

Annual Report 2010



SOCIAL SECURITY BOARD



To be a model Social Security institution, the pride of Belize!



CONTENTS



Our Mission:

Deliver timely, cost effective and top quality service to our beneficiaries and other stakeholders;

Grow and protect a sustainable Social Security Fund with integrity and transparency;

Impact positively on National Development.

Our Vision:

To be a model Social Security Institution, the pride of Belize!

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SOCIAL SECURITY BOARD

BOARD OF DIRECTORS



Board of Directors



Chairman:
Ms. Lois M. Young



Deputy Chairman & Government
Representative: Mr. Dennis Jones



Government Representative:
Mr. Ariel Mitchell



Government Representative:
Mrs. Natalie Goff



Government Representative:
Mr. Paul Jones



Employer's Representative:
Mr. Mark Lizarraga



Employer's Representative:
Mrs. Lourdes Smith



Employee's Representative:
Mrs. Elena Smith



Employee's Representative:
Dylan Reneau



Chief Executive Officer [Ex-Officio Member]:
Mrs. Marlene Bailey Martinez



Investment Committee:

Chairman:
Employer's Representative:
National Trade Union Congress:
Government Representative:
Chief Executive Officer (Ex-Officio Member):
Board Secretary:

Mr. Nestor Vasquez
Mr. Emil Mena
Ms. Lorelei Westby
Mr. Norman Dueck
Mrs. Merlene Bailey Martinez
Mrs. Irene Cruz

Non-Contributory Pension Committee:

Chairman:
National Council on Aging:
Ministry of Human Development:
Secretary:

Canon Leroy Flowers
Mr. Andre O'Brien
Mrs. Ava Pennill
Ms. Agnes Flowers

National Health Insurance Committee:

Executive Chairman:
Chief Executive Officer, Social Security Board:
Chief Executive Officer, Ministry of Health:
Director of Health Services:
Belize Council of Churches:
Belize Medical and Dental Association:
ORINCO:
NTUCB:
NTUCB:
PUP Representative:
Belize Business Bureau:
Belize Chamber of Commerce:
General Manager NHI:
Secretary:

Dr. George Gough
Mrs. Merlene Martinez
Dr. Peter Allen
Dr. Michael Pitts
Mrs. Rose Armstrong
Dr. Giovanni Solorzano
Mrs. Louise Moore.
Ms. Cynthia Villagran
Mr. Marvin Mora
Dr. Gregorio Garcia
Dr. Cardo Martinez
Ms. Kay Menzies
Dr. Ramon Figuerroa
Mrs. Phyllis Moody

Audit Committee:

Chairman:
Employer's Representative:
Employee's Representative:
Secretary/Internal Auditor:

Mrs. Natalie Goff
Mrs. Lourdes Smith
Mr. Dylan Reneau
Ms. Denise Mahler

NCP Pension Appeal Tribunal:

Chairman:
Members:

Ms. Leonora Flowers
Ms. Anna Gonzalez
Mr. Carlton Mckoy



Appeal Tribunal Chairpersons:

Ms. Jaseth Jackson
Mr. Aldo Salazar
Ms. Margaret Mckenzie
Mrs. Naima Badillo
Ms. Tricia Pitts
Ms. Tania Moody
Ms. Antoinette Moore
Mrs. Magali Marin Young
Mr. Jose Cardona
Mr. Ernest Staine

EMPLOYERS' REPRESENTATIVES

Mr. Peter Tonti
Mr. Lawrence MacLaren
Mrs. Cynthia Awe
Mrs. Olga Barber
Mr. Bernard Pickwood
Mrs. Joan Avelar
Mr. Harrison Pilgrim
Mr. Lloyd Carillo
Mr. Erasmo Franklin
Mr. Ellison Flowers

Consultant:

External Auditor: Castillo, Sanchez and Burrell

Actuary: Hernando Pérez Montás Consultores Actuariales, S.A.

Legal: Young's Law Firm

Management

Executive Services:
Mrs. Merlene Martinez, Chief Executive Officer
Mrs. Irene Cruz, Executive Secretary
Mrs. Phyllis Moody, Executive Secretary
Ms. Denise Mahler, Manager, Internal Audit Services
Mr. Erikson Lamb, Acting Manager, Information Technology Services

Benefits & National Branch Operation Services

Ms. Anna Gonzalez, General Manager
Mrs. Leonie Ferguson, Benefits Manager
Mrs. Chandra Cansino, Employment Injury Manager
Ms. Ismelda Waite, Manager, Corozal and the Free Zone Sub Office
Mrs. Floricely Riverol, Manager, Orange Walk
Mrs. Thurnica Middleton, Manager, Belize

EMPLOYEES' REPRESENTATIVES

Mr. Mervin Roca
Mr. George Frazer
Ms. Emily Martinez
Ms. Sheryl Cutkelvin
Mr. Rudolph Gentle
Ms. Lorelei Westby
Mrs. Marciana Mckoy
Mr. Ian Ramirez
Ms. Aislynn Humes
Mr. Sean Nicholas
Ms. Therese Martinez

Peter Tonti
Lawrence MacLaren
Cynthia Awe
Olga Barber
Bernard Pickwood
Joan Avelar
Harrison Pilgrim
Lloyd Carillo
Erasmo Franklin
Ellison Flowers



Mrs. Margarita Cawich, Manager, San Pedro
 Mr. Derrick Morgan, Manager, Belmopan
 Mrs. Olivia Dakers, Manager, Santa Elena, Spanish Lookout and Benque Viejo
 Ms. Ana Guy, Manager, Dangriga
 Mrs. Yolanda Sabido, Manager, Independence and Placencia Sub Office
 Mr. Arnaldo Villas, Manager, Punta Gorda

Financial and Accounting Services

Mr. Leo Vasquez, General Manager
 Mrs. Nabi Nabet Reyes, Manager, Accounting Services
 Mr. Carlton Mckoy, Senior Inspector, Compliance Services

Human Resources Management and Administration Services

Ms. Arlene Neal, Acting General Manager
 Mrs. Deborah Ruiz, Manager, Industrial Relations Services

Investment Services

Mr. Norberto Depaz, General Manager
 Mr. Miguel Gongora, Manager

Legal Services

Ms. Leonora Flowers, Manager

National Health Insurance

Dr. Ramon Figueroa, General Manager
 Dra. Natalia Rodriguez, Manager, Quality Assurance
 Ms. Ruth Jaramillo, Manager, Primary Care

Office of Strategic Management

Mrs. Leticia Vega, General Manager
 Mrs. Marianela Vasquez Guerra, Manager, Customer Relations Services
 Mr. Sean Sebastian, Manager, Research and Analysis Services

Registration & Contribution Records Services

Mrs. Maria Elena Contreras, General Manager



Contact Information: Headquarters, Branches and Sub Offices

Belize Branch Office

Corner Princess Margaret Drive & St. Joseph Street
 Belize City
 Tel: 224-5025/ 223-2834
 Fax: 224-5893

Belmopan Branch Office

P.O. Box 18
 Bliss Parade, Belmopan
 Tel: 822-0085/822-0086
 Fax: 822-2825

Belmopan, Headquarters

P.O. Box 18
 Bliss Parade, Belmopan
 Tel: 822-2163/2471
 Fax: 822-3331
 Customer Service Line: 822-0084
 Email: info@socialsecurity.org.bz
 Website: www.socialsecurity.org.bz

Benque Viejo Del Carmen Sub-Office

Church Street
 Benque Viejo Del Carmen
 Tel: 823-2337

Caye Caulker Sub-Office

Front Street
 Caye Caulker Village
 Tel: 226-0053

Corozal Branch Office

105 A 7th Avenue
 Corozal Town
 Tel: 422-2276
 Fax: 422-3678

Corozal Free Zone Sub-Office

Nassau Plaza
 Corozal Free Zone
 Tel: 423-7240
 Fax: 423-7244

Dangriga Branch Office

#1 Courthouse Street
 Dangriga Town
 Tel: 522-2101/ 522-3736
 Fax: 522-3198

Independence Branch Office

Savannah Road
 Independence
 Stann Creek District
 Tel: 523-2083
 Fax: 523-2448

Orange Walk Branch Office

Corner Queen Victoria Street & La Democracia Avenue
 Orange Walk Town
 Tel: 322-2217/322-0220
 Fax: 322-3958

Placencia Sub-Office

Main Street
 Placencia Village
 Tel: 523-3619
 Fax: 523-3231

Punta Gorda Branch Office

Corner Prince & West Streets
 Punta Gorda Town
 Tel: 722-2076
 Fax: 722-2525

San Pedro Branch Office

Pescador Drive
 San Pedro, Ambergris Caye
 Tel: 226-2625
 Fax: 226-3064

Santa Elena Branch Office

Corner Western Highway & Liberty Street
 Santa Elena, Cayo District
 Tel: 824-2178/ 822-2708
 Fax: 824-3534

Spanish Lookout Sub-office

Spanish Lookout
 Center Road
 Tel: 823-0416



SOCIAL SECURITY BOARD

Financial Statements for the Years Ended

December 31, 2010 and 2009 and
Independent Auditors' Report



Financial Statements 2010

SOCIAL SECURITY BOARD

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of SOCIAL SECURITY BOARD:

Report on the Financial Statements

We have audited the accompanying financial statements of Social Security Board which comprise the statements financial position as at December 31, 2010 and 2009 and statements of income, statements of comprehensive income, statements of changes in reserves and statements of cash flows for the years then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the Social Security Act and requirement of the Financial and Accounting Regulations, Chapter 44, Revised Edition 2000 – 2003. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



Independent Auditors' Report

Page 2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Social Security Board as of December 31, 2010 and 2009 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards, the Social Security Act and requirement of the Financial and Accounting Regulations, Chapter 44, Revised Edition 2000 – 2003.

