one contributory retirement plan to all employees. The accounts are intended to be portable and are managed by the private sector. However, because the accounts are provided on an individual employer basis with the fund selected by the employer, there are over 277,600 different funds, 99 percent of which are very small (Orifowomo, 2006). The reform over the past decades has successfully improved retirement income prospects for workers while increasing national savings and at least potentially lowering long-term government costs.

Australia has been described as the world reform leader by Capretta and Jackson (2007). According to them, only Australia can legitimately claim to have solved its old age support problem despite recent reforms, public benefit system in most developed countries remain unsustainable and even where long-term costs have been controlled, serious concerns remain.

Nigeria and Chile: These two countries operate in fragmented system. By 1980, there were some 32 different pension schemes in Chile and under these nearly 100 different plans. Although three schemes accounted for the majority of contributing members - blue-collar and white collar workers and public sector employees - these were not uniform in their conditions. The scheme for the public sector workers was the most favourable in terms of retirement age and benefit calculation formula (SAFP, 2003). Also, in Nigeria before 2004 Reform, there were many pension schemes (Pension Subcommittee, 1997; quoted in IMF, 2005). The Nigeria Social Insurance Trust Fund (NSITF) covered only the private sector workers. It was overshadowed by the various schemes for public sector employees. There were special schemes for federal public servants, for the (federal) police and security services and for the military. At the same time, each of the 36 federal states, plus the capital territory, had its own pension system for its public employees, as did each of the 774 local government authorities. In addition, each of a multitude of publicly owned (federal or state) enterprises (often referred to as 'parastatals') had its own pension scheme (Casey and Dostal, 2011).

3.7 Investments of Pension Funds

Pension funds invest in capital markets to make profit. They need a future economic recovery that lasts and as such most of them invest for the long term. In many countries pension fund resources are the domestic sources of long term capital. Initially the pension funds are channeled into safe investment areas. As the funds mature some turn towards alternative investment vehicles, which in general have had better returns than pension fund portfolios, albeit with greater risk (Vives, 1999). The case of Chile, with its longer history, is illustrative of the possible evolution as funds mature and tends toward riskier portfolios, even within the very conservative limits set by regulations. At the beginning, most assets were invested in essentially risk free securities, as is the current case in Mexico. As time went by and capital markets developed, funds started to invest in mortgage bonds and corporate securities, to the point that in 1994 these represented a proportion similar to public securities (Vives, 1999).

In the United Kingdom pension plans have increased their investments in hedge funds by significant proportions since the year 2006. They often outperform the broad stock market by wide margins. The pension funds in Canada, Portugal, Holland, Switzerland, the United States and many others have also invested in hedge funds for profit. Though estimates vary, up to 20% of European and American pension funds and 40% of Japanese pension funds are thought to invest in hedge funds (Stewart & Yermo, 2009). Two prime examples: As of January 2, 2009, the two largest (United States) government pension funds investing in hedge funds were the California Public Employees Retirement System with a total market value of $188 billion and the Ontario Teacher's Pension Plan with $108 billion in net assets (Agarwal, Driscoll, Gabaix & Laibson, 2010). Other pension funds have taken to socially responsible investments and invest in areas like the energy sector. These are investment strategies that seek to maximize both financial return and social good.

They have the potential to yield the higher returns than those earned from investments in capital markets.

PensionDanmark and PKA, two of Denmark's biggest pension funds, acquired a 50 per cent stake in the Anholt wind park to be built by Dong Energy, the Danish utility, off the country's north-east coast. The deal highlights growing interest in the investment opportunities surrounding renewable energy as well as the increasing importance of pension funds as a source of funding for the sector (Neuberger, 2005). Claus Stampe, chief investment officer of PensionDanmark, says green energy infrastructure is becoming an attractive asset in an era of low fixed income returns and volatile equity markets. Mr. Stampe says average annual returns from Anholt are expected to be at least double current Danish bond yields of just above 3 per cent over the wind farm's 20-year lifespan (Ward, 2011). In March 2009, the Danish labour market pension scheme, ATP invested $400 million in the Hudson Clean Energy fund adding that investment in clean energy could grow to 2 to 3 percent of the portfolio (Neuberger, 2005).

Denmark has been involved in clean energy research and technical development and its wind turbine technology is highly rated and used all over the world (www.reuters.com). About 7 per cent of Danish teachers' pension fund Lærernes Pension was invested in forestry by the last quarter of 2009; this is expected to produce a stable annual return of 10 per cent (Agarwal, et al 2010). Pension funds are increasingly moving into new asset classes in a search for yield. Infrastructure is a type of investment being frequently discussed, given its potential to match long-term pension assets and provide diversification. Previously, pension funds exposure to infrastructure has been via listed companies, or via real estate portfolios. However, some larger funds globally are beginning to invest via private equity funds, or occasionally even directly (Stewart &Yermo, 2009).

