



FIRST MERIT TIER 3 FUND (NPRA COMPLIANT TIER 3 SCHEME)

The Fund is a compliant tier 3 Group Personal Pension scheme licensed by the National Pension Regulatory Authority (NPRA).

The Scheme membership is open to all government/public sector workers who are members on the CAGD payroll.

The scheme is managed by the Board of Trustees licensed by the NPRA with the following service providers:

1. Pension Fund Administrator
2. Fund Manager
3. Fund Custodian

The day-to-day administration of the scheme is handled by First Merit Trust (FMT) a pensions provider in Ghana, licensed by the National Pension Regulatory Authority (NPRA).

A key objective of the scheme is to build members' retirement wealth (by way of lump-sum) to enable them enjoy a comfortable retirement.

Being a compliant scheme, members can contribute up to 16.5% of their monthly income before tax (i.e. tax free) to the fund. This means that you would reduce your taxes (**Income Tax**) being paid to government on a monthly basis.

These tax savings which vest in you are invested and through the "power of compounding" increases your wealth exponentially for a better retirement.

BENEFITS OF BEING A MEMBER OF THE FIRST MERIT TIER 3 FUND

- Members can contribute up to 16.5% of their monthly income before tax (i.e. tax free) .
- The vested tax savings are invested increasing your retirement wealth.
- Provision of lump sum benefits (i.e. Partial or Full benefits) Competitive
- returns on investment.
- Rigorous risk management and compliance framework supervised by NPRA.
- Investments are done in compliance with the National Pensions Act (Act 766) as amended, the NPRA investment guidelines and the statement of investment policy (SIP) of the Fund.
- Regulated administrative cost structure.



This voluntary scheme is open to all members on the CAGD payroll.

1. Complete a form and return same via email or WhatsApp .
2. Follow/ Request for the link below to complete your form

<https://form.jotform.com/firstmerit/tier3-ahomgyea-pa-membership-enroll>

Or

3. Simply dial *789*4# select Option “2” under Product to Enroll



Out of every **100** Ghanaians who reach age 60

2

can retire comfortably

23

must continue working

75

must depend on charity & relatives



Invest towards a comfortable retirement today.



FREQUENTLY ASKED QUESTIONS

1. HOW DO I CONTRIBUTE?

Contributions will predominantly be deducted through the Controller and Accountant General's Department (CAGD) for all staffs on the CAGD's pay roll (unless a member has specifically opted out).

2. IS THIS FIRST MERIT TIER 3 FUND (AHOMGYE PA) DIFFERENT FROM EXISTING INSURANCE/INVESTMENT FUND?

Yes. The First Merit Tier 3 Fund (Ahomgye Pa) is different from the existing Insurance/Investment funds.

3. IS THIS A TIER 2 FUND?

No. The First Merit Tier 3 Fund (Ahomgye Pa) is a Tier 3 Pension Scheme

4. WHAT HAPPENS IF YOU WANT TO STOP AFTER A PERIOD OF CONTRIBUTION?

If a Contributor ceases to be a member of the First Merit Tier 3 Fund (Ahomgye Pa) he/she is paid a lump sum comprising all contributions made and accrued interest at the time of exit (subject to the provisions Act 766 as amended, the accompanying legislative instruments and any other directive or guideline as may be published by the NPRA).

5. CAN A MEMBER CHOOSE TO CONTRIBUTE MORE THAN 16.5% TO THE FIRST MERIT TIER 3 FUND (AHOMGYE PA)?

Yes, a member can opt to contribute more than the threshold in order to build more retirement wealth for himself or herself.

- The First Merit Tier 3 Fund (Ahomgye Pa) is a compliant tier 3 pension scheme licensed by the NPRA
- Contributions are made before tax. This allows Members to enjoy up to 16.5% tax-exemption on their monthly income or salary. While the existing insurance & investments contributions are payable after tax.
- The First Merit Tier 3 Fund (Ahomgye Pa) allows for withdrawals on/or before retirement and fund can be used as a security for a mortgage.

However such a member will enjoy the tax exemption (tax free) on the 16.5%

6. HOW SAFE IS IT TO JOIN FIRST MERIT TIER 3 SCHEM (AHOMGYE PA)

It is very very safe. Under the 3 tier pension arrangement the separation of roles by service providers provides a safety net, coupled with the independent nature of the scheme set up, where assets of the scheme are separate from that of the company. The company only oversees the daily activities of the scheme, but does not have access to the funds in the scheme. In case the company is no more the assets/funds of a regulated scheme always remains intact in the care of the regulator, until a new administrator is appointed.

ILLUSTRATIVE SCHEME TAX SAVINGS AND BENEFITS

SCENARIO 1: 10% CONTRIBUTION RATE

	BASIC SALARY	FIRST MERIT TIER 3	TAXABLE SALARY	PAYE TAX	NET SALARY
		10.0%			
NO First Merit Tier 3	3,012.86	-	2,847.15	404.40	2,442.75
WITH First Merit T3	3,012.86	301.29	2,545.87	358.15	2,187.72
			TAX SAVINGS	46.25	

Table 1: With an estimated monthly single spine salary of GHS 3,012.86, a First Merit TIER 3 Fund member contributing 10% or 6.5% of their single spine salary would contribute

GHS 301.29 or GHS 195.84 respectively to the fund. These amounts are deducted before income tax deductions thus reducing their taxable income. A member would pay GHS 46.25 (for 10% contribution) or GHS 27.80 (for 6.5% contribution) less PAYE taxes than a non-member. The GHS 46.25 or GHS 27.80 monthly (and same compounded over your life time in the scheme) which hitherto would have gone to the tax authorities now vest on the member and can be invested and yield returns for the benefit of the member.

