

RETIREMENT

Retirement is an important step in the life cycle. It represents a major opportunity but it also brings financial implications. The Government of Liberia provides financial support for retired civil servants through **pension benefits** and **social security benefits**.

To help prepare you for retirement, you will be required to attend a counseling workshop organized by the CSA where you will learn in detail the financial support you can expect in retirement.

PENSION

According to the Pension Laws of Liberia, civil servants may be pensioned for three reasons: **ill health**; **tenure** (25 years of service); or **age** (65 years old).

When you retire you will receive a one-time handshake package as well as monthly pension payments. The handshake package is based on **the number of years of service**:

- Under 25 years of service: US\$350
- 25 to 29 years of service: US\$500
- 30 to 39 years of service: US\$700
- 40+ years of service: US\$1000

Pension due to ill health

If you have not reached the age of 65 or served at least 25 years in the Government of Liberia but are in **ill health with a medical certificate**, you are eligible to retire and to receive monthly pension benefits. Your monthly payment will be based on **33¹/₃%** of your last salary earned (excluding allowances), **plus 1,300 LD**.

Pension due to tenure

If you have served in the Government of Liberia for 25 or more years, you are eligible to retire and to receive pension benefits (regardless of your age). Pension benefits are calculated as follows:

- 25 to 29 years of service, your pension is based on **33¹/₃%** of your last salary earned (excluding allowances), **plus 1,300 LD**.
- 30 to 39 years of service, your pension is based on **50%** of the your last salary earned (excluding allowances), **plus 1,300 LD**.
- 40 years of service, your pension is based on **60%** of the your last salary earned (excluding allowances), **plus 1,300 LD**.

Pension due to age

When you reach the age of 65, retirement is mandatory. Your monthly pension is calculated based on **the number of years of service** to the Government of Liberia, as stated above. If you have served less than 25 years in the GoL at the age of 65, your monthly payment will be based on **33¹/₃%** of your last salary earned, **plus 1,300 LD**.

Pension Beneficiaries

If a pensioner dies, 50 percent of his/her pension benefits will be paid to the surviving husband/wife until remarriage, or to the minor child until he/she reaches the age of 18. Other relatives cannot be designated as beneficiaries of a government pensioner's benefits after his/her death.

Employment After Retirement

You may **not** continue to receive pension benefits if you accept other employment with the Government of Liberia. However, you may continue to receive your pension paychecks if you work in the private sector or work for the government as a consultant or contractor for a maximum of 6 months.

Example benefit calculation of pension due to ill health:

Age: 43
Years of service: 14 years
Last monthly salary: 12,000 LD
Calculation percent: 33¹/₃%

Monthly Pension Benefit:
 $12,000 \times 33\frac{1}{3}\% = 4,000$
 $4,000 + 1,300 = \mathbf{5,300 \text{ LD per month}}$

Example benefit calculation of pension due to tenure:

Age: 62
Years of service: 30 years
Last monthly salary: 12,000 LD
Calculation Percent: 50%

Monthly Pension Benefit:
 $12,000 \times 50\% = 6,000$
 $6,000 + 1,300 = \mathbf{7,300 \text{ LD per month}}$

Example benefit calculation of pension due to age:

Age: 65
Years of service: 10 years
Last monthly salary: 9,000 LD
Calculation Percent: 33¹/₃%

Monthly Pension Benefit:
 $9,000 \times 33\frac{1}{3}\% = 3,000$
 $3,000 + 1,300 = \mathbf{4,300 \text{ LD per month}}$

SOCIAL SECURITY

Social security is a national social protection program that provides financial support to retired Liberians over the age of sixty (60). It is managed by the National Social Security and Welfare Corporation (NASSCORP).

Social security in Liberia is a contributory system, meaning that each month both employees and employers pay 3% to the system.

Social security benefits are monthly payments, the amount of which depends on how many contributions you made into the system **and** your monthly stipends during employment. When calculating your average wage, NASSCORP will look at your past ten (10) years of employment and select the five (5) highest salaries.

Calculating your monthly SS benefits:

Less than 100 contributions

If you have worked for less than 100 months (8 years, 4 months), and thus have made less than 100 contributions, you are entitled to a **lump sum refund** of your contributions and accrued interest. The 3% employer contributions are not considered.

100-109 contributions

If you have made 100 contributions into the system, you are eligible to receive a monthly SS payment. The amount you will receive each month is 25% of the average of your five highest wages in the last ten years.

110-179 contributions

If you have made 110 contributions or more into the social security system, you are eligible to receive a monthly SS payment. The amount you will receive each month is 25% of the average of your five highest wages in the last ten years plus 1% for every additional 10 monthly contributions paid over 100.

180+ contributions

If you have made 180 or more contributions to the Social Security program, the monthly social security benefits you will receive is a maximum of 40% of your average monthly stipend.

Example calculation: fewer than 100 contributions:

Age: 60+ years old
Years of service: 5 years, 6 months
Average of your five (5) highest monthly wages in the past ten (10) years: 12,000 LD

You are **not** eligible to receive monthly SS payments. You are entitled to a lump sum refund of your contributions + accrued interest.

Example calculation: 100-109 contributions:

Age: 60+ years old
Years of service: 8 years, 4 months
Number of contributions: 100 contributions
Average of your five (5) highest monthly wages in the past ten (10) years: 8,000 LD
Calculation Percent: 25%

Monthly Social Security Benefit:
 $8,000 \times 25\% = \mathbf{2,000 \text{ LD per month}}$

Example calculation: 110-179 contributions:

Age: 60+ years old
Years of service: 14 years, 10 months
Average of your five (5) highest monthly wages in the past ten (10) years: 12,000 LD
Calculation Percent: 32% (25% is the base, plus 1% for every 10 additional contributions made over 100).

Monthly Social Security Benefit:
 $12,000 \times 32\% = \mathbf{3,840 \text{ LD per month}}$

Example calculation: 180+ contributions:

Age: 60+ years old
Years of service: 32 years
Average of your five (5) highest monthly wages in the past ten (10) years: 18,000 LD
Calculation Percent: 40%

Civil Service Agency Republic of Liberia

Your Right to a Pension



Guide to Civil Servants' Pension