Australian, Canadian and Dutch pension funds may be considered leaders in this field (Inderst, 2009). In Canada, the Ontario Municipal Employees Retirement System (OMERS) has several billions of Canadian dollars invested in infrastructure through its subsidiary Borealis Infrastructure set up in 1998. The big US pension, CalPERS, adopted a new investment policy in 2008 with a target of 3% allocation of assets, or US$ 7.2bn in infrastructure. Other US pension funds with infrastructure allocations or intentions include CalSTERS, the Washington State Pension Plan, Alaska Permanent Fund Corporation, Oregon PERD, and the World Bank. In the UK, a number of big pension funds have announced going into infrastructure in recent years: USS, BT, RailPen (Inderst, 2009).

Argentina, Columbia and Chile allow their pension funds to invest in infrastructure projects. Pension fund managers in those countries are able to participate in infrastructure development programs and public services only indirectly by purchasing paper issued by specialized infrastructure investment funds or títulossecuritizados (Vives, 1999). According to Vives, the investments in infrastructure provide higher returns for the pension funds than what is obtained by portfolios. Although the higher returns are achieved in the long run, pension funds can wait for them to mature because their liabilities are for the long term. The Social Security and National Insurance Trust has for a couple of years been involved in the real estate's sector. From the SSNIT 2009 annual report, SSNIT also invests in the manufacturing sector, hospitality industry, services, the banking industry, other financial houses, private equity funds, economically targeted investments and listed equities.

3.8 Review of Related Empirical Studies

Faruk (2012), conducted study on the effects of pension scheme on welfare of retirees from selected federal establishments in Nigeria. Data were collected through questionnaire, interview and non-participant observation. The study discovered that pension schemes have partially addressed timely payment of benefits; it has also instilled some discipline in the savings habit of the federal public service. In addition, it was also discovered that, there is no complete adherence to rules by Pension Fund Administrators (PFAs) and finally, fluctuations in the stock markets exacerbates the pensioners fear about the scheme. It is obvious that, CPS is investigated in relation to its effects on the welfare of retirees and inferences were made.

Pam (2008) also conducted a study on the causes of employers' compliance to pension schemes. Data were collected and were analyzed using theoretical approach. The findings revealed that, the major causes were legal laws enforcing compliance, good mentality towards pension scheme, knowledge about the benefits of the pension scheme and level of education of both the employees and the employer. This study was criticized for its sole utilization of theoretical approach as a method of Data Analysis without using statistical tools which is a science base mode of research, the findings of his study has no basis for generalization. Sanni (2012) carried out a study on how to develop effective strategy for pension administration in the public sector, using a questionnaire on a sample of 370 respondents. The findings revealed that a non-effective and efficient strategy of pension administration can be likened to poor pension administration and that budgeted income to pensioners is not implemented as at when due. According to him, this affects compliance in the long run. This study is also limited in the sense that, the findings of the study that, non-effective and efficient strategy of pension administration can be likened to poor pension administration is a mere pedestrian finding which below empirical findings.

Nyon and Duze (2011) worked on the Pension Reform Act 2004 and retirement planning. A descriptive survey research design was adapted using questionnaire instrument, using a sample of 3000 serving teachers and teacher-pensioners. The result revealed that employers' compliance has a positive effect on the survival of pension schemes. They noted that retired persons still suffered trauma, pains and even death before they receive their pension packages in which the sustenance of the scheme was questioned. Fapohunda (2013) conducted a study on the pension system and retirement planning. The study concludes that, there is not much evidence to show that, the pension scheme is leading employees to the desired direction when on retirement. Numerous scandals have trailed the pension scheme and a lot still needs to be done with regards to effective management of the scheme in terms of investment. His study is criticized on the fact that, the study uses data obtained from official publications and data obtained from the internet.

Sule and Ezugwu (2009) made a study on the evaluation of the application of the contributory pension scheme on employee's retirement benefits of quoted firms. The time frame for the study covered 1996-2005. Student's t-test for paired observations was used to analyze the data. The study concludes that even though the application of the pension scheme has positive impact on employee retirement benefits of quoted firms, there is non-effective monitoring/supervision and enforcement of the provisions. Abdullahi (2007) worked on the investment of pension funds and discovered that pension funds when properly invested boost the economy and is likely to increase the retirees' benefit. Moreover, lack of experts at the helm of investment in some pension organizations have contributed to poor management of pension funds. This study is also criticized because the study used analysis of experts in the field of pension as a basis for analysis which might not give room for generalizations of the findings of the study.