Emphasis of Matter

We draw attention to Note 17 to the financial statements which describe a prior period adjustment that was necessary to correct the carrying amount of the investment in Belize Electricity Limited – an associate of Social Security Board. Our opinion is not qualified in respect of this matter.

Castillo Sanchez Barrios, Hub

Chartered Accountants

July 1, 2011

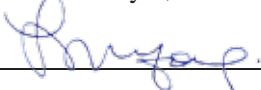
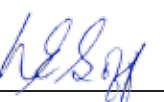


SOCIAL SECURITY BOARD

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009**

ASSETS	Notes	2010	2009
Current assets:			
Cash and cash equivalents	2e	\$ 9,613,875	\$ 4,325,808
Central Bank of Belize	2e	827,090	25,686,614
Short term investments	2f, 6	132,352,809	139,776,946
Investment income receivable	7	6,250,005	8,766,439
Accounts receivable and prepayments	2g, 8	519,471	1,056,300
Office supplies		97,266	69,920
Total current assets		<u>149,660,516</u>	<u>179,682,027</u>
Advances to employees		1,037,559	1,021,361
Fixed assets – net	2h, 4	29,769,563	29,639,880
Pension asset	2p, 5	3,335,246	2,724,529
Intangible asset	2i	1,463,128	-
Investment in associate	2j, 9	122,443,961	66,924,033*
Long term investments	2f, 10	104,504,574	103,310,419
TOTAL ASSETS		<u>\$412,214,547</u>	<u>\$383,302,249</u>
LIABILITIES AND RESERVES			
Current liabilities:			
Accounts payable and accruals	11	\$ 9,933,345	\$ 3,515,690
Total current liabilities		<u>9,933,345</u>	<u>3,515,690</u>
Deferred income	2k	5,717,848	7,927,832
Reserves:			
Short term benefits branch		8,710,223	10,841,123*
Long term benefits branch		297,236,520	281,527,788*
Employment injury benefits reserve		68,120,638	58,055,847*
Disablement and death benefits reserves	2o	16,364,876	16,215,585
National health insurance fund		2,142,113	2,043,982
Natural disaster fund		631,076	381,076
Social development fund		22,662	68,797
Pension reserve	2p, 5	3,335,246	2,724,529
Total reserves		<u>396,563,354</u>	<u>371,858,727</u>
TOTAL LIABILITIES AND RESERVES		<u>\$412,214,547</u>	<u>\$383,302,249</u>

The financial statements on pages 3 to 7 were approved and authorized for issue by the Board of Directors on July 1, 2011 and are signed on its behalf by:

) Chairman
 _____)
) Director

* Restated (See Note 17)

The notes on pages 8 to 30 are an integral part of these financial statements.



SOCIAL SECURITY BOARD

**STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	Notes	2010	2009
INCOME			
Contributions:			
Employers and employed persons	2L	\$ 60,329,075	\$59,886,197
Total contributions		<u>60,329,075</u>	<u>59,886,197</u>
Other income:			
Net investment income	2L,12	24,784,437	21,378,171
Other income	1,13	794,772	634,079
GOB contribution to NHI Fund	2m	14,245,864	12,754,140
Total other income		<u>39,825,073</u>	<u>34,766,390</u>
TOTAL INCOME		<u>\$100,154,148</u>	<u>\$94,652,587</u>
EXPENDITURES			
Benefits:			
Short term benefits branch	2n	\$ 10,427,906	\$10,825,484
Long term benefits branch		26,432,583	24,414,517
Employment injury benefits branch		4,024,274	5,126,269
Disablement and death benefits	2n	1,934,752	1,874,425
National health insurance benefits		13,355,728	11,085,853
Total benefits		<u>56,175,243</u>	<u>53,326,548</u>
Operating expenses:			
Administration	14	18,629,765	19,059,984
Establishment	15	1,176,771	1,108,236
Financial		126,644	25,686
Total operating expenses		<u>19,933,180</u>	<u>20,193,906</u>
TOTAL EXPENDITURES		<u>76,108,423</u>	<u>\$73,520,454</u>
Excess of income over expenditure		\$ 24,045,725	\$21,132,133

The notes on pages 8 to 30 are an integral part of these financial statements.



SOCIAL SECURITY BOARD

**STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
EXCESS OF INCOME OVER EXPENDITURES	\$ 24,045,725	\$21,132,133
OTHER COMPREHENSIVE INCOME:		
APV disablement benefits	580,700	1,107,688
APV death benefits	<u>389,959</u>	<u>433,777</u>
	<u>970,659</u>	1,541,465
Actuarial gains on defined benefits plan	<u>610,717</u>	<u>2,724,529</u>
Other comprehensive income for the year	<u>1,581,376</u>	<u>4,265,994</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ <u>25,627,101</u>	\$25,398,127

The notes on pages 8 to 30 are an integral part of these financial statements.



SOCIAL SECURITY BOARD

**STATEMENTS OF CHANGES IN RESERVES
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	Short term Benefits Branch	Long term Benefits Branch	Employment Injury Benefits Branch	Disablement and Death Benefits Reserve	National Health Insurance Fund	Natural Disaster Fund	Social Development Assistance Account	Pension Reserve	Total
Balance, December 31, 2009 previously stated	\$10,793,474	\$276,936,918	\$57,020,430	\$16,215,585	\$2,043,982	\$381,076	\$ 68,797	\$2,724,529	\$366,184,791
Prior period adjustment (see Note 17)	<u>47,649</u>	<u>4,590,870</u>	<u>1,035,417</u>	-	-	-	-	-	<u>5,673,936</u>
Balance, December 31, 2009 restated	10,841,123	281,527,788	58,055,847	16,215,585	2,043,982	381,076	68,797	2,724,529	371,858,727
Transfer to Social Development Account and Assistance Fund	-	-	(1,122,965)	-	-	-	1,124,965	-	2,000
Transfer to Short Term Benefit Branch	-	-	-	-	-	-	-	-	-
Natural Disaster Fund Expenditure	-	-	-	-	-	250,000	-	-	250,000
Social Development Account and Assistance Fund Expenditures	(3,374)	-	-	-	-	-	(1,171,100)	-	(1,174,474)
Excess of (expenditures over income) income over expenditures	(2,127,526)	15,708,732	11,187,756	(821,368)	98,131	-	-	-	24,045,725
Other Comprehensive Income	-	-	-	<u>970,659</u>	-	-	-	<u>610,717</u>	<u>1,581,376</u>
Balance, December 31, 2010	\$ <u>8,710,223</u>	\$ <u>297,236,520</u>	\$ <u>68,120,638</u>	\$ <u>16,364,876</u>	\$ <u>2,142,113</u>	\$ <u>631,076</u>	\$ <u>22,662</u>	\$ <u>3,335,246</u>	\$ <u>396,563,354</u>

The notes on pages 8 to 30 are an integral part of these financial statements.

**SOCIAL SECURITY BOARD****STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Excess of income over expenditures	\$24,045,725	\$21,132,133
Adjustments to reconcile excess of income over expenditures to net cash provided by operating activities:		
Depreciation	1,709,964	1,711,135
Recognition of goodwill	(4,609,933)	-
Income from associates	(5,519,928)	(2,394,304)
Amortization of deferred income	(2,209,984)	(2,212,783)
Provision for (gain) loss on investment – net	(4,022,813)	390,351
Loss on sale of fixed asset	6,247	267,749
Changes in current assets and liabilities:		
Decrease (increase) in investment income receivable	2,516,433	(3,171,093)
Decrease in accounts receivable and prepayments	4,559,642	188,047
Increase in office supplies	(27,345)	(69,920)
(Increase) decrease in advances to employees	(16,198)	141,792
Increase (decrease) in accounts payable and accruals	6,417,655	(3,704,980)
Total adjustment	(1,196,260)	(8,854,006)
Net cash provided by operating activities	22,849,465	12,278,127
Cash flows from investing activities:		
Increase (decrease) in long and short term investments	6,229,982	(16,958,921)
Investments in associates	(45,390,061)	-
Additions to fixed assets	(1,870,789)	(2,302,302)
Acquisition of intangible asset	(1,463,128)	-
Proceeds from disposal	24,895	103,380
Net cash used in investing activities	(42,469,101)	(19,157,843)
Cash flows from financing activities:		
Change in short term reserve	(3,380)	(1,820)
Change in social development fund	(46,135)	62,732
Change in employment injury reserve	(1,122,965)	(1,079,231)
Change in national disaster fund	250,000	220,826
Change in death and disablement reserve	970,659	1,541,465
Net cash provided by financing activities	48,179	743,972
Net decrease in cash and bank balances	(19,571,457)	(6,135,744)
Cash and bank balances, January 1	30,012,422	36,148,166
Cash and bank balances, December 31	\$10,440,965	\$30,012,422

The notes on pages 8 to 30 are an integral part of these financial statements.

