

**GOVERNMENT
OF THE
TURKS AND CAICOS ISLANDS**



**NATIONAL INSURANCE BOARD
SELF-FINANCING**

NATIONAL INSURANCE BOARD
Assumptions

The National Insurance Board's budget for 2020/21 has been designed to ensure that the organizations continues to provide its mandate of providing the best possible social security services to the insured population of the Turks and Caicos Islands. Accordingly, the strategic objectives and priorities for the financial year 2020/21 have been developed with this in mind.

The strategic priorities for the financial year 2020/21 are outlined below:

- Implementation of the risk management framework to ensure protection of the resources and assets of the National Insurance Board.
- Improvement in service delivery to stakeholders
- Review and implementation of actuarial recommendations aimed at improving the funded ratio of the NIB fund as we seek to ensure the long-term financial viability of the fund.
- Commitment to have an engaged, motivated and well-trained staff for the continued delivery of a reliable and excellent service.
- Development and utilization of the technological platform to improve efficiency and effectiveness in the delivery of operational processes and to make the services of the NIB more easily accessible to contributors and beneficiaries.

1. Income

- Total income is derived from two main sources at the NIB, this is from contribution and investment income. The NIB has estimated based on the country's current economic forecast and the impact of the Covid19 pandemic that contribution income will decrease by 28% of that forecasted for the end of the financial year March 31, 2020. The NIB estimates that total contribution collection from all sectors for the financial year 2020/21 will be \$27.4M.
- Assumptions used in Income forecast for 2020/21:
 - Increased economic growth and activity in the Private Sector Increase resulting in increased employment
 - Increased Construction Activity with the large-scale hotel construction projects that are expected to be undertaken in 2020/21.

The total income has been revised to estimate the impact of the Coronavirus Outbreak on the collection of Contributions and certain expenditure items.

Assumptions used in new forecast for 2020/2021:

- There will be an overall 28% decline income collection as per previous forecast for April 2020 to March 2021.

Investment Income

- The NIB has both local and overseas investment with the bulk of the investments concentrated overseas. The NIB holds local investment in Fortis TCI and TCIG bonds. Total investment income net of investment management fees of \$2.02M and unrealized gains is \$5.4M.

Revised Investment Income projections and Assumptions March 2020

- Assumption for the Investment income portfolio based on current information concerning the negative impact of the virus on the stock market is a modest 2.5% increase in the value of the portfolio for the financial year 2020/2021.

2. Expenditure

- The NIB Expenditure for the financial year is estimated at \$32.56M. This includes expenditure for the payment of benefits to claimants and the administrative cost relating to the collection of contribution and the payment of Benefits of the fund.

Revised projected Expenditure Expense 2020/2021

- The revised expenditure for the financial year is estimated at \$29.6M. This includes decrease in the following areas of expenditure.
- Communication decreased by 9%
- Office Expense decreased by 9%
- Advertising and Promotions increased by 10%
- Bank charges decreased by 10%

Benefit Expenditure

- Benefits are an entitlement under the NIB legislation. The benefit estimates for the financial year are based on trend and sensitivity analysis for the past five years as well as information derived from the NIB 9th Actuarial Review. Benefit expenditure represents 83% or \$26.88M of total expenditure.

Revised projected Benefit Expenditure 2020/2021

Benefit Expenditure has been increase to \$26.88M to accommodate the introduction of the temporary unemployment benefit and possible sickness benefit claims that may arise as a result of the covid 19 pandemic. Overall Benefit expense has increased by an overall 34% over the forecast expenditure at March 2020. However sickness benefit has been increased by 20% to cover the cost of claims which may arise.

Short Term Benefits

- These estimates have been based on information derived from a combination of trend analysis and information contained 9th Actuarial Review report.

Introduction of new Temporary Unemployment Benefit

Temporary unemployment Benefit of \$4.2M to be rolled out in response to the Covid Pandemic later this calendar year

Revised projected Sickness Benefit Expenditure 2020/2021

Temporary unemployment Benefit of \$4.2M to be rolled out in response to the Covid Pandemic later this calendar year. Sickness benefit has been increased by 20% to cover the cost of claims which may arise during the year.