Aja (2014) study an evaluation of the management of pension funds within a 10 year scope (2004-2013). The study used a sample of 381 participants. Data were analysed using chi-square tool at 5% level of significance and 0.05 degree of freedom. The result shows that pension funds were negatively related to returns from investment. This was as a result from poor investment strategies by the managers of the pension scheme. Also, a high level of satisfaction with the time of pension payment and the extent of pension coverage is still very low.

Ahmad and Oyadiran (2013) focused their study on examining the impact of the 2004 pension policy on the welfare of Nigerian civil servants. The main aim of the study is to examine the impact of the new pension policy and how it improves the living standard of the retired and serving civil servants in Nigeria in some selected federal ministries. Data for the research were collected through questionnaire using random sampling technique on 1500 respondents from the five ministries in Abuja. The findings indicate that, the implementation of the new pension scheme significantly improves the welfare of the civil servants, but does not address the problem of corruption, poor investment and inadequate budgetary allocation and therefore, the scheme is not effective in overcoming the problems of retirees in Nigeria.

Abdulrouf (2014) assessed the funding and management patterns in pension schemes in public service. The study sought to find out how the practice of the pension scheme is servicing the pension challenges of government. A sample of 33 staff comprising academic and non-academic were used. The study used questionnaire techniques to obtain data and chi-square tool was used to analyze the data. The study revealed that effective implementation of contributory pension scheme in line with the provisions of the Pension Reform Act (PRA) 2004 can to a large extend boost the level of public workers confidence on the scheme especially as it relates to them having access to their retirement benefits after retirement from the service. It was also revealed that, notwithstanding the above, there are still cases of some anomalies in the implementation of the scheme thereby causing dissatisfaction among some staff. Additionally, 7% of the fund was invested in bank deposits with 16 financial banking institutions of which 10 have collapsed, thus leading up to 4.6% of the total fund assets (Odundo, 2003).

Also, trustees were the top managers of the employer and others were political appointees who misused employer contributions, which resulted in cases of poor pension investments, delays and denials in payments of dues to members, misuse and outright embezzlement of the scheme funds by the same trustees who were entrusted to guard the funds to the ultimate loss to the beneficiaries (Moridnat, 2005).

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 Introduction

This chapter presents the methodology used for the study. It explains the research design, sources of data used provide details on the population and sample, research instrument, pre-testing and data analysis.

4.2 Research Deign

A research design is the plan of procedures for acquiring the information needed based on the research objectives. In essence, the researcher develops a structure or framework to answer a specific research problem (McDaniel & Gates 2008). A research can be categorized or grouped into different types depending on the purpose or research problem. The research design can be exploratory research design, descriptive research design or explanatory research design (Zikmund, 2000). However, Saunders et al. (2000) argue that more than one research design can be employed in a study. Yin (1994) highlights that the boundaries between the categories are not always clear. This study adopted the descriptive research design with a quantitative research approach.

4.3 Sources of Data

In conducting research, the data used for analysis can either be from primary or secondary sources. In this current study, data was collected from both primary and secondary sources. Primary data were typically collected with the use of a research instrument, i.e. questionnaire; whereas secondary data was sourced from books, newspapers, journals, previous research, government reports and web information.

4.4 Population and Sample

A study population is that aggregation of elements from which the sample is actually selected. According to David and Chava (1976) a population could be defined in terms of content, extent and time. Therefore, a population is the aggregation of all cases that conform to some designated set of specification. The research population will consist of all the employers of SSNIT as well as the staff of SSNIT, Teshie-Nungua Branch who are willing to participate in the research study. Out of the population however, the researcher will sample only respondents whose views are relevant to the on-going study; thus 150 employers on the SSNIT scheme and 50 staff of SSNIT will be sampled for data collection for the purpose of this study. The convenient sampling design was used to sample all the respondents. The convenient sampling was used because it allowed respondents to be sampled at their own convenience considering the busy schedule of the respondents. This sampling design was therefore deemed to be the most appropriate.

4.5 Research Instrument

The main research instrument for this study was the questionnaire. The questionnaire is adjudged to be the perfect method of gathering data (Seaton, 1997). The questions asked in the study were mostly made up of closed ended questions to facilitate easy administration of the questionnaire. However, where the researcher deemed it necessary, open ended questions were also used. Open ended questions were used in instances where the researcher believes there should be more opinions not captured by the closed ended questions.