**SOCIAL SECURITY BOARD****NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009****1. STATUS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Social Security Board (Board/SSB) is a statutory body which came into existence with the enactment of the Social Security Act, Chapter 44, Laws of Belize 1980. Social Security was established to provide various financial benefits to insured persons residing in Belize. Funding of these benefits is provided through contributions from employers and employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation – The financial statements of Social Security Board have been prepared in accordance with International Financial Reporting Standards (IFRS) and the form and content specified in the Social Security Act, Chapter 44, Revised Edition 2003. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

Use of estimates – The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the Board's accounting policies.

Judgments - Management has made the following judgments, apart from those involving estimations and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

— These financial statements have been prepared on a going concern basis, which assumes that the Board will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These financial statements do not include adjustments that would be necessary should the Board be unable to continue as a going concern.

b. Changes in accounting policies – The accounting policies adopted by the Board in preparing its financial statements in accordance with International Financial Reporting Standards (IFRS), are consistent with those used in the previous financial year. The Board has adopted the following standards, amendments and interpretations which did not have any effect on the financial performance or position of the Board. They may, however, give rise to additional disclosures.

**SOCIAL SECURITY BOARD****NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Adoption of New Standards, Amendments and Interpretations Effective from January 1, 2010:**

- Amendments to IAS 1 *Presentation of Financial Statements* (as part of Improvements to IFRSs issued in 2009)
- Amendments to IAS 7 *Statement of Cash Flows* (as part of Improvements to IFRSs issued in 2009)
- Amendments to IFRS 7 *Financial Instruments: Disclosures* (as part of Improvements to IFRSs issued in 2010)
- Amendments to IAS 1 *Presentation of Financial Statements* (as part of *Improvements to IFRSs* issued in 2010)
- IFRS 3 (revised in 2008) *Business Combinations*—IFRS 3(2008)
- IAS 27 (revised in 2008) *Consolidated and Separate Financial Statements and IFRS1 First-Time adoption of International Financial Reporting Standards with reference to cost of investments in subsidiaries, joint ventures and associates*
- IAS 28 (revised in 2008) *Investments in Associates*

New and revised IFRSs applied with no material effect on the Board's financial statements:

The following new and revised IFRSs have also been adopted in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* (as part of Improvements to IFRSs issued in 2009)
- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
- IFRIC 17 *Distributions of Non-cash Assets to Owners*
- IFRIC 18 *Transfers of Assets from Customers*

**SOCIAL SECURITY BOARD****NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****New standards, amendments, and interpretations in issue in 2010 but not yet effective:**

The Board has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- Amendments to IFRS 1 *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*.
 - Amendments to IFRS 7 *Disclosures – Transfers of Financial Assets*
 - IFRS 9 (as amended in 2010) *Financial Instruments*
 - IAS 24 (revised in 2009) *Related Party Disclosures*
 - Amendments to IAS 32 *Classification of Rights Issues*
 - Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*
 - IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*
- c. Functional and presentation currency – Transactions in foreign currency during the year have been converted into Belize dollars, the Board's functional and presentation currency, at the rates prevailing on the date of the transaction. Foreign currency balances outstanding at year end have been converted to Belize dollars at the rate of exchange prevailing at the end of the year. Any gains or losses are recorded in income.
- d. Financial instruments – A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include cash and cash equivalent, investments in associate and equity investments and loans and other receivables. Financial liabilities have been determined to include accounts payable and accruals.

The Board classifies its investments in debt and equity securities as financial assets or financial liabilities at fair value through profit or loss. This category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

(i) Financial assets and liabilities held for trading:

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) *Financial assets and liabilities designated at fair value through profit or loss at inception:*

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Board’s documented investment strategy. The Board’s policy requires the Investment Manager and the Investment Committee to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information. These financial assets and liabilities are expected to be realized within 12 months of the balance sheet date.

Recognition, derecognition and measurement

Regular purchases and sales of investments are recognized on the trade date – the date on which the Board commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Board has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the ‘financial assets or financial liabilities at fair value through profit or loss’ category are presented in the income statement within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognized in the income statement within dividend income when the Board’s right to receive payments is established. Interest on debt securities at fair value through profit or loss is recognized in the income statement within interest income based on the effective interest rate.

Fair value estimation

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Board uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. (ii) *Financial Instruments – (continued)*

Valuation techniques used include the use of comparable recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Offsetting financial instruments - Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

e. Cash and cash equivalents – The amounts recorded as cash and cash equivalents correspond to the values available in cash, bank deposits and investments in the short term that have immediately liquidity and maturity within three months. Other investments with maturities exceeding three months, and up to one year, are recognized at fair value in income and recorded in short term investments.

f. Investments – Short term investments are stated at the lower of cost or market value. Long term investments are stated at cost less any permanent diminution in investment value.

g. Accounts receivables – Accounts receivables represent amounts receivable from the sale of products and services made by the Board. The receivables are initially recorded at fair value and subsequently measured at amortized cost, net of estimates of potential losses. The estimated losses from doubtful accounts are provided in an amount considered sufficient to cover potential losses. The value of the loss estimated for doubtful debts is made based on experience of defaults occurred in the past.

h. Fixed assets – Fixed assets are recorded at cost and, other than land, are depreciated using the straight line method over the estimated useful life of the assets as follows:

Buildings	50 years
Furniture, fixtures and equipment	10 years
Computers and accessories, hardware and software	5 years
Motor vehicles	4 years

Repairs and maintenance are charged against income. Improvements which extend the useful life of the assets are capitalized. When fixed assets are disposed of by sale or are scrapped, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income.

i. Intangible assets – Intangible assets comprise basically the contractual rights and expenses incurred on specific projects with future economic value, are valued at



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Intangible assets – (continued)

cost, less accumulated amortization and losses by reducing the recoverable amount where applicable. Intangible assets are recognized only if it is likely they that will generate economic benefits to the Board, are controllable under the Board’s control and their respective value can be measured reliably.

Intangible assets that have finite useful lives are amortized over their effective use or a method that reflects their economic benefits, while those with indefinite useful lives are not amortized; consequently these assets are tested at least annually as to their recovery (impairment test). The estimated useful life and amortization methods are reviewed at the end of each financial year and the effect of any changes in estimates are recorded in a prospective manner.

Internally generated intangible assets, during the research phase, have their expenditure recorded in expenses of the period when incurred. Expenditure on development activities (or stage of development of an internal project) is recorded as intangible assets if and only if it meets all of the requirements of the standard. Initial recognition of this asset corresponds to the sum of the expenditures incurred from when the intangible asset has passed to meet the recognition criteria required by the standard.

Intangible assets generated internally, are recorded at cost value less amortization and loss on the accumulated impairment. The Board’s intangible assets comprise mainly of acquired software licenses.

j. Investments in associates – Associates are investments in entities where the company has the power to exercise a significant influence, but they do not have control or joint control through participation in the financial and operational decisions of the entity. Usually the stockholding is 20% to 50% of the voting rights. Investments in associated entities are accounted for under the equity method and include goodwill identified on acquisition, net of any accumulated impairment loss.

k. Deferred income – The Board sold portions of the flows from its mortgage investment portfolio. The financial instrument associated with these flows is carried in the financial statements as “restricted mortgages (Note 10)” and are stated at cost less impairment losses. Income derived from these transactions are treated as deferred income and amortized over the term of each agreement-governing disposal of mortgage flows. Where losses are sustained as a result of servicing mortgage portfolios under the securitization program, such losses are charged directly to income.



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Income recognition –

- i. Contributions are recorded on the cash basis. Accordingly, the Board does not accrue for contributions at December 31, which have not been collected.
- ii. Investment income is accounted for on the accrual basis, except for dividends, which are recognized when received. Income from associates is accounted for by the equity method.

a. Basis of apportionment of income –

(i) Contributions – Section 14(1) of the Financial and Accounting Regulations, 1980 provides that all contributions shall be distributed among the Benefits Branches in the following proportions:

	<u>2010</u>	<u>2009</u>
(1) Short term Benefits Branch	19.25%	19.25%
(2) Long term Benefits Branch	56.25%	56.25%
(3) Employment Injury Benefits Branch	24.50%	24.50%

(ii) Other income

(1) Section 14(2) of the Financial and Accounting Regulation, 1980 provides that income from investment of the Reserves is allocated to each branch on the basis of their respective reserves at the end of the previous financial year.

(2) Section 14(3) of the Financial and Accounting Regulations, 1980 provides that all other income to the fund which cannot be identified with any specific branch shall be distributed among the three benefit branches in equal parts.

m. Government contributions and support are accounted for when the Board complies with reasonable security conditions set by the government related to contributions and assistance received. The Board records via the statement of income, as reducing spending according to the nature of the item, and through the distribution of results on statement of income, or earnings in reserve accounts.

n. Benefit payments –

- i. SSB recognizes costs associated with payments in the period the beneficiary or recipient is entitled to receive the payment.
- ii. Liabilities are accrued on benefits for past periods that have not completed processing by the close of the fiscal year, such as benefit payments due but not paid pending receipt of pertinent information.



