

PRESS RELEASE

Turks & Caicos Islands National Insurance Board BENEFIT PAYMENTS ADJUSTS EFFECTIVE JANUARY 1, 2012

In accordance with the provisions of Section 44 of the National Insurance Ordinance, the NIB is obliged to commission a triennial actuarial review of the financial condition of the National Insurance Fund and the adequacy of the contributions of the Fund to support existing and planned benefits to contributors relative to the liabilities of the Fund. The 6th Triennial Actuarial Review was accordingly conducted by Mr. Derek Osbourne, Actuary of Horizonow Actuarial & Financial Consultants of Nassau, Bahamas. A copy of the Actuary's Report and recommendations was accordingly delivered to the Governor, in his capacity as Minister with responsibility for National Insurance Board, in accordance with the Ordinance.

The Governor has accepted the recommendations of the Actuary and has, in consultation with the National Insurance Board, accordingly agreed and directed that the National Insurance Regulations be amended as follows:

1. To increase the following Retirement and Invalidity pensionable benefits by 8%
2. To increase Maternity Grants, Funeral Grants, Sickness and Survivor benefits.
3. To increase the minimum pension from \$310.50 to \$335.00 per month.

The particulars of all these benefit increases are contained in the attached Public Notice.

4. In 2007, a Ministerial directive was implemented without being legally sanctioned and pensioners between July 2007 and October 2010 were granted a 15% increase in Retirement, Invalidity, Disablement and Survivor's Pensions that they weren't legally entitled to receive. This pension increase will be reduced by 7.5%.

Two cost of living adjustments of fifteen per cent (15%) were granted in 2004 and in 2007 extended to **all** pensioners when they should only have applied to the then **existing** pensioners. Subsequent new

pensioners were mistakenly being paid pensions of 30% more than they were legally entitled to receive. The foregoing amendment eliminates part of the overpayment by reducing the pension by 7.5%.

The Government is fully cognizant of the challenges faced by the current economic downturn, not only within the Turks and Caicos Islands, but globally. Therefore, the decisions made on the recommendations of the Actuary in relation to the foregoing pension adjustments are intended to increase benefits to most pensioners in TCI that really need them and to protect and preserve the Fund for your benefit, and that of our future beneficiaries.

These newly revised pension rates will take effect from January 1, 2012. All effected pensioners will be formally advised of these adjustments in greater detail by way of letter with their October 2011 pension payments.