The questionnaire was designed in such a way to address all the objectives that have been set for the study. One of the choices may be "Other". It is a good idea to allow respondents to write in an optional response if they choose "Other." The benefit of closed-ended questions is that they are easy to compute, and data gathered from closed-ended questions lend themselves to statistical analysis (Fink, 1995). The down side to closed-ended questions is that they are more difficult to write than open-ended questions. This is because the evaluator must design choices to include all the possible answers a respondent could give for each question. The closed ended questions helped the researchers to analyse the information gotten without difficulties using a 5-pointLikert scale (The Likert Scale is an ordered, one-dimensional scale from which respondents choose one option that best aligns with their view).

4.6 Ethical Issues

Anonymity of each respondent was made clear at the beginning of each interview, as the rationale of the study was purely academic in nature and not as a means of benchmarking the respondents and the institution. The success and reliability of data collected is dependent on the level of confidentiality between the researcher and respondents.

4.7 Data Analysis

Data analysis is a critical and careful examination of material or data in order to understand its parts, and the relationship between variables and to discover its trends. (Andani & Abubakari, 2003). Data collected from the use of questionnaires was analyzed quantitatively. The data analysis consisted of examining the questionnaire for correctness and completeness, coding and keying data into a database in SPSS and performing an analysis of descriptive responses according to frequency distribution and descriptive statistics. Frequency tables and descriptive statistics were constructed to display results with respect to each of the objectives of this study. The demographics of the respondents were analyzed using frequencies and percentages. Moreover the first, second and third objectives were analyzed using their respective mean values and standard deviation values to explain the results.

CHAPTER FIVE

RESULTS AND DISCUSSION

5.1 Introduction

This chapter entails the main findings of the study and presents the data analysis of the study. This study seeks to investigate the effect of expansion of coverage and employers' compliance on pension fund: case study of SSNIT (Teshie-Nungua branch). A total of 200 respondents were considered for the study among which 150 were employers and 50 were staff members from SSNIT. All the respondents provided accurate responses. Charts and frequency tables were used for the presentation of the survey results. The analysis began with the analysis of the responses from the employers.

5.2 Demographics of respondents

Responses relating to the respondent's, gender, age group, educational level and the number of years they have been operating their company are presented in the sub sections below. The size of the response across available response categories is indicated in percentage (%) terms.

5.2.1 Gender distribution of employers

The gender details of the respondents obtained are presented on table 5.1 below.

Table 5.1: Gender details of respondents

	Gender		Total
	Male	Female	
Employer	64.7%	35.3%	100.0%
Staff	72.0%	28.0%	100.0%
Total	66.5%	33.5%	100.0%

Source: Field data, (2019)

According to the table, 64.67% of the respondents which constitute the major part of the employers are males, whereas the remaining 35.33% are females. This means that the males dominate the employers captured for the study. With references to the staff members, the males still dominate with 72% with the females amassing 28%. This means the ratio of males to females in both the employers and the SSNIT staff members is high. The findings represent the views of the two sex groups about the effect of expansion of coverage and employers' compliance on pension fund.

5.2.2 Age group of respondents

Table 5.2 features the age distribution of both the respondents.

Figure 5.2: Age distribution of respondents

	Age				Total
	18-29	30-39	40-49	50 and above	
Employer		22.7%	39.3%	38.0%	100.0%
Staff	14.0%	32.0%	36.0%	18.0%	100.0%
Total	3.5%	25.0%	38.5%	33.0%	100.0%

Source: Field data, (2019)

From the table, majority of the employers, about 39.33% fall in the age group of 40 – 49 years, followed by 38% who are in the age category of 50 and above years, and 22.67% of the respondent being within the age group of 30-39 years. This means that most of the employers are old adults and are responsible employers. For the staff members majority of them which represents 36% fall in the age bracket of 40-49 years, followed by those in the age group of 30-39 years with 32% and then those at the age of 50 and above and between 18 – 29 years in the orders of 18% and 14% respectively. This is in conformity with the age to be employed in Ghana. Comparatively, both the employers and the staff members have an average age of between 40 – 49 years. However, as the least percentage of 14% of the staff members are in the age category of 18 – 29 years, the least percentage of 22.7% of the employers is found in the age cohort of 30 – 30 years.