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- o. Disablement and death benefit reserves – The Disablement and Death Benefits Reserve is made up as provided by Section 16(3) of the Financial and Accounting Regulations, 1980 by transferring thereto at the end of each financial year the balance outstanding in the current account after the actuarial present value of the periodically payable disablement and death benefits awarded in that year have been charged against income for that year in the Income and Expenditure Account of the Employment Injury Benefit Branch and credited to a current account, which is also credited with the income from the investment of the said reserve, and debited with actual payment of the current periodical disablement and death benefit effected during that year.

Basis of apportionment of expenditure

- iii. Section 15(1) of the Financial and Accounting Regulation, 1980 states that the expenditures of each benefit branch shall be ascribed to that Branch under which the benefit is grouped, namely: Short Term Benefits Branch, Long Term Benefits Branch and Employment Injury Benefits Branch.
- iv. Section 15(2) of these regulations states that the administrative expenditures of the Fund shall be distributed among the three benefit branches in such a manner that the proportion allocated to a particular branch shall be equal to the proportion which the sum of the contribution income and benefit expenditure shown in the Income and Expenditure Account of that branch bears to the sum of the contribution income and benefit expenditure of the Fund as a whole.
- v. Administrative expenses are taken to mean all expenses properly incurred in the administration of the Scheme.

All other expenditures that are not attributable to any specific branch are distributed among the three benefit branches in equal parts.

- p. Pension fund – The Board, as of January 1, 1991, operates a pension scheme which is separately administered by a Board of Trustees. The scheme, which is a defined benefit plan, is funded by contributions from the Board in amounts recommended by the actuaries, and from employees at the rate of 2.8% of annual pensionable salaries. The Board’s contributions of 4.3% of pensionable salaries are charged against income in the year they become payable.

3. FINANCIAL RISKS

Financial risk factors

The Board’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

3. FINANCIAL RISKS (Continued)

The Board’s overall risk management program seeks to maximize the returns derived for the level of risk to which the Board is exposed and seeks to minimize potential adverse effects on the Board’s financial performance. The Board’s policy allows it to use derivative financial instruments to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on purchased long term equity and debt securities is limited to the fair value of those positions.

The management of these risks is carried out by the investment manager under policies approved by the Investment Committee and Board of Directors and the General Manager of Finance. The Board has specific limits on these instruments to manage the overall potential exposure.

The Board uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below:

Market risk

a. Price risk

The Board’s policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Social Security Act (Chapter 44) of the Laws of Belize, the Investment Committee and the Board of Directors.

A summary analysis of investments by asset class at December 31, 2010 is presented below:

Investment Mix	% of Total Investment
Debentures	0.20
Other	1.13
Shares	1.75
Treasury notes	2.98
Real Estate	3.58
Mortgage and Housing	7.34
Private Sector Loans	16.89
Investment in Associates	32.69
Term Deposits	<u>33.44</u>
Total	<u>100.00</u>

The Act also limits a single investment to be no more than 20% of the total amount of the Reserves, including economically targeted investments. The majority of the Board’s equity investments are publicly traded. The Board’s policy requires that the overall market position is monitored on a weekly basis by the Board’s Investment Manager and is reviewed on a quarterly basis by the Investment Committee and Board of Directors. Compliance with the Board’s investment policies are reported to the Investment Committee on a monthly basis.



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

3. FINANCIAL RISKS (Continued)

b. Foreign exchange risk

The Board does not operate internationally and does not hold monetary and non-monetary assets denominated in currencies other than the Belize Dollar, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognized monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk.

c. Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Board holds fixed interest securities that expose the Board to fair value interest rate risk. The Board also holds cash and cash equivalents that expose the Board to cash flow interest rate risk. The Board's policy requires the General Manager of Finance to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The Board's policy is to hold no more than 20% of the Board's net assets in interest bearing assets and liabilities.

The Board has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Board invests and impact on the valuation of certain over-the-counter derivative products that use interest rates as an input in their valuation model.

In accordance with the Board's policy, the Investment Manager monitors the Board's overall interest sensitivity on a weekly basis, the Investment Committee reviews it on a monthly basis.

d. Credit risk

The Board is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. The main concentration to which the Board is exposed arises from the Board's investments in debt securities. The Board is also exposed to counterparty credit risk on trading derivative products, cash and cash equivalents, amounts due from associates, debtors and other receivable balances.

The Board manages credit risk by setting limits on the amount loaned, ensuring the loan is properly collateralized, considering the borrower's leverage and the seasonality of the business by restriction in the loan agreements.

In accordance with the Board's policy, the Investment Manager monitors the Board's credit position on a daily basis and the Investment Committee reviews it on a monthly basis.



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

3. FINANCIAL RISKS (Continued)

e. Liquidity risk

Liquidity risk is the risk that the Board may not be able to generate sufficient cash, resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

As a result, the Board may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer. At December 31, 2010 and 2009, the Board held no investments that it considered illiquid.

The Board manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form. At December 31, 2010, current assets exceeded current liabilities by \$139,727,171 (2009 - \$176,166,337).

In accordance with the Board's policy, the General Manager of Finance monitors the Board's liquidity position on a weekly basis, and the Investment Manager reviews it on a daily basis.

The table below analyses assets and liabilities of the Board into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date.

Net liquidity gap, December 31, 2010

	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
	\$	\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	9,613,875	-	-	-	9,613,875
Central Bank of Belize	827,090	-	-	-	827,090
Short term investments	40,424,356	83,499,082	8,429,370	-	132,352,809
Investment income receivable	3,439,917	2,810,088	-	-	6,250,005
Accounts receivable and prepayments	140,581	310,782	165,374	-	616,737
Total current assets	54,445,819	86,619,952	8,594,744	-	149,660,516
Current Liabilities					
Accounts payable and accruals	8,526,816	1,406,529	-	-	9,933,345
Deferred income	553,196	1,659,588	3,505,064	-	5,717,848
Commitments and contingencies	22,662	200,000	431,076	3,335,246	3,988,984
Total current liabilities	9,102,674	3,266,117	3,936,140	3,335,246	19,640,177
Net liquidity gap, December 31, 2010	45,343,145	83,353,835	4,658,604	(3,335,246)	\$130,020,338

f. Operational risk

The Board is exposed to operational risk which can lead to financial losses through error, fraud or inefficiencies. The Board mitigates this risk by periodically revisiting its internal controls, adhering to its operational policies and procedures, and reliance on the internal audit function.



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

4. FIXED ASSETS

Cost	Land	Buildings	Furniture and fixtures	Office equipment	Computers and accessories, hardware and software	Motor vehicles	Work in progress	Total
Brought forward, January 1, 2010	\$6,531,134	\$23,321,791	\$2,925,021	\$3,231,567	\$7,457,965	\$485,391	\$388,432	\$44,341,301
Additions	2,500	431,161	42,352	124,740	278,553	56,633	934,850	1,870,789
Disposals	-	-	(16,881)	(80,339)	(76,164)	(12,275)	-	(185,659)
Carried forward, December 31, 2010	<u>6,533,634</u>	<u>23,752,952</u>	<u>2,950,492</u>	<u>3,275,968</u>	<u>7,660,354</u>	<u>529,749</u>	<u>1,323,282</u>	<u>46,026,431</u>
Accumulated depreciation								
Brought forward, January 1, 2010	-	4,874,731	2,196,631	1,819,033	5,503,812	307,214	-	14,701,421
Additions	-	471,508	223,928	242,297	673,028	99,203	-	1,709,964
Disposals	-	-	(14,560)	(51,519)	(76,164)	(12,274)	-	(154,517)
Carried forward, December 31, 2010	-	<u>5,346,239</u>	<u>2,405,999</u>	<u>2,009,811</u>	<u>6,100,676</u>	<u>394,143</u>	-	<u>16,256,868</u>
Net book value								
December 31, 2010	<u>\$6,533,634</u>	<u>\$18,406,713</u>	<u>\$ 544,493</u>	<u>\$1,266,157</u>	<u>\$1,559,678</u>	<u>\$135,606</u>	<u>\$1,323,282</u>	<u>\$29,769,563</u>
December 31, 2009	<u>\$6,531,134</u>	<u>\$18,447,060</u>	<u>\$ 728,390</u>	<u>\$1,412,533</u>	<u>\$1,954,153</u>	<u>\$178,177</u>	<u>\$388,433</u>	<u>\$29,639,880</u>

5. PENSIONASSET

The Board sponsors a defined benefit pension scheme in accordance with a Trust Deed signed by the Board and the Trustees on April 24, 1996, but deemed to have been established under irrevocable trust with effect from January 1, 1991. The scheme is contributory (funded on a bipartite basis by the SSB and the employees. The Board pays fixed contributions into the separate trust which is managed by a Board of Trustees nominated by the employer. These contributions are expensed in the period in which they accrue. The terms of the defined benefit pension scheme define the amount that employees will receive on retirement. These amounts are dependent on factors such as age, years of service and compensation, and are determined independently of the contributions payable or the investments of the scheme.), and past services are recognized as from January 1, 1991.