SCENARIO 2: 6.5% CONTRIBUTION RATE

	BASIC SALARY	FIRST MERIT TIER 3	TAXABLE SALARY	PAYE TAX	NET SALARY
		6.5%			
NO First Merit Tier 3	3,012.86	-	2,847.15	404.40	2,442.75
WITH First Merit T3	3,012.86	195.84	2,651.32	376.61	2,274.71
			TAX SAVINGS	27.80	

Projections of benefits accrued over 20 years of contribution with an estimated average return of 18.25%

(NOTE: Actual benefits could differ from projected values due to variations in contribution rates and interest rates)

PROJECTION OF TAX SAVINGS ON PROVIDENT FUNDS: MONTHLY CONTRIBUTION RATE OF 10%

MONTHLY	SSF	CONTRIBUTION RATE	WITHOUT PF	TAX PAID WITH PF	TAX SAVINGS	INVESTMENT RATE	TAX SAVINGS OVER THE PERIOD			PF ACCUMULATION ACCOUNT		
							5	10	20	5	10	20
1,192.14	65.57	119.21	119.82	98.96	20.86	18.25%	2,021.07	7,020.15	49,970.58	11,550.27	40,119.76	285,578.91
1,341.44	73.78	134.14	144.52	121.04	23.48	18.25%	2,274.91	7,901.88	56,246.85	12,996.87	45,144.51	321,345.84
1,509.45	83.02	150.95	172.30	145.89	26.41	18.25%	2,558.79	8,887.93	63,265.72	14,624.65	50,798.60	361,592.60
1,698.50	93.42	169.85	203.56	173.84	29.72	18.25%	2,879.49	10,001.87	71,194.90	16,456.29	57,160.80	406,879.74
1,911.23	105.12	191.12	238.74	205.30	33.44	18.25%	3,239.91	11,253.78	80,106.24	18,517.35	64,319.86	457,839.07
2,150.60	118.28	215.06	278.33	240.69	37.64	18.25%	3,646.83	12,667.24	90,167.43	20,836.54	72,375.53	515,180.67
2,339.72	128.68	233.97	309.61	268.66	40.95	18.25%	3,967.53	13,781.17	98,096.61	22,668.89	78,740.20	560,485.37
2,545.48	140.00	254.55	343.63	299.09	44.54	18.25%	4,315.35	14,989.34	106,696.53	24,662.38	85,664.58	609,774.23
3,012.86	165.71	301.29	420.93	368.20	52.73	18.25%	5,108.86	17,745.57	126,315.85	29,190.70	101,393.65	721,736.31
3,506.45	192.85	350.64	502.55	441.19	61.36	18.25%	5,944.99	20,649.89	146,989.20	33,972.94	118,004.71	839,976.46
4,012.68	220.70	401.27	617.90	516.05	101.85	18.25%	9,867.95	34,276.25	243,983.87	38,877.71	135,041.39	961,246.35
4,592.00	252.56	459.20	782.13	644.37	137.76	18.25%	13,347.17	46,361.28	330,007.05	44,490.61	154,537.74	1,100,024.50

With an assumption of a fixed monthly contribution of GHS 350.64 (10% contribution of SPS 3,506.45) invested at an estimated return rate of 18.25% over a 20 year period, a member of the First Merit Tier 3 Fund is expected to accumulate GHS 839,976.46 and 1,100,024.50 (10% contribution of Single Spine GHS 4,592.00). These include a GHS 146,989.20 and GHS 330,007.05 tax saving that would have been lost (i.e paid to the tax authorities as PAYE) if the member decided not to join the First Merit Tier 3 FUND.

VALUE ADDED BENEFITS

Our strategic partnerships with well established brands allows our wealth advisors to offer integrated full service (360) financial services solution to address your personal and business needs at an affordable cost

GROUP MOTOR INSURANCE COVER

- Members can enjoy Comprehensive Motor insurance cover at very competitive rate
- Members can enjoy discounts on Comprehensive premiums with an enhanced TPPD cover
- Optimal service delivery with dedicated contact available 24/7 in terms of claims processing and payment

KENICHI
life on

CAPITAL SMART PURCHASE

CedisPay Pension Backed Loan Promotional Details

- **Eligibility:**
Applicants must meet the criteria.
- **Loan Amount:**
lower 3.5X of monthly income less any debt expense and 80% of the investment value and a maximum of GHS 20,000.
- **Interest Rate:**
Competitive, minimum 1.8% for pension loans.
- **Processing Fees:** 3.5%

1.8%
Interest
Rate

Loan Limit
Ghc
20,000





For more information

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FIRST MERIT TRUST

They say "Pensions" but we call it "Legacy"