Long Term Benefits

○ Long Term Pensions costs will continue to rise as the numbers of persons qualifying for this benefit increases each year. Management has estimated costs will rise to \$18,554,083 for the financial year April 2020/2021. Currently there are 1,345 persons receiving retirement pension. It is estimated that 988 persons will be between the ages of 60 to 65 this coming financial year who would qualify for a benefit. However, not all persons between 60 and 64 years will opt to claim their pension as some may wait until they are 65 years when their calculated pension would not be reduced.

Employment Injury Benefit

○ Total expenditure for all payments is estimated at \$683,846 for 2020/21 financial year.

Administrative Expenses

○ This expense is related to cost of administering the collection of income, payments of benefits and other programs of the NIB. The Strategic Plan of the NIB has set a target of 13% of administrative expense over Benefit plus contributions as the Benchmark for administrative expenditure. The NIB budget has been compiled with this in mind and the ratio for the current budget is below 13%.

Staff Employment Cost

○ Total Cost for the year is estimated at \$2.7M and includes all staff cost as well as cost of all allowances and statutory payments.

Operating Cost

○ The total operating cost less Benefit payment is estimated at \$2.699M for the financial year 2020/21 and it includes some of the following significant expenditure.

Utilities

○ Estimated cost of electricity for the financial year 2020/21 of \$108,929 for all office location.
○ Communication Expense

○ Includes expense associated with the acquisition of greater bandwidth to facilitate high-speed connectivity and transfer of data between offices, cost of landlines, internet and mobile phones for management and compliance officers. This estimated at \$169,548 this financial year.

Maintenance Expense

○ This includes the cost associated with the repair and maintenance office buildings and vehicles in the various islands. This estimated at \$356,920 for the financial year.

Professional and Consultancy Fees

○ This includes professional and consultancy fees associated with annual actuarial review of other long-term liabilities, risk management consultancy, MIS consultancy, and MIS consultancy. This is estimated at \$65,000 for the financial year.

Insurance

○ Expense associated with insurance coverage for the assets of the Board, Public an Employer Liability insurance and medical insurance for staff. This is estimated at \$127,221 for the financial year.

Training

○ Cost of providing in house and overseas training for staff members as the NIB seeks to engage, equip and train staff to meet the objectives of the NIB. This is estimated at \$140,000.

Auditing & Accounting

○ This is the cost for the annual audit and is estimated at \$145,000 this financial year.

GOVERNMENT OF THE TURKS AND CAICOS ISLANDS
 Programme and Performance Indicators for April 2020 - March 2021
 NATIONAL INSURANCE BOARD