5.2.3 Educational Level of respondents

Details about the educational levels of respondents were obtained and the results are presented in table 5.3 below;

Figure 5.3: Educational levels of respondents

	Educational levels				Total
	Diploma	Bachelor's Degree	Master's degree	PhD	
Employer	26.0%	47.3%	18.0%	8.7%	100.0%
Staff	18.0%	28.0%	38.0%	16.0%	100.0%
Total	24.0%	42.5%	23.0%	10.5%	100.0%

Source: Field data, (2019)

Per the illustration above, the employers with bachelor's degree forms the major part with 47.33% of the employers, 26% have Diploma certificates, whilst those possessing master's degree and PhD constitute 18% and 8.67%, respectively. Due to the nature of being an employer in terms of managing employees and at the same time serving as a human resource requires some level of educational knowledge, hence the employers have demonstrated this by having better educational attainments. Concerning the staff members, majority of them representing 38% reported that they hold their master's degree, 28% have bachelor's degree, 18% have Diploma certificates and 16% have PhD. This indicates that the study captured staff members with good educational background which helps them to better understand the purpose of the study and give reasonable answers. This further shows that the Trust management requires some high level of academic qualification. This mean the SSNIT staff members seem to show an impressive high level of educational attainment than the employers.

5.2.4 Number of years of business operations of respondents

The number of years the respondents have been in operation are featured in table 5.4 below.

Table 5.4: Longevity of service

	Longevity of service					Total
	Less than 1 year	1 - 3 years	3 - 7 years	7 - 10 years	Above 10 years	
Employer	14.7%	28.0%	33.3%	15.3%	8.7%	100.0 %
Staff	16.0%	22.0%	26.0%	28.0%	8.0%	100.0 %
Total	15.0%	26.5%	31.5%	18.5%	8.5%	100.0 %

Source: Field data, (2019)

As featured on the table, majority (33.3%) of the employers claimed to have operated their business for 3 – 7 years, 28% stated 1 – 3 years, and 15.3% said they have operated their business for 7 – 10 years. Those at the extremes of 14.7% and 8.7% claimed they have operated their businesses for the periods of less than a year and above 10 years, respectively. This means the majority of businesses under study have operated between 3 to 7 years, which is quite respectable.

With respect to the SSNIT staff members, majority (28%) of the staff members have served in the company for the period of 7 – 10 years, 26% have served for 3 – 7 years, and 22% have served for 1 – 3 years. Meanwhile, 16% and 8% have respectively served for less than a year and above 10 years. Since the number of years, the staff members have worked with the company is respectable, the responses are deemed to reflect how expansion of coverage affects employers' compliance on pension fund.The differences of the longevity of services between the employers and the SSNIT staff members are not high to raise any concern.

5.3 Level of Employers compliance

To answer the level of employers' compliance, the employers provided the following responses as featured on table 5.5. According to the table, most of the employers with 66.7% reported that they pay their workers' contributions regularly by the deadline for prudent investment of the pension fund, whereas the remaining 33.3% stated otherwise. However, 34.7% have ever faced a penalty on delayed payment of workers' contributions before. This was as a result of the law taking its course in dealing with defaulters of their employees SSNIT contributions. Nevertheless, 65.3% never faced penalty because of payment of workers' contributions on time. More than half (88.7%) of the employers opined that there has been a decrease in the non-compliance of workers' contributions payment by employers due to enforcement of the compliance law.

To Mayners (2001), this is the situation where most non-payment of contributions had led to a situation where most defaulting employers had been taken to the Law Court to seek redress for employees.

Table 5.5: Level of Employers compliance

	Yes	No
Employers pay their workers' contributions regularly by the deadline for prudent investment of the pension fund	66.7%	33.3%
Ever made a penalty on delayed payment of workers' contributions before	34.7%	65.3%
There has been a decrease in the non-compliance of workers' contributions payment by employers due to enforcement of the compliance law	88.7%	11.3%

Source: Field data, (2019)

Moreover, Adjei (1999), mentions that even though the law empowered SSNIT to prosecute defaulting employers, SSNIT for a long time feared to apply the penalties on the defaulters. This was by the fact that ruthless prosecution of employers might rather endanger the employment security of the workers whose security is being ensured and as a result, however, employers take advantage of the Trust's leniency. This was witnessed with most of the employers not facing penalty on delayed payment of workers' contributions.

5.4 Causes of employers' compliance on pensions scheme

One of the objectives of the study is to assess the causes of employers' compliance on pension's scheme. The use of mean and standard deviation values is used for the interpretation of the findings for key empirical references. Table 5.6 presents the responses.

As inferred from the table, the leading causes of employers' compliance on pension's scheme were retaining of employees and stringent penalty rates. These are indicated with mean values of 4.23 and 4.02, respectively.

