

**IN THE FOURTH SESSION OF THE SEVENTH PARLIAMENT OF THE
FOURTH REPUBLIC OF GHANA**



**REPORT OF THE FINANCE COMMITTEE ON THE
REQUEST FOR WAIVER OF INCOME TAXES
AMOUNTING TO ONE HUNDRED AND SEVENTY-FOUR
MILLION, SIX HUNDRED AND NINETY-SIX
THOUSAND, SEVEN HUNDRED AND TWELVE GHANA
CEDIS AND FIFTY PESEWAS (GH¢174,696,712.50)
ON PERSONAL EMOLUMENTS OF HEALTH WORKERS
AND ON ADDITIONAL ALLOWANCES PAID TO ALL
FRONTLINE HEALTH PERSONNEL FOR THE MONTHS
OF JULY 2020, AUGUST 2020 AND SEPTEMBER 2020**

1.0 INTRODUCTION

The Request for **waiver of Income Taxes** amounting to **One Hundred and Seventy-Four Million, Six Hundred and Ninety-Six Thousand, Seven Hundred and Twelve Ghana Cedis and Fifty Pesewas (GH¢174,696,712.50)** on personal emoluments of Health Workers and on additional allowances paid to all Frontline Health Personnel for the

months of **July 2020, August 2020** and **September 2020** was *presented* to the House on Tuesday 11th August, 2020 by the Hon. Deputy Minister for Finance, Mrs. Abena Osei-Asare on behalf of the Minister responsible for Finance.

Pursuant to Order 169 of the Standing Orders of the House, the Request was *referred* to the Finance Committee for consideration and report.

The Committee met and considered the request with the Minister for Health, Hon. Kwaku Agyeman-Manu, a Deputy Minister for Finance, Hon. Kwaku Agyeman Kwarteng and a team of officials from the Ministries of Finance and Health and hereby presents this report to the House pursuant to Order 161(1) of the Standing Orders of the House.

2.0 BACKGROUND

As part of measures to support frontline personnel involved in tackling the COVID-19 pandemic, the Government of Ghana decided that all health workers would not pay taxes on their emoluments for a three-month period commencing April 2020.

All frontline health workers would also receive an additional allowance of fifty percent (50%) of their basic salary per month tax-free for the period March to June, 2020.

To support health workers in the continued fight against the COVID-19 pandemic, Government has decided to extend these

incentives granted to health workers to cover the months of July, August and September 2020.

3.0 TOTAL WAIVER REQUESTED

The total amount of Income Taxes for which waiver is being sought is ***One Hundred and Seventy-Four Million, Six Hundred and Ninety-Six Thousand, Seven Hundred and Twelve Ghana Cedis and Fifty Pesewas (GH¢174,696,712.50)***

The Breakdown is as presented in the table below:

INCOME	TAX AMOUNT (GH¢)
Personal Emoluments	168,982,925.28
Additional Allowances	5,713,787.22
Total	174,696,712.50

4.0 OBSERVATIONS

4.1 Risks to Health Workers

The risk of COVID-19 infection to doctors, nurses and others on the front lines has become very evident across the globe: Italy, the UK, Spain, USA, Brazil and other countries have all seen scores of health workers become infected with the coronavirus with many reported dead.

Health workers also face considerable mental stress. It is often forgotten that as humans, they feel the sorrow of loss when their patients succumb to the virus. They too have families, and will

naturally be fearful that the virus might reach those they love most.

The above factors, together with the added pressure of work places a lot of strain on health workers who overcome their own fears to put themselves on the line daily to treat the sick and to combat the pandemic.

4.2 Expected Benefits

The Committee observed that the tax incentive is designed as a *token compensation* to encourage healthcare workers, especially frontline health personnel to continue to make sacrifices in caring for those infected with the virus, and in caring for the sick in general during these difficult times.

4.3 Coverage of the Waiver

The Committee was informed that the requested tax incentives cover health workers in government health facilities, quasi-government health facilities and private health facilities.

4.4 Frontline Health Personnel

As to who constituted "Frontline Health Personnel", the Committee was informed that there has been a challenge in defining who a "frontline" health worker is, but in collaboration with relevant agencies, a working definition of "Frontline Health Personnel" has been accepted. These personnel were said to include those working in the most critical and risky areas in the fight against the COVID-19 pandemic.

The number of health workers who fell into the "frontline" category for the months of April, May and June 2020 were 6091, 7418, and 7196 respectively with the corresponding expenditure on the *Additional Allowances* being GH¢6.5 Million, GH¢7.5 Million and GH¢7.6 Million for the months of April, May and June 2020 respectively.

5.0 CONCLUSION

The Committee is satisfied that the request is in line with the national measures outlined for combating the novel coronavirus pandemic.

The Committee therefore recommends to the House to adopt this report and *approve by resolution*, the **request for waiver of Income Taxes** amounting to **One Hundred and Seventy-Four Million, Six Hundred and Ninety-Six Thousand, Seven Hundred and Twelve Ghana Cedis and Fifty Pesewas (GH¢174,696,712.50)** on **personal emoluments of Health Workers** and on **additional allowances paid to Frontline Health Personnel** for the months of **July 2020, August 2020** and **September 2020** in accordance with Article 174(2) of the 1992 Constitution of the Republic of Ghana.

Respectfully submitted.


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HON. DR. MARK ASSIBEY-YEBOAH
(CHAIRMAN, FINANCE COMMITTEE)


.....
MS. EVELYN BREFO-BOATENG
(CLERK, FINANCE COMMITTEE)

12TH AUGUST, 2020.