An asset or liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated by independent actuaries every three years using the projected unit cost method. Actuarial gains and losses are recognized in full in the year in which they occur within other comprehensive income.

The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of long-term government bonds that are denominated in the currency in which the benefits will be paid, and which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income over the employees' expected average remaining working lives, where these amounts represent an excess over the 10% corridor.

On a going-concern basis and taking into consideration projected salaries at retirement rather than static salaries, the funded status is as follows, as at December 31, 2010:



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

5. PENSION ASSETS (Continued)

Funded Status	2010	2009
Accumulated benefit obligation	\$(1,983,506)	\$(1,718,425)
Projected benefit obligation ^{1/}	\$(3,866,295)	\$(3,634,934) ^{1/}
Net Assets	7,062,288 ^{2/}	6,359,694 ^{2/}
Unfunded (Liability) or Pre-paid Surplus	\$ 3,195,993	\$ 2,724,529

^{1/} Of which \$2,712,034 are vested (active staff)

^{2/} Interpolated

^{3/} Unaudited

Changes in Benefit Obligations and Net Assets

The changes in benefit obligations are as follows:

Change in Projected Obligations	2010	2009
Projected benefit obligation at January 1	\$3,634,934	\$3,365,097
Service Cost	234,288	218,961
Interest Cost	214,272	200,255
Benefits and expenses	(235,913)	(234,728)
Actuarial (gain) loss – obligations	18,714	85,349
Projected benefit obligation at December 31	\$3,866,295	\$3,634,934

Change in Plan Assets	2010	2009
Assets at December 31	\$6,359,463	\$5,700,476
Expected return on assets	450,514 ^{2/}	490,570
Contributions	388,357	354,760
Benefit Payments	(235,913)	(234,728)
Actuarial gain (loss)- assets	99,867	48,385
Assets at December 31	7,062,288	6,359,463
Consolidated gain (loss)	\$3,195,993	\$2,724,529

Liability (Surplus) to be recognized in the Statement of Financial Position

	2010	2009
Present Value of the obligation	\$3,866,295	\$ 3,634,934
Fair value of plan assets	(7,062,288)	(6,359,463)
Net obligations (surplus)	(3,195,993)	(2,724,529)
Unrecognized past service cost	-	-
Unrecognized actuarial gain	-	-
(Surplus) liability to be recognized	\$ (3,195,993)	\$(2,724,529)

Cumulative Gains / Losses and Limits of the Corridor

	2010	2009
Cumulative actuarial gain at 1 Jan. (transitional surplus)	\$2,724,760	\$ 2,335,379
10% of the greater of FV plan assets or PV of PBO at 1 January	(635,969)	(570,048)
Amount out of corridor	2,088,791	1,765,331
Expected average working service years	15	15
Gain (loss) to be recognized	\$ 139,253	\$ 117,689

**SOCIAL SECURITY BOARD****NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009****5. PENSION ASSETS (Continued)**

IFRS permits deferral of unrecognized gains or losses, to the extent that this does not exceed certain limits (defined under the parallel US GAAP requirement as a “corridor”. This limit is the greater of 10% of the PV of the defined benefit obligation at the end of the preceding reporting period (before deducting plan assets), or 10% of the FV of plan assets as of the same date.

Expenses to be recognized

	<u>2010</u>	<u>2009</u>
Current service cost	\$234,288	\$218,961
Interest cost	214,272	200,255
Expected return on assets	(450,514)	(490,570)
Net gain recognized	139,253	117,689
Total	\$137,299	\$ 46,335
Employees contributions	(153,152)	(139,905)
Net SSB expenses (pre-paid surplus)	\$ (15,853)	\$(93,570)

Return on Assets

	<u>2010</u>	<u>2009</u>
Actual return	\$471,464	\$542,505
Expected return	(450,514)	(490,570)
Gain (loss)	\$ 20,950	\$ 51,935

6. SHORT TERM INVESTMENTS

	<u>2010</u>	<u>2009</u>
Term deposits	\$114,364,024	\$121,709,411
Citrus Growers Association crop loan	7,676,785	7,755,535
GOB treasury notes	10,500,000	10,500,000
	132,540,809	139,964,946
Provision – Small Farmers & Business Bank	(188,000)	(188,000)
	\$132,352,809	\$139,776,946

7. INVESTMENT INCOME RECEIVABLE

	<u>2010</u>	<u>2009</u>
Sunshine Holdings Limited	\$ 503,581	\$3,639,863
Other loans and mortgage portfolios	812,454	726,320
Certificate of deposits	4,933,970	4,384,726
Savings account	-	15,530
	\$6,250,005	\$8,766,439

Under the terms of the loan note between Sunshine Holdings Limited and SSB issued September 19, 2005, interest earned up to July 31, 2010 was capitalized.

**SOCIAL SECURITY BOARD****NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009****8. ACCOUNTS RECEIVABLE AND PREPAYMENTS**

	<u>2010</u>	<u>2009</u>
Accounts receivable	\$ 50,484	\$ 237,213
Prepayments and other assets	457,937	968,036
Belize National Building Society	-	3,000,000
Accounts receivable – mortgages	11,050	873,864
	519,471	5,079,113
Less: Provisions for loss on investments	-	(4,022,813)
	\$519,471	\$1,056,300

9. INVESTMENT IN ASSOCIATE

	<u>2010</u>	<u>2009</u>
Belize Electricity Limited 26.92%		
Balance, beginning of year	\$66,924,033	\$64,529,729
Income from associate	928,000	2,394,304
Share of associate's other comprehensive income (loss)	-	-
Dividend received from associate	-	-
Balance, end of year	\$67,852,033	\$66,924,033

Belize Telecommunications Limited 20.18%

	<u>2010</u>	<u>2009</u>
Transaction price of shares in associate	\$ 50,000,000	\$ -
Balance, beginning of year	\$ -	\$ -
Transaction cost of investment	-	-
Goodwill	4,609,933	-
Equity calculation (for the year)	45,390,067	-
Income from associate	4,591,928	-
Share of associate's other comprehensive income (loss)	-	-
Dividend received from associate	-	-
Balance, end of year	\$ 54,591,928	\$ -
Total investment in associate, end of year	\$122,443,961	\$66,924,033

By the Belize Telecommunications (Assumption of Control over Belize Telemedia Limited) Order, Statutory Instrument No. 104 of 2009, the Government acquired for and on behalf of itself Forty-six Million Eight Hundred Forty-Five Thousand Five Hundred and Thirteen (46,845,513) ordinary shares in Belize Telemedia Limited [BTL]. Thereafter the Government of issued an Offer for Sale in respect of 22,069,687 of the above mentioned shares in BTL to the Belizean public at a price of \$5.00 per share. On November 23, 2010, a share purchase agreement was signed between the Government of Belize (GOB) and the Social Security Board to purchase Ten Million (10,000,000) ordinary shares in the Belize Telemedia Limited.



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

10. LONG TERM INVESTMENT

	<u>2010</u>	<u>2009</u>
Shares	\$ 6,170,890	\$ 6,152,490
Term deposit	3,500,000	-
Private sector loans	51,750,491	50,101,126
Mortgages	19,904,031	19,597,416
Restricted mortgages	5,911,179	9,930,122
Real estate	12,598,049	12,575,338
Government of Belize loan	3,969,934	4,753,927
Debentures	700,000	200,000
	<u>\$104,504,574</u>	<u>\$103,310,419</u>

At December 31, 2010, non-performing investments amounted to 4.43 % of total long and short term investments (December 31, 2009 – 6.08 %). Under the Board's mortgage securitization program, interest earned on restricted mortgages does not accrue to the Board.

Mortgages received from the Ministry of Housing at December 31, 2010 totaled \$13,302,876 (December 31, 2009 - \$14,085,509).