Table 5.6: Causes of employers' compliance on pensions scheme

	N	Minimum	Maximum	Mean	Std. Deviation
To retain employees	150	2.000	5.000	4.227	0.625
Stringent penalty rates	150	2.000	5.000	4.020	0.549
For financial security in the future	150	2.000	5.000	3.907	0.951
Legal obligations attached to pension scheme compliance	150	2.000	5.000	3.873	0.862
Increase in employee's performance	150	2.000	4.000	2.893	0.876
Enforcement of the compliance law	150	1.000	5.000	2.153	1.252
Strong financial	150	1.000	3.000	1.860	0.580

strength of the firm	

Source: Field data, (2019)

These mean values fall approximately to the high scale of 4 which confirms their agreement to this fact. The variability in their responses is represented with standard deviation values of 0.63 and 0.55, respectively. Authors like Broadbent et al, (2006); Taylor, (2000); and Wanjohi et al, (2011) indicated that employers view their occupational pension schemes as an important means of attracting, retaining, motivating and increasing the level of job satisfaction amongst the staff. The prospect of an occupational pension scheme can be attractive to employee in a variety of ways. Such as informing the employees that, the pension scheme serves as financial security for them and serves as a form of deferred pay that should be appreciated by employees.

Also, Adjei (1999), states that penalty rates in respect of noncompliance and late payment of contribution falling below general lending rates in Ghana, which makes some employers use workers contribution as loans to run their business and pay later-even with penalty. Other causes such as financial security in the future (3.91) and legal obligations attached to pension scheme compliance (3.87) were asserted by the employers, with 0.95 and 0.86 reflecting the differences in their opinions to these causes. The increase in employees' performance, received a mean value of 2.89 suggesting that it is a moderate cause to employers' compliance on pensions scheme. Surprisingly, enforcement of the compliance law and strong financial strength of the firm were noted to be less causes of employers' compliance on pension's scheme as shown with small mean values of 2.15 and 1.86, respectively. The variation in their responses is indicated with standard deviation 1.25 and 0.58 respectively.

5.5 Effects of employers' compliance on pensions – Employers perspective

The responses on the effects of employers' compliance on pensions are presented on table 5.7 below.

According to the table, pension funds have increased generally from two factors, thus, employers' compliance and investment expectations of pension funds have been met as a result of employers' compliance. These are represented with respective mean values of 4.18 and 4.11. The variability in their responses is indicated with standard deviation values of 0.71 and 0.88, respectively. However, the pension funds have not been promptly invested as reflected with mean value of 2.36.

According to the table, pension funds have increased as a result from employers' compliance and investment expectations of pension funds have been met as a result of employers' compliance. These are represented with respective mean values of 4.18 and 4.11. The variability in their responses is indicated with standard deviation values of 0.71 and 0.88 respectively. However, the pension funds have not been properly invested as reflected with mean value of 2.36.

Table 5.7: Effects of employers' compliance on pensions – Employers perspective

	N	Minimum	Maximum	Mean	Std. Devia
Through employers' compliance, pension funds have increased	150	2.000	5.000	4.180	0.705
Investment expectations of pension funds have been met as a result of employers' compliance	150	1.000	5.000	4.113	0.879
Through employers' compliance, pension funds can be invested promptly	150	1.000	4.000	2.360	0.717

Source: Field data, (2019)

In the case of the U.S, the pension system has been in a steady decline for decades, and only one out of every five people working in the private sector has a pension and as pensions disappear, the US would be losing a key source of investment capital and a driving force behind their economy (Bureau of Labour Statistics, 2010). This is an indication that employers' compliance should result in pension funds being properly invested. But this is not the situation identified here.

5.7 Effects of expansion of coverage on pension funds – Staff Members Perspective

The staff members' responses on the effects of expansion of coverage on pension funds are presented on table 5.8 below. According to the table, majority of the staff members representing 70% opined that they achieved most pension fund goals in relation to expansion of coverage, 20% said they achieved all and 10% failed to achieve any. This achievement of the pension fund goals might result, from the proper measures put in place by the pension scheme authorities to check non-compliance. Moreover, they achieved most performance goals in terms of SSNIT benefiting from the expansion of coverage and employers' benefit in relation to expansion of coverage as represented with 68% and 70% respectively. This is an indication that the expansion of the coverage has had a good effect on the pension funds.

Table 5.8: Effects of expansion of coverage on pension funds – Staff Members Perspective

	Failed to achieve any	**Achieved most goals**	**Achieved all goals**
Achievement of the pension fund goals in relation to expansion of coverage	10%	70%	20%
Achievement of SSNIT benefiting from the expansion of coverage	6%	68%	26%
Achievement of employers' benefit in relation to expansion of coverage	8%	70%	22%

Source: Field data, (2019)

Table 5.9 presents the ratings of the overall success of the pension fund using achievement of workers' benefit and benefit of the employer in relation to expansion of coverage.