STATUTORY BODY SUMMARY									
MISSION:									
To achieve social insurance protection to aged, working population and their dependents by being financially viable and providing social Security in a reliable, caring and effective manner through competent, motivated staff and informed strong leadership.									
STRATEGIC PRIORITIES:									
To fully implement a risk management framework to better protect the assets and resources of the NIB, both tangible and intangible.									
To improve service delivery to our stakeholders to have satisfied and delighted stakeholders and improve the customer satisfaction rating of 66% by 10%.									
To improve NIB funded ratio by adopting recommendations from the 9th Actuarial Review to increase transfers to the reserves; thereby, extending the longevity of the fund and its ability to pay benefits for the long term.									
To employ additional technology to improve the efficiency and effectiveness of our operations to make our services more accessible to our contributors and beneficiaries.									
MINISTRY EXPENDITURE - BY PROGRAMME									
Code	Programme/Department	2018/19 Actual	2019/20 Approved Budget	2019/20 Revised Budget	2019/20 Forecast Outturn	2020/21 Budget Estimates	2020/21 Revised Estimates	2021/22 Forward Estimates	2022/23 Forward Estimates
Personal Emolument		\$ 2,569,310	\$ 3,227,818	\$ 3,227,818	\$ 3,051,959	\$ 3,268,869	\$ 2,972,887	\$ 3,376,865	\$ 3,558,581
Operational Expenditure		\$ (991,545)	\$ 3,114,219	\$ 3,114,219	\$ 2,610,752	\$ 3,410,463	\$ 2,699,200	\$ 3,333,449	\$ 3,248,449
Beneficiary Expenses		\$ 19,330,673	\$ 20,245,887	\$ 20,245,887	\$ 20,235,120	\$ 22,883,289	\$ 27,083,289	\$ 23,690,779	\$ 24,057,024
Capital Expenditure		\$ 242,040	\$ 1,204,000	\$ 1,204,000	\$ 724,000	\$ 1,562,000	\$ 3,532,000	\$ 19,000	\$ 38,000
TOTAL AGENCY BUDGET CEILING		\$ 21,150,478	\$ 27,791,924	\$ 27,791,924	\$ 26,621,831	\$ 31,124,621	\$ 36,287,376	\$ 30,420,093	\$ 30,902,054
STATUTORY BODY STAFFING RESOURCES – Actual Number of Staff by Category									
Executive/Managerial		11	12	12	12	12	12	12	12
Technical/Front Line Services		36	36	36	36	36	36	36	36
Administrative Support		7	5	5	5	6	6	6	6
Wages Staff		1	1	1	1	1	1	1	1
TOTAL AGENCY STAFFING		55	54	54	54	55	55	55	55
PROGRAMME PERFORMANCE INFORMATION									
KEY PROGRAMME STRATEGIES FOR 2019/20					ACHIEVEMENTS/PROGRESS IN 2019/20				
Manage the volatility in the NIB portfolio by de-risking the investment portfolio through a series of rebalancing exercises, with at least one rebalancing in Quarters 1					The equity portion of the NIB portfolio was 48% for period ending December 31st, 2019. The asset is well within the 58% targeted for March 2020.				
Improve the Benefit adjudication process by reducing the processing time to pay short-term benefits in 5 days of receiving the claims by March 2020. The NIB proposes to introduce the printing of cheques in Provo as one of our initiatives. New internal controls to guide the cheque printing process in Providenciales will be implemented by June 2019. Also, an additional person will be assigned to the benefit process by September 2019 from the Data Entry area.					The NIB was able to achieve the processing time of five (5) days for short term benefits during the year, however not with consistency. Efforts continue toward the goal of consistently achieving this target. Management is reconsidering the initiative of printing cheques in Provo, as the NIB is seeking to reduce cost by reducing the number of cheques issued annually, estimated to be more than fifteen thousand (15K). The NIB is exploring the option of paying short term benefits by direct deposits and debit cards. This option has the added benefit of beneficiaries having faster access to their benefit payments.				