11. ACCOUNTS PAYABLE AND ACCRUALS

	<u>2010</u>	<u>2009</u>
Mortgage securitization program	\$ 435,263	\$ 826,885
Benefits payable	715,864	786,706
Investment in associates - BTL	7,011,217	-
Accrued expenses and other liabilities	1,771,001	1,902,099
	<u>\$9,933,345</u>	<u>\$3,515,690</u>

12. NET INVESTMENT INCOME

	<u>2010</u>	<u>2009</u>
Long and short term investments income	\$19,830,558	\$20,050,537
Income from associates	5,519,928	2,394,304
Mortgage securitization program	786,478	702,229
Investment expenses	(823,858)	(909,048)
Provision for loss on investments	(528,669)	(859,851)
	<u>\$24,784,437</u>	<u>\$21,378,171</u>



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

13. OTHER INCOME

	<u>2010</u>	<u>2009</u>
Interest on late contributions	\$695,698	\$605,312
Interest on staff advances	69,026	82,873
Rental income	97,471	127,650
Loss on disposal of fixed assets	(6,247)	(267,749)
Others	(61,176)	85,993
	<u>\$794,772</u>	<u>\$634,079</u>

14. ADMINISTRATION EXPENSES

	<u>2010</u>	<u>2009</u>
Actuarial expenses	\$ 108,595	\$ 88,865
Appeals Tribunal expenses	18,984	26,670
Audit fee	53,353	75,116
Board expenses	205,141	148,064
Cleaning and sanitation	271,905	282,694
Committees expense	149,553	124,542
Compliance project	40,655	39,781
Contribution project	28,290	219,229
Depreciation	1,238,456	1,240,825
Insurance	103,905	108,405
Legal and professional fees	92,515	147,029
Medical and group health insurance	314,887	307,846
Motor vehicle expenses	68,932	46,631
Overseas conference	98,723	90,665
Pension contribution and expenses	237,679	214,204
Postage	49,159	47,844
Premises repairs and maintenance	542,845	457,436
Printing, stationery and supplies	961,054	1,095,568
Publicity and promotion	325,308	516,322
Recruitment	7,726	3,781
Registration expenses	156,740	127,822
Salaries	9,657,305	9,373,364
Security	907,342	899,050
Social security contributions	261,322	271,434
Subscriptions	100,410	13,260
Sundries	589	66
Telephones and cables	683,295	638,982
Training	240,126	292,033
Transfer and other allowances	936,422	1,374,442
Traveling and subsistence	768,549	788,014
	<u>\$18,629,765</u>	<u>\$19,059,984</u>



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

15. ESTABLISHMENT EXPENSES

	<u>2010</u>	<u>2009</u>
Light, power and water	\$ 623,167	\$ 559,556
Depreciation	471,508	470,310
Rent	<u>82,096</u>	<u>78,370</u>
	<u>\$1,176,771</u>	<u>\$1,108,236</u>

16. COMMITMENTS AND CONTINGENCIES

i. Mortgage Securitization – Tranche A

On April 21, 1999, the Board entered into an agreement for the Assignment of Mortgages (Tranche A). The Board, the Development Finance Corporation (DFC), and the Government of Belize (GOB) signed the agreement with the Royal Merchant Bank and Finance Company of Trinidad and Tobago (RMB). Under the agreement, the Board assigned a total of \$18,906,359 worth of mortgages. The Board’s commitment under this agreement is for \$293,640 monthly. Under the Administrative Agreement, the monthly commitment is paid to DFC, for further payment to RMB, and shall remain in force until April 30, 2013.

In October 2004, GOB, through a Fixed Rate Non-Callable Bond Issue refinanced the existing agreement with RMB. The Board did not participate in the refinancing agreement, however, under the new arrangement the Board is committed to continue making monthly payments of \$293,640 to GOB. The Board’s responsibility under the new agreement will continue until April 30, 2013.

Mortgage Securitization – Tranche B

On December 23, 1999, a second Assignment of Mortgages (Tranche B) agreement was signed between the Board, DFC and RMB. The total value of mortgages assigned by the Board in this transaction is \$15,473,754. The Board’s commitment under this agreement is for \$175,200 monthly payable to DFC, for further payment to RMB, and shall remain in force until December 30, 2013.

In October 2004, GOB, through a Fixed Rate Non-Callable Bond Issue refinanced the existing agreement with RMB. The Board did not participate in the refinancing agreement, however, under the new arrangement the Board is committed to continue making monthly payments of \$175,200 to GOB. The Board’s responsibility under the new agreement will continue until December 30, 2013.



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

16. COMMITMENTS AND CONTINGENCIES (Continued)

Mortgage Securitization – Tranche C and D

On March 21, 2000 and August 30, 2000, a third (Tranche C) and fourth (Tranche D) agreement was signed between the Board, DFC and RMB. Under these two agreements, the mortgages assigned by the Board came from the Saint James National Building Society (SJNBS), and totaled \$27,731,240. Under these agreements, the SJNBS pays the Board a total of \$1,221,720 on a quarterly basis. The Board then pays that amount to DFC for further payment to RMB. As signatory to these agreements the Board is responsible to ensure collections from SJNBS, this responsibility remained in force until March 21, 2009 for Tranche C, and August 30, 2010 for Tranche D. Under a default scenario the Board is responsible to effect payment to DFC.

Other Securitization

In January 2000, the Board entered into an agreement for the Assignment of Mortgages. The agreement is between the Board, the SJNBS, and the Provident Bank and Trust of Belize Limited (PBT). The amount of mortgages assigned is \$1,778,706 and originated from the SJNBS. Under this agreement, the Board is a facilitator of the process. Payments originate from SJNBS to the Board for further payment to PBT. In a default scenario by SJNBS, the Board is not responsible for payment.

North American Securitization

On April 1, 2002, the Board participated in an issue of Mortgage Loan Collateralized Bonds. Under this agreement, the Board sold a total of \$16,358,586 worth of its mortgages to the DFC. The Board also facilitated the sale of SJNBS mortgages amounting to \$17,500,000 to the DFC. The DFC sold those mortgages to the Belize Mortgage Company 2002-1 (BMC). The BMC issued mortgage Collateralized Bonds to investors in the North American Market. The bonds are collateralized by and payable from the assets of BMC, which include loans secured by mortgage on real property originated by the DFC (including the mortgages bought from the Board and facilitated mortgages from SJNBS). The Board continues to service the mortgages sold to DFC and is responsible for making monthly and quarterly payments on behalf of the Board’s mortgages. The Board forwards payments received from SJNBS for facilitated SJNBS’s mortgages to DFC. Under a default scenario the Board is responsible to effect payment to DFC.

Under the issuance of the collateralized Bonds, a pre-funding account, trustee reserve fund, insurance premium reserve fund account, debt service reserve fund account, and a liquidity reserve fund account were established. The Board participates in the reserves for a total of 12.5%. The DFC has signed a promissory note in favor of the Board that at the end of ten years the residual value of the mortgages it sold to DFC and the remainder of the reserve fund will revert to the Board.



SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED DECEMBER 31, 2010 AND 2009

16. COMMITMENTS AND CONTINGENCIES (Continued)

By letter dated February 6, 2006, GOB released and discharged the Board from all claims and liabilities which may be made against the Board in relation to mortgages assigned to the Board by SJNBS and which was subsequently securitized with RMB (Tranche C & D) and BMC (North American Securitization).

ii. Claims

The Government of Belize gave notice of its acquisition of Belize Telemedia Limited (BTL) by order of the Belize Telecommunications (Assumption of Control Over Belize Telemedia Limited) Amendment Order, 2009, Statutory Instrument No. 130 of 2009. Subsequently, in a notice dated 07 December 2009, and Gazetted on 12 December 2009, the Government required all those who may have claims to compensation to submit their claims to the Financial Secretary. The Notice of Acquisition specifically included the shares of BTL held by Sunshine Holdings, as well as the outstanding shares of Sunshine Holdings itself.

As a consequence of the acquisition of Sunshine Holdings, and by letter dated 13 October 2009, the Social Security Board filed a claim with the Financial Secretary, Ministry of Finance, indicating that "Pursuant to Belize Gazette Notice 529, dated 27th August 2009, the Social Security Board (SSB) hereby makes a claim for payment of the sums evidence as to SSB by a Loan Note between Sunshine Holdings Ltd and SSB dated 19th September 2005."

The Company has defaulted on interest payments on a new principal sum of \$14.1M, the first interest payment date being October 31, 2010.

Subsequent Event

Default Judgment Claim No. 341 of 2011 was granted to SSB for the sum of \$15M inclusive of costs together with continuing interest at a rate of 8.5 percent per annum.

iii. Litigations

Pending proceedings before the Court of Appeal

Civil Appeal No. 39 of 2010 Social Security Board vs. Ida Herrera

This is a case for breach of contract. SSB terminated the services for IDA Herrera as an independent contractor providing cleaning services after SSB became dissatisfied with the quality of services. The independent contractor filed a claim dated April 6, 2010 claiming damages for wrongful termination which was appealed by SSB. SSB also filed an application for summary judgment, or alternatively for an order to strike out the claim as an abuse of process. The application for summary judgment was dismissed and SSB's appeal of the dismissal will be heard on June 10, 2011.



SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEARS ENDED DECEMBER 31, 2010 AND 2009

16. COMMITMENTS AND CONTINGENCIES (Continued)

Pending proceedings before the Supreme Court

Supreme Court Claim No. 445 of 2010 Social Security Board vs. Small Farmers Bank

This is a claim for breach of contract. By written agreement dated October 18, 2007 the SSB extended a credit facility of \$1,000,000.00 to Small Farmers Bank. The facility is secured by a government guarantee. Small Farmers Bank defaulted in repayment and the SSB commenced a claim on June 14, 2010 for the sum of \$1,212,305.48 including interest and costs.

This matter was set for Trial on May 26, 2011, but Small Farmers Bank requested an adjournment and the trial is adjourned to June 29, 2011.

Supreme Court Claim No. 341 of 2001 Social Security Board vs. Sunshine Holdings Ltd

This is a claim for breach of contract. By a written loan note dated September 19, 2005 the SSB extended an unsecured credit facility of \$14,000,000.00 to Sunshine Holdings Ltd. Sunshine Holdings Ltd. Has defaulted on the loan note by failing to pay interest as agreed and the SSB commenced a claim dated May 30, 2011 for the full loan balance plus interest and costs of \$15, 221,766.27 (which it is entitled to do under the terms of the loan note). The SSB obtained judgment on admission dated June 9, 2011 and is proceeding to enforce the judgment.