Table 5.9: **Overall success of the pension fund**

	Frequency	Percent	Valid Percent	Cumulative %
Good	25	50	50	50
High	18	36	36	86
Very high	7	14	14	100
Total	50	100	100	

Source: Field data, (2019)

Per the presentation on the table, it is clear that the pension fund has been successful as 50% of the staff members reported it to be good with 36% and 14% saying that it is high and very high respectively. This means that the workers' and the employers have benefited from the expansion of the coverage.

CHAPTER SIX

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter aims to summarize the key findings of the survey which have been reported in chapter 4. All the test results and findings will be integrated and being discussed together. As a result, a more comprehensive conclusion can be drawn. On the other hand, the limitations existed in this research and its according recommendations for further study would also be discussed in detail manner.

6.2 Summary of findings

This part presents the summarized results and interpretation (findings) based on the study objectives. This research covered a sample of 200 respondents of which 150 were employers and 50 were staff members. All the respondents provided accurate responses; hence the data was considered good for research work.

From the results gained from the quantitative related method, the summary of results is as follows:

It was evident from the results that there were more male employees and staff members than females, and the differences between the gender was high, but the responses from the two sex groups were considered. The average age group of the employer was between 40 to 50 years whilst that of the staff members was between 30 to 50 years. All the staff members were academically qualified persons to hold their positions.

On the level of employers' compliance, it was identified that employers pay their workers' contributions regularly by the deadline for prudent investment of the pension fund and also, there has been a decrease in the non-compliance of workers' contributions payment by employers due to enforcement of the compliance law. However, most of the employers have never faced a penalty on delayed payment of workers' contributions. The overall level of compliance by the employers was noted to be high.

The leading causes of employers' compliance on pension's scheme were observed to be the idea of retaining of employees and stringent penalty rates. Other causes such as financial security in the future and legal obligations attached to pension scheme compliance were added by the employers.

With references to the effects of employers' compliance on pensions, the study noted that there has been an increase in pension funds and meeting investment expectations of pension funds. Nevertheless, the pension funds were not properly invested. In addition, the staff members were of the view that they achieved most pension fund goals, and SSNIT mostly benefited from the expansion of coverage. The overall rating of the success of the pension fund which results from expansion of the scheme was considered good by the staff members.

6.3 Conclusion

This research mainly focuses on the effect of expansion of coverage and employers' compliance on pension fund, using SSNIT (Teshie-Nungua branch) as a case study. With this the level of employers' compliance, causes of employers' compliance on pensions scheme and most importantly, the effects of employers' compliance on pensions were analyzed. Primary data were collected from the respondents which constituted employers and the staff members with the use of a structured questionnaire. Quantitative analysis was performed on the study variables.

The results indicated that, the level of employers' compliance was high. For instance, the employers pay their workers' contributions regularly by the deadline for prudent investment of the pension fund and also, there has been a decrease in the non-compliance of workers' contribution. The major causes of employers' compliance on pension's scheme were retaining of employees and stringent penalty rates. Through employers' compliance, pension funds have increased, and investment expectations of pension funds have been met. Moreover, most goals were achieved in relation to pension fund goals, SSNIT and employers' benefiting from the expansion of the coverage. However, this result should be interpreted with caution given the smaller sample size, and the methodology used. Finally, from the results it can be concluded that the expansion of coverage and employers' compliance has had a good effect on the pension fund. The study recommends that payment of pension funds by employers should continue adhering to the set regulations.

6.3 Recommendations

Based on the results of the study the following recommendations are worth considering.Since pension funds were not invested promptly and does not yield required returns, it is recommended that the management of pension funds should establish a strong organization structure and policy implementation, which will enhance their portfolio composition. A solid organization structure will also influence the firms' investment portfolio choice leading to improved investment returns.

In addition, the study recommended that payment of pension funds by employers should continue adhering to the set regulations. From the study findings, regulation was found to have a significant influence on payment of pension funds by employer and hence, managers of the Trust should put more measures in place to ensure that they are compliant.

To ensure timely payment of pension funds by employers, and deal with misappropriations of pension funds and investment/assets, SSNIT authorities must ensure effective implementation of the penalties provided by the non-compliance law, regardless of their position, status, affiliation or origin.

Pension Fund Administrator should be transparent and accountable in their dealings with their clients through regular update of the employees' pension fund status. The contributory pension scheme should be encouraged by its practitioners in the form of provision of adequate means of sensitization or interactions such as seminars to continually update organizations and employees on the benefits of the pension scheme and its importance on life after retirement.