Continue to improve Compliance efforts to achieve a compliance rate for active contributors of 71% by June 2019.					70% of the active employers have paid contributions at least 70% of the times, that is, at least nine (9) of the last twelve (12) months. That number increases to 75% for employers paying eight (8) of the last twelve months.				
Continue to increase the use of information technology to improve the efficiency and effectiveness in the delivery of social security services by March 2020. The NIB plans to launch its web portal by June 2019, this should further reduce the institution's reliance on manual entry of contribution data.					The web portal has been developed and tested. The IT team is working with consultants to rectify the issues identified during the testing phase. The project still scheduled for a Q4 launch.				
Increase stakeholder engagement by implementing a new citizen engagement plan to increase public awareness about the products, services and other information published by the NIB. The new plan will be launched in April 2019 and has a myriad of monthly activities scheduled during the fiscal year.					The NIB has used a myriad of PR activities to engage our contributors and beneficiaries. Emphasis was placed on social media this year, a new website, YouTube channel, and Facebook page were launched. The monthly social media dashboard confirms the number of users accessing the website, and for the month of December 2019, 6,712 persons accessed the site, with approximately 70% of those users being domicile in the Turks and Caicos.				
KEY PROGRAMME STRATEGIES 2020/21 (Aimed at improving programme performance)									
Improve Compliance efforts to achieve and consistently maintain a compliance rate for the active contributors of 70% by March 2021.									
Improve Benefit adjudication process to ensure short term Benefits are processed and paid within 10 days and long term within 45 days by March 2021									
Continue to implement Citizen Engagement plan to increase stakeholder awareness about their right and obligation under the NIB Ordinance through social media interactions commencing Q1.									
The NIB will implement a multi-year plan to promote the use of its web portal to reduce the institution's reliance on the manual submission and entry of contribution data, commencing Q1 of 2020/21.									
Implement new training plan to improve staff knowledge and skills to fulfill the organization's vision and mission by Q1. Staff to achieve 85% on annual Product & Services Assessment by Q4 of 2020/21.									
KEY PERFORMANCE INDICATORS		2018/19 Actual	2019/20 Planned	2019/20 Revised	2019/20 Outturn	2020/21 Estimate	Revised 2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Output Indicators (the quantity of output or services delivered by the programme)									
Number of Compliance activities (Surveys, visits, investigations, Court cases)		3,000	3,700	4,500	4,152	4,600	4,000	4,000	4,000
Percentage of Short term Benefits paid in 10 days of receipt		32%	60%	50%	48%	60%	60%	80%	85%
Number of PR Activities for the year		120	150	200	173	250	250	250	250
Number of new Web Portal users by March 31, 2021.		0	20	20	20	240	240	500	1,000
Number of staff training opportunities delivered.		N/A	N/A	N/A	N/A	24	12	30	34
Outcome Indicators (the planned or achieved outcomes or impacts of the programme and/or effectiveness in achieving programme objectives)									
Percentage of Active Contributors paying contributions		70%	75%	73%	70%	76%	70%	77%	78%
Survey Percentage of customers satisfied with NIB PR programs: Social Media, Radio, Media, Website info		85%	90%	90%	90%	95%	95%	95%	95%
Percentage of Staff with a performance evaluation rating >84% after training.		N/A	N/A	N/A	N/A	65%	65%	80%	85%