Supreme Court Claim No. 771 of 2009 Amanda Mazareigos vs. Social Security Board

The claimant filed a claim against SSB for permission to appeal a decision of the Appeal Tribunal dated July 7, 2009 to assess permanent partial disability at 7%, which was granted. The claimant is seeking an increase in the assessment to enable her to qualify for a pension. Following a series of hearings and negotiations between the parties, it was agreed by consent that the Claimant will be reassessed and an award will be made based on the results of the reassessment. The claim will be at an end once it is ensured that the terms of the settlement are complied with.

Supreme Court Claim No. 671 of 2010 Social Security Board vs. Dawn West

SSB appealed to the Supreme Court to challenge a decision made by the Appeals Tribunal to award Dawn West a death benefit instead of the survivor's benefit that was originally awarded by the Manager handling Ms. West's claim submitted after the death of her husband. Leave was granted and the Supreme Court Registry is to set a date for the hearing of the appeal.

Threatened Litigation against Belize Odyssey Limited

The SSB gave a loan to Belize Odyssey Limited in the amount of \$1,500,000, which was secured on property owned by Belize Odyssey Limited. SSB has approached the court to have the mortgage document executed to be registered at the Companies Registry, to enable it to appoint a receiver over the property and business of the Company.



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

16. COMMITMENTS AND CONTINGENCIES (Continued)

Magistrate Court proceedings

Social Security Board vs. Support Services of Belize Limited

This is a claim for failure to pay Social Security contributions. SSB is claiming the sum of \$23,649.80. SSB obtained full judgment in the full amount and this matter is in the collection/enforcement stage.

Social Security Board vs. Bel Cruise Limited

This is a claim for failure to pay Social Security contributions. SSB is claiming the sum of \$26,827.20, and obtained judgment in the full amount. This matter is in the collection/enforcement stage.

Social Security Board vs. Arlo Bodden

This is a claim for failure to pay Social Security contributions. SSB is claiming the sum of \$20,304.80, and obtained judgment in the full amount to be paid in monthly installments of \$4,000.

Social Security Board vs. HL's Limited

This is a claim for failure to pay Social Security contributions. SSB claimed the sum of \$22,154.63. Judgment was granted and HL's Limited was ordered to pay the sum owed in thirty (30) days and in default distress. HL's Limited has filed for bankruptcy and SSB is making representations in these proceedings to enforce the judgment debt. This matter is continuing.

Social Security Board vs. National Transport Services Limited

This is a claim for failure to pay Social Security contributions. SSB claimed the sum of \$47,834.20. The defendant agreed to the amount owed and agreed to pay \$3,000 per month until the debt is settled. Negotiation efforts are being made with the Receiver to have the judgment debt paid off in full. This matter is ongoing and a further hearing is scheduled for June 20, 2011.

Social Security Board vs. Sanitation Enterprises Ltd and Rupert Marin

This is a claim for failure to pay Social Security contributions. SSB claimed the amount of \$293,644.48. The Defendant has appealed the judgment order obtained by SSB on May 28, 2008, but no date has been set for the hearing of the appeal. Collection efforts including distress are being made.

Social Security Board vs. Southern Transport Limited

This is a claim for failure to pay Social Security contributions. SSB is claiming the sum of \$7,529.67. Proceedings have commenced in the Magistrates Court in Dangriga and a trial date is to be set.



SOCIAL SECURITY BOARD

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009**

16. COMMITMENTS AND CONTINGENCIES (Continued)

Social Security Board vs. Belize National LPG Limited

This is a claim for failure to pay Social Security contributions. SSB is claiming \$49,570.78. The matter has been adjourned without a further date. A new Court date is being sought.

17. PRIOR PERIOD ADJUSTMENT

Opening balances of the Statement of Financial Position of the Board as of January 1, 2010 were restated to correctly account for the step acquisition of significant interest in an associate – Belize Electricity Limited during the period 1992 to 2000.

The net effect of the prior period adjustments was to restate the corresponding 2009 opening balance of the *Investment in Associates* line item in the Statement of Financial Position from \$61,250,097 as was previously stated to \$66,924,033. The Short term benefits branch, Long term benefits branch and Employment injury benefits reserve were increased by \$47,649, \$4,590,870 and \$1,035,417 respectively, over what was previously reported.

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**To the Board of Directors of
SOCIAL SECURITY BOARD:**

SUPPLEMENTARY AUDIT REPORT

Our report on the examinations of the financial statement of the Social Security Board as of December 31, 2010 appears on pages 1 and 2. These examinations were made primarily for the purpose of expressing an opinion on the financial statements taken as whole. The supplementary information accompanying the financial statements is not necessary for fair presentation of the financial statements of the financial position or results of operations in accordance with International Financial Reporting Standards. The supplementary information is presented in accordance with Sections 13 and 21 of S.I. No. 86 of 1980, Social Security (Financial and Accounting) Regulations, 1980. The supplementary information has been subjected to the auditing procedures applied in the examinations of the financial statements and in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

**Chartered Accountants
July 1, 2011**



SOCIAL SECURITY BOARD

**STATEMENTS OF INCOME AND EXPENDITURES – SHORT TERM BENEFITS BRANCH
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
INCOME		
Contributions:	\$11,613,347	\$11,528,093
Employers and employed persons	11,613,347	11,528,093
Total contributions		
Other income:		
Net investment income	741,094	846,710
Others	264,924	211,360
Total other income	1,006,018	1,058,070
TOTAL INCOME	\$12,619,365	\$12,586,163
EXPENDITURES		
Benefits:		
Maternity	\$ 3,067,662	\$ 3,202,276
Sickness	6,355,837	6,550,537
Maternity grants	1,004,407	1,072,671
Total benefits	10,427,906	10,825,484
Operating expenses:		
Administration	3,884,514	4,095,641
Establishment	392,257	369,412
Financial	42,214	8,562
Total operating expenses	4,318,985	4,473,615
TOTAL EXPENDITURE	14,746,891	15,299,099
EXCESS OF EXPENDITURES OVER INCOME	\$ (2,127,526)	\$ (2,712,936)



SOCIAL SECURITY BOARD

**STATEMENTS OF INCOME AND EXPENDITURES – LONG TERM BENEFITS BRANCH
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
INCOME		
Contributions:		
Employers and employed persons	\$33,935,105	\$33,685,986
Total contributions	33,935,105	33,685,986
Other income:		
Net investment income	19,014,860	16,460,096
Others	264,924	211,360
Total other income	19,279,784	16,671,456
TOTAL INCOME	\$53,214,889	\$50,357,442
EXPENDITURES		
Benefits:		
Retirement	\$14,754,284	\$13,065,933
Invalidity	2,310,395	2,087,560
Survivors	4,146,633	3,661,039
Funeral	1,019,946	897,465
Non-contributory pension	4,201,325	4,702,520
Total benefits	26,432,583	24,414,517
Operating expenses:		
Administration	10,639,102	10,645,221
Establishment	392,257	369,412
Financial	42,215	8,562
Total operating expenses	11,073,574	11,023,195
TOTAL EXPENDITURES	37,506,157	35,437,712
EXCESS OF INCOME OVER EXPENDITURES	\$15,708,732	\$14,919,730



SOCIAL SECURITY BOARD

**STATEMENTS OF INCOME AND EXPENDITURES –
EMPLOYMENT INJURY BENEFITS BRANCH
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
INCOME		
Contributions:		
Employers and employed persons	\$14,780,623	\$14,672,118
Total contributions	14,780,623	14,672,118
Other income:		
Net investment income	3,915,099	3,093,148
Others	264,924	211,360
Total other income	4,180,023	3,304,508
TOTAL INCOME	18,960,646	\$17,976,626
EXPENDITURES		
Benefits:		
National Health Insurance fund	\$ -	\$ -
Disablement grants	395,680	543,787
APV disablement benefits	580,700	1,107,688
APV death benefits	389,959	433,777
Employment injury	2,656,935	3,030,517
Funeral grants	1,000	10,500
Total benefits	4,024,274	5,126,269
Operating expenses:		
Administration	3,314,144	3,627,478
Establishment	392,257	369,412
Financial	42,215	8,562
Total operating expenses	3,748,616	4,005,452
TOTAL EXPENDITURES	7,772,890	9,131,721
EXCESS OF INCOME OVER EXPENDITURES	\$11,187,756	\$ 8,844,905



SOCIAL SECURITY BOARD

**STATEMENTS OF INCOME AND EXPENDITURES –
DISABLEMENT AND DEATH BENEFITS RESERVES
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
INCOME		
Contributions:		
APV disablement benefits	\$ 580,700	\$1,107,688
APV death benefits	<u>389,959</u>	<u>433,777</u>
Total contributions	<u>970,659</u>	1,541,465
Net investment income	<u>1,113,384</u>	<u>978,217</u>
TOTAL INCOME	<u>\$2,084,043</u>	<u>\$2,519,682</u>
EXPENDITURES		
Benefits:		
Disablement pension	\$1,294,669	\$1,235,667
Death benefits	<u>640,083</u>	<u>638,758</u>
TOTAL EXPENDITURES	<u>1,934,752</u>	<u>1,874,425</u>
EXCESS OF INCOME OVER EXPENDITURES	<u>\$ 149,291</u>	<u>\$ 645,257</u>



