

TCINIB PRESS RELEASE NOTES

REVISION OF NIB BENEFITS & CONTRIBUTIONS REGULATIONS

The Turks and Caicos Islands National Insurance Board hereby informs the general public of the following amendments to various sections of the National Insurance Benefits and Contributions Regulations 1992 which will take effect January 1, 2012.

1. Increase in Payment of Pensions Awarded prior to July 2007

All persons awarded a pension prior to July 31, 2007 will be granted an 8% increase. As a result of this increase, minimum pension will also increase from \$310.50 to \$335.00.

Some 73% of our pensioners across the Turks & Caicos Islands will benefit from this increase.

2. Reduction of Pensions Awarded in July 2007

The 15% pension increase award in July 2007 was also granted to new pensioners from August 2007 to October 2010. This was not in keeping with best practice of other social security institutions. Accordingly, in the best interest of the future viability of the fund, immediate corrective measures must be employed. Regrettably, this requires that all pensions awarded w.e.f. August 1, 2007 be decreased by 7.5%; this adjustment will impact approximately 242 beneficiaries across the islands.

3. Increase in Maternity Grants

The Maternity Grant will increase from \$400.00 to \$500.00 per child.

4. Increase in Funeral Grants

Funeral Grant will increase from \$800.00 to \$1,300.00 for dependants; and from \$1,200.00 to \$2,000.00 for insured persons

5. Introduction of Minimum Survivor's Pension

Currently, Survivors' Pension is calculated solely on the pension entitlement of the deceased. Consequently, at times, due to the number of survivors, the pension amounts are considerably inadequate, thereby losing relevance to the beneficiaries.

This increase will ensure all survivors' pensioners are guaranteed a minimum pension as follows:

- Spouse - \$250.00 per month
- Dependants - \$100.00 each per month.

6. Amendment to Widower's Survivor's Pension

Presently, the qualifying conditions for entitlement to Widow's Pension is age 50 and age 60 for Widower's Pension. In an age of equal employment opportunities, the qualifying criteria for this benefit should also be synchronized. Eligibility will now be amended to age 50 for both Widow and Widower's Pensions.

7. Amendment to Qualifying Criteria for Sickness Benefit, Maternity Allowance, Invalidity Pension & Funeral Grant

Currently, the Benefit Regulations qualifying conditions for Sickness Benefit, Maternity Benefit, Invalidity Pension and Funeral Grant require at least eight (8) weeks of contributions to be paid in the first 13 weeks of the last 26 week period being examined.

This requirement will now be relaxed to allow for the eight (8) weeks of contribution to be considered either in the first 13 weeks or last 13 weeks of the qualifying period. The relaxed contribution requirements will result in an increase in the number of persons being eligible for these benefits.

8. Extension of Employment Injury Benefit Coverage to Temporary Residents

The Ordinance makes provisions for contributors working and remaining in the islands for a period of six months or less to pay on a lower contribution rate of 2.5% as Temporary Residents. Currently, this group of contributors is only eligible for Sickness and Maternity Benefits. This amendment will introduce the extension of Employment Injury Benefit to Temporary Residents. This group of contributors will now be entitled to Employment Injury Benefit.

9. Extended Protection for Employees over Age 65

Currently, insured persons over the age of 65 are not required to pay contributions and are therefore not covered for Employment Injury Benefit.

Employment Injury Benefit will now be extended to employees working beyond age 65. A contribution rate of 1.2% of the weekly wage up to a \$600 wage will be payable by the employer only for these workers.

10. Restriction of voluntary Certificates to TCI Residents Only

The Regulations currently make provision to allow the payment of Voluntary Contributions by non-residents. To prevent abuse, non residents will no longer be granted Voluntary Contributor status. This group of contributors has seen some growth over the years, and poses a potential risk for abuse.