GOVERNMENT OF THE TURKS AND CAICOS ISLANDS
 Estimates of Income and Expenditure for April 2020 - March 2021
 NATIONAL INSURANCE BOARD

Description	2018/19	2019/2020			2020/2021	2020/2021	2021/2022	2022/2023
	Audited Actuals	Approved Budget	Revised Budget	Forecast Outturn	Approved	Revised	Forward Estimate	Forward Estimate
Private Sector	31,646,962	31,073,639	31,073,639	31,314,763	22,661,211	22,661,211	32,254,206	33,544,374
Government Public Officers	1,871,872	1,801,364	1,801,364	1,929,806	1,546,152	1,546,152	2,092,672	2,092,672
Govt. Non Public Officers	3,288,906	3,303,966	3,303,966	3,398,249	2,310,726	2,310,726	3,288,908	3,288,908
Self Employed	1,068,951	952,204	952,204	1,189,584	835,631	835,631	1,189,584	1,189,584
Voluntary Contributions	307	-	-	-	500	500	-	-
Rental Income	128,000	131,840	131,840	128,004	131,840	131,840	131,840	131,840
Realized Gains				3,083,808	-	-		
Interest Income	15,703,970	5,115,154	5,115,154	4,415,058	4,744,746	4,744,746	6,283,978	6,998,916
Other Operational Income	668,538	425,000	425,000	346,446	425,000	425,000	425,000	425,000
TOTAL INCOME	54,377,506	42,803,167	42,803,167	45,805,718	32,655,806	32,655,806	45,666,188	47,671,294
Salaries	2,341,729	2,774,500	2,774,500	2,774,500	2,782,800	2,675,800	2,912,900	3,087,674
Overtime					20,000	20,000	10,000	10,000
Provision for Salary Increase* (Increments)	-	101,759	101,759		130,100	-	87,387	87,387
Wages	23,492	24,000	24,000	24,000	24,000	24,000	44,367	44,367
Temporary employment of summer students	-	-	-	-	-	-	-	-
Allowances	38,012	63,200	63,200	43,200	43,200	41,400	43,200	43,200
Rewards and Incentives	800	20,000	20,000	20,000	20,000	16,500	23,300	23,300
Pension and Gratuities	-	58,700	58,700	23,000	58,700	9,000	58,700	58,700
National Insurance Contributions	91,254	102,718	102,718	93,217	105,670	103,639	109,690	113,710
National Health Insurance Contributions	74,023	82,941	82,941	74,041	84,399	82,548	87,321	90,242
Employment Costs	2,569,310	3,227,818	3,227,818	3,051,959	3,268,869	2,972,887	3,376,865	3,558,581
Directors' fees and expenses	77,000	85,200	85,200	85,200	85,200	85,200	85,200	85,200
Local Travel and Subsistence	68,096	79,810	79,810	79,810	88,867	22,217	88,867	88,867
International Travel and Subsistence	40,576	79,000	79,000	79,000	66,000	16,500	61,700	63,700
Utilities	97,126	107,541	107,541	108,504	113,929	108,929	113,929	113,929
Communications Expenses	120,058	125,803	125,803	148,183	186,503	169,548	169,548	169,548
Office Expenses	113,055	84,912	84,912	67,354	93,432	84,938	84,588	84,588
Rental of Assets	26,460	69,280	69,280	65,472	69,000	69,000	69,000	69,000
Maintenance Expenses	282,169	424,720	424,720	295,249	374,420	356,920	361,420	359,420
Subscriptions, Periodicals, Books, etc.	4,500	11,200	11,200	11,200	14,450	14,450	11,200	11,200
Uniforms & Protective Clothing	186	65,000	65,000	65,000	1,000	1,000	65,000	-
Professional and Consultancy Services	67,398	125,000	125,000	125,000	110,000	65,000	125,000	125,000
Maintenance	46,236	139,300	139,300	46,961	191,000	166,000	165,000	165,000
Insurance	108,708	134,119	134,119	113,266	127,221	127,221	134,859	134,859
Hosting and Entertainment	14,972	13,850	13,850	10,632	14,300	7,150	13,850	13,850
Training	155,912	257,000	257,000	90,000	257,000	140,000	257,000	257,000
Advertising and Promotions	44,294	123,000	123,000	80,000	97,460	71,600	88,100	88,100
Subscriptions and Contributions	32,306	28,350	28,350	28,350	29,768	29,768	29,768	29,768
Auditing and Accounting	140,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000
Board Expenses	51,180	71,945	71,945	70,359	75,195	64,417	71,720	71,720
Depreciation and Amortization	286,770	404,849	404,849	350,000	759,298	555,029	720,000	700,000
Bad debt write off/increase provisions	(1,156,021)	302,000	302,000	300,000	130,000	100,000	100,000	100,000
Bank Charges	86,556	56,200	56,200	82,567	95,920	86,000	87,200	87,200
Benefit Expense	19,330,673	20,245,887	20,245,887	20,235,120	22,883,289	27,083,289	23,690,779	24,057,024
Special Scanning Project	-	60,250	60,250	25,000	96,250	24,063	96,250	96,250
Security Services	-	115,890	115,890	133,645	168,780	168,780	168,780	168,780
Other Operational Expenses	209,692	5,000	5,000	5,000	20,470	20,470	20,470	20,470
TCI Bank Impairment Adjustment(funds received)	(1,908,774)							
Operating Costs	18,339,128	23,360,106	23,360,106	22,845,872	26,293,752	29,782,489	27,024,228	27,305,473
Total Expenditure	20,908,438	26,587,924	26,587,924	25,897,831	29,562,621	32,755,376	30,401,093	30,864,054
Operating Surplus/Deficit	33,469,068	16,215,243	16,215,243	19,907,887	3,093,185	(99,570)	15,265,095	16,807,241
Capital Projects	242,040	1,204,000	1,204,000	724,000	1,562,000	3,532,000	19,000	38,000
Cash Funding Required to Support	22,019,729	27,085,075	27,085,075	25,971,831	30,235,323	35,632,347	29,600,093	30,102,054
Surplus/Deficit minus Capital Expenditure	32,357,777	15,718,092	15,718,092	19,833,887	2,420,483	(2,976,541)	16,066,095	17,569,241
Unrealized Loss/Gain	(10,641,440)	14,078,447	14,078,447	14,078,447	7,520,041	7,520,041	13,602,569	15,228,436
Net Surplus/Deficit including unrealized	21,716,337	29,796,539	29,796,539	33,912,334	9,940,524	4,543,500	29,668,664	32,797,676

*Deficit is to be funded from Cash Reserves.