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APPENDICES

Appendix A

UNIVERSITY OF GHANA BUSINESS SCHOOL

DEPARTMENT OF FINANCE

Dear Respondent,

Thank you in advance for completing the following questionnaire and contributing immensely to my research on "THE EFFECT OF EXPANSION OF COVERAGE AND EMPLOYERS' COMPLIANCE ON PENSION FUND: CASE STUDY OF SSNIT (TESHIE-NUNGUA BRANCH)". Please, do well to openly provide your answers. You are assured that your responses will remain completely confidential and anonymous and will be used for academic purposes only.

Section A: Demographics

1. Gender of respondent: Male [ ] Female [ ]

2. Age group:
   a) 18-29 [ ]
   b) 30-39 [ ]
   c) 40-49 [ ]
   d) 50 and above [ ]

3. Educational level:

a) Diploma [ ]

b) Bachelor's Degree [ ]

c) Master's degree [ ]

d) PhD [ ]

4. For how long have you been operating your company?

a) Less than 1 year [ ]

b) 1 - 3 years [ ]

c) 3 - 7 years [ ]

d) 7 - 10 years [ ]

e) Above 10 years [ ]

Section B: Level of Employers compliance

1. Employers pay their workers' contributions regularly by the deadline for prudent investment of the pension fund

a) Yes

b) No

2. Have you made a penalty on delayed payment of your workers' contributions before?

a) Yes

b) No

3. There has been a decrease in the non-compliance of workers' contributions payment by employers due to enforcement of the compliance law

a) Yes

b) No

4. Overall how do you rate employers' compliance on workers' contributions payment?

a) Very low [ ]

b) Low [ ]

c) Good [ ]

d) High [ ]

e) Very high [ ]

Section C: Causes of employers' compliance on pensions scheme

In the table below are some causes of employers' compliance on pension scheme. Please TICK the number that most reflects your answer on a scale of 1 to 5 (where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree).

	Scale				
	1	**2**	**3**	**4**	**5**
Stringent penalty rates					
Strong financial strength of the firm					
Legal obligations attached to pension scheme compliance					
Enforcement of the compliance law					
For financial security in the future					
Increase in employees performance					
To retain employees					

Section D: Effects of employers’ compliance on pensions

In the table below are some effects of employers’ compliance on pensions. Please TICK the number that most reflects your answer on a scale of 1 to 5 (where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree).

	Scale				
	1	**2**	**3**	**4**	**5**
Through employers’ compliance, pension funds have increased					
Through employers’ compliance, pension funds can be invested promptly					
Investment expectations of pension funds have been met as a result of employers’ compliance					

Appendix B

UNIVERSITY OF GHANA BUSINESS SCHOOL

DEPARTMENT OF FINANCE

Dear Respondent,

Thank you in advance for completing the following questionnaire and contributing immensely to my research on "THE EFFECT OF EXPANSION OF COVERAGE AND EMPLOYERS' COMPLIANCE ON PENSION FUND: CASE STUDY OF SSNIT (TESHIE-NUNGUA BRANCH)". Please, do well to openly provide your answers. You are assured that your responses will remain completely confidential and anonymous and will be used for academic purposes only.

Section A: Demographics

1. Gender of respondent: Male [ ] Female [ ]

2. Age group:

a) 18-29 [ ]

b) 30-39 [ ]

c) 40-49 [ ]

d) 50-59 [ ]

3. Educational level:

a) Diploma [ ]

b) Bachelor's Degree [ ]

c) Master's degree [ ]

d) PhD [ ]

4. For how long have you been working with the Trust?

a) Less than 1 year [ ]

b) 1 - 3 years [ ]

c) 3 - 7 years [ ]

d) 7 - 10 years [ ]

e) Above 10 years [ ]

Section E: Effects of expansion of coverage on pension funds

1. How do you rate the achievement of the pension fund goals in relation to expansion of coverage?

a) Failed to achieve any [ ]

b) Achieved most goals [ ]

c) Achieved all goals [ ]

2. Do you rate the achievement of SSNIT benefiting from the expansion of coverage?

a) Failed to achieve any [ ]

b) Achieved most goals [ ]

c) Achieved all goals [ ]

3. Do you rate the achievement of Employers' benefiting in relation to expansion of coverage?

a) Failed to achieve any [ ]

b) Achieved most goals [ ]

c) Achieved all goals [ ]

4. How do you rate the overall success of the pension fund using achievement of workers' benefit and benefit of the employer in relation to expansion of coverage?

a) Very low [ ]

b) Low [ ]

c) Good [ ]

d) High [ ]

e) Very high [ ]