GOVERNMENT OF THE TURKS AND CAICOS ISLANDS
 Revised Estimates of Human Resources for April 2020 - March 2021
 NATIONAL INSURANCE BOARD

	National Insurance Board	2019/2020		2020/2021		Revised '2020/2021	
		Human Resources	Payroll Cost Estimate	Human Resources	Payroll Cost Estimate	Human Resources	Payroll Cost Estimate
	Accountant	2	113,000	2	113,000	2	96,750
	Accounting Clerk	2	61,000	1	30,000	1	30,000
	Accounting Officer	1	50,500	1	50,150	1	50,150
	Admin. Assistant	1	50,500	1	50,150	1	50,150
	Branch Manager	2	142,000	2	142,000	2	142,000
	Claims Adjuster	1	58,000	1	58,000	1	58,000
	Compliance Officer	7	289,000	7	289,000	7	258,250
	Corporate Secretarial Assistant	1	56,500	1	56,500	1	56,500
	Customer Care	3	127,500	3	127,500	3	127,500
	Customer Reconciliation Officer	3	127,500	3	127,500	3	127,500
	Data Entry Clerk	8	215,000	7	191,000	7	191,000
	Data Entry Supervisor	2	111,500	2	111,500	2	111,500
	Database Administrator	1	60,000	1	60,000	1	60,000
	Deputy Director	1	101,000	1	101,000	1	101,000
	Director	1	120,000	1	120,000	1	90,000
	Driver	1	30,000	1	30,000	1	30,000
	Filing Clerk		-	2	40,000	2	10,000
	Financial Controller	1	93,500	1	93,500	1	93,500
	HR Admin Officer	1	56,500	1	56,500	1	56,500
	HR Manager	1	80,000	1	80,000	1	80,000
	Information Systems Manager	1	89,000	1	89,000	1	89,000
	Internal Audit Officer	1	56,500	1	56,500	1	56,500
	Internal Auditor	1	93,500	1	93,500	1	93,500
	Investment Manager	1	80,000	1	80,000	1	80,000
	Legal Assistant	1	55,000	1	55,000	1	55,000
	Legal Counsel	1	89,000	1	89,000	1	89,000
	Liaison Officer	2	80,000	2	80,000	2	80,000
	Marketing Manager	1	72,000	1	72,000	1	72,000
	Systems\ Network Administrator	1	56,500	1	56,500	1	56,500
	Receptionist	1	31,000	1	31,000	1	31,000
	Research and Business Process Analyst	1	74,000	1	74,000	1	74,000
	Snr. Compliance Officer	1	55,000	1	55,000	1	55,000
	Registration Clerk	0	-	1	24,000	1	24,000
	Salary Staff	53	2,774,500	54	2,782,800	54	2,675,800
	Cleaner	1	24,000	1	24,000	1	24,000
	Waged Staff	1	24,000	1	24,000	1	24,000
		54	2,798,500	55	2,806,800	55	2,699,800

GOVERNMENT OF THE TURKS AND CAICOS ISLANDS
 Revised Estimates of Capital Expenditure for April 2020 - March 2021
 NATIONAL INSURANCE BOARD

Project Number	Project Title	Cost	Budget 2020-2021	Revised Budget 2020-2021	Budget 2021-2022	Budget 2022-2023	NOTES\COMMENTS
-	2 Vehicles	60,000	60,000	30,000			Replacement for old vehicles.
-	HAE Space Planning	250,000	250,000	250,000			Optimization of current existing space
-	New Computer System	3,000,000	1,000,000	3,000,000			New IT System RFP and selection of service provider
-	Computer Equipment	150,000	150,000	150,000	19,000	38,000	New Computer equipment for offices
	Total	3,460,000	1,460,000	3,430,000	19,000	38,000	

Minor Capital Items - Non Recurrent Expenditures

Project Number	Project Title	Cost	Budget 2020-2021	Revised Budget 2020-2021	Budget 2021-2022	Budget 2022-2023	NOTES\COMMENTS
	Furniture & Equipment	40,000	40,000	40,000			Replacement of old furniture
	HAE Parking Lot Resurfacing	30,000	30,000	30,000			Additional resurfacing to provide for more parking space for customers
	HAE Gates	2,000	2,000	2,000			Replacing Gate at Hilly Ewing building
	Shutters Provo	15,000	15,000	15,000			Replacement of shutters that were damaged.
	Counters upgrade Grand Turk	15,000	15,000	15,000			Upgrade counters to include drawers for Cashier post and cash
	TOTAL	102,000	102,000	102,000	-	-	