SOCIAL SECURITY BOARD

**STATEMENTS OF INCOME AND EXPENDITURES –
NATIONAL HEALTH INSURANCE FUND
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
INCOME		
Contributions:		
Social Security Board, Employment Injury Benefits Branch	\$ -	\$ -
Government of Belize	<u>14,245,864</u>	<u>12,754,140</u>
Total contributions	<u>14,245,864</u>	<u>\$12,754,140</u>
EXPENDITURES		
Benefits:		
National health insurance benefits	\$13,355,728	\$11,085,853
Total benefits	<u>13,355,728</u>	<u>11,085,853</u>
Operating expenses:		
Administration	<u>792,005</u>	<u>691,644</u>
Total operating expenses	<u>792,005</u>	<u>691,644</u>
TOTAL EXPENDITURES	<u>14,147,733</u>	<u>11,777,497</u>
EXCESS OF INCOME OVER EXPENDITURES	<u>\$ 98,131</u>	<u>\$ 976,643</u>

**SOCIAL SECURITY BOARD****INVESTMENTS LISTINGS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

SHORT TERM INVESTMENTS	<u>2010</u>	<u>2009</u>
TERM DEPOSITS		
Heritage Bank Limited		
7.5% maturing December 17, 2011	\$ 3,956,700	\$ -
7.0% maturing December 26, 2011	2,121,701	-
8.5% maturing January 4, 2011	3,543,905	-
8.0% maturing January 28, 2011	1,000,000	-
8.0% maturing March 5, 2011	1,635,000	-
8.0% maturing March 13, 2011	1,783,312	-
8.0% maturing March 30, 2011	1,836,152	-
8.0% maturing March 30, 2011	3,190,200	-
8.0% maturing April 13, 2011	1,049,752	-
8.0% maturing April 13, 2011	1,327,655	-
7.5% maturing May 14, 2011	1,609,384	-
7.5% maturing May 20, 2011	2,180,000	-
7.5% maturing June 12, 2011	2,088,767	-
8.0% maturing August 5, 2011	2,416,287	-
8.0% maturing August 14, 2011	1,266,809	-
7.0% maturing June 2, 2011	2,936,094	-
9.0% maturing December 17, 2010	-	3,630,000
9.0% maturing February 6, 2010	-	2,231,081
9.0% maturing February 15, 2010	-	1,169,710
9.0% maturing March 5, 2010	-	1,500,000
9.0% maturing March 13, 2010	-	1,636,066
9.0% maturing March 30, 2010	-	1,684,543
9.0% maturing March 30, 2010	-	2,926,789
9.0% maturing April 13, 2010	-	963,076
9.0% maturing April 13, 2010	-	1,218,032
9.0% maturing May 13, 2010	-	1,637,649
9.0% maturing May 20, 2010	-	1,486,027
9.0% maturing May 20, 2010	-	2,000,000
9.0% maturing September 25, 2010	-	2,000,000
9.0% maturing June 12, 2010	-	2,000,000
9.0% maturing December 14, 2010	-	2,227,176
Scotiabank (Belize) Ltd.		
7.5% maturing January 7, 2011	1,304,299	-
8.0% maturing January 28, 2011	1,638,750	-
9.5% maturing January 1, 2010	-	1,189,444
9.25% maturing January 28, 2010	-	1,500,000
8.0% maturing October 21, 2010	-	2,983,891
8.0% maturing November 8, 2010	-	2,997,563
7.5% maturing November 30, 2010	-	2,731,250

**SOCIAL SECURITY BOARD****INVESTMENTS LISTINGS CONTINUED
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
TERM DEPOSITS (CONTINUED)		
First Caribbean International Bank		
6.0% maturing November 5, 2011	\$ 3,184,345	\$ -
6.0% maturing November 8, 2011	3,127,928	-
5.5% maturing December 12, 2011	1,555,487	-
8.0% maturing January 4, 2010	-	3,409,397
8.0% maturing May 10, 2010	-	2,957,736
8.0% maturing May 13, 2010	-	2,905,333
7.75% maturing June 1, 2010	-	1,500,000
8.0% maturing June 15, 2010	-	2,284,512
Belize Bank Limited		
9.0% Maturing February 8, 2011	3,400,591	-
9.0% Maturing February 8, 2011	3,031,719	-
7.9% Maturing February 28, 2011	2,000,000	-
9.0% Maturing March 10, 2011	2,017,473	-
9.0% Maturing March 16, 2011	6,618,408	-
8.75% Maturing March 21, 2011	1,000,000	-
8.75% Maturing March 24, 2011	2,649,997	-
8.75% Maturing March 30, 2011	1,635,000	-
9.0% Maturing May 11, 2011	3,981,118	-
9.0% Maturing May 11, 2011	3,981,118	-
9.0% Maturing June 21, 2011	2,089,260	-
8.5% Maturing July 25, 2011	2,000,000	-
7.5% Maturing August 15, 2011	5,000,000	-
9.95% maturing February 8, 2010	-	3,159,435
9.95% maturing February 8, 2010	-	2,816,722
9.95% maturing March 10, 2010	-	1,834,900
9.95% maturing March 16, 2010	-	6,019,471
9.95% maturing March 24, 2010	-	2,410,184
9.00% maturing March 30, 2010	-	1,500,000
8.5% maturing May 3, 2010	-	206,754
9.95% maturing May 11, 2010	-	3,620,844
9.95% maturing May 11, 2010	-	3,620,844
7.50% maturing August 10, 2009	-	5,000,000
9.0% maturing June 21, 2010	-	2,000,000



SOCIAL SECURITY BOARD

**INVESTMENTS LISTINGS CONTINUED
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
TERM DEPOSITS (CONTINUED)		
Atlantic Bank Limited		
8.25% Maturing December 11, 2011	\$ 518,624	\$ -
8.25% Maturing February 18, 2011	2,139,552	-
8.25% Maturing June 24, 2011	1,090,716	-
8.25% Maturing August 24, 2011	3,027,944	-
8.25% Maturing August 25, 2011	1,268,292	-
8.25% Maturing September 23, 2011	2,504,171	-
8.25% Maturing September 24, 2011	4,452,392	-
8.25% Maturing September 25, 2011	4,441,303	-
8.25% Maturing October 13, 2011	1,628,723	-
8.25% Maturing October 24, 2011	5,000,000	-
8.25% Maturing October 30, 2011	2,194,513	-
8.25% maturing December 11, 2010	-	518,624
8.25% maturing June 24, 2010	-	1,090,716
8.5% maturing February 18, 2010	-	2,011,330
8.75% maturing August 24, 2010	-	2,784,316
8.75% maturing August 25, 2010	-	1,166,245
8.5% maturing September 23, 2010	-	2,504,171
8.5% maturing September 24, 2010	-	4,452,392
8.5% maturing September 25, 2010	-	4,441,303
8.5% maturing October 1, 2010	-	2,511,654
8.5% maturing October 13, 2010	-	1,628,723
8.5% maturing October 24, 2010	-	5,000,000
8.5% maturing October 30, 2010	-	2,194,513
8.5% maturing November 6, 2010	-	4,506,413
Small Farmers Business Bank Limited		
7.5% maturing November 12, 2009	940,585	-
7.5% maturing April 18, 2009	-	940,585
Less: provision	<u>(188,000)</u>	<u>(188,000)</u>
	752,585	752,585
St. John's Credit Union Ltd.		
6.5% Maturing December 2 2011	1,000,000	-
7.75% maturing December 2, 2010	-	1,000,000
Citrus Growers Association Crop loan @ 10% interest		
	<u>7,676,785</u>	<u>7,755,535</u>
TOTAL	\$121,852,809	\$129,276,946



SOCIAL SECURITY BOARD

**INVESTMENTS LISTINGS CONTINUED
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
TREASURY NOTES		
Government of Belize		
7% Maturing December 10, 2011	\$ 1,000,000	\$ -
7% maturing June 10, 2010	-	1,000,000
9% maturing July 31, 2011	1,500,000	1,500,000
9.0% maturing July 31, 2011	5,000,000	5,000,000
9.0% maturing July 31, 2011	<u>3,000,000</u>	<u>3,000,000</u>
	10,500,000	10,500,000
Total short term investments	\$132,352,809	\$139,776,946
INVESTMENT IN ASSOCIATES		
Belize Electricity Limited 18,580,028 ordinary shares, BZ\$ 2 par value		
	\$ 67,852,033	\$ 66,924,033
Belize Telemedia Limited 10,000,000 ordinary shares, BZ\$ 1 par value		
	<u>54,591,928</u>	-
	<u>122,443,961</u>	<u>66,924,033</u>
DEBENTURES		
Belize Electricity Limited		
12% debentures maturing December 31, 2012	500,000	-
10% debentures maturing July 31, 2022	<u>200,000</u>	<u>200,000</u>
	<u>700,000</u>	<u>200,000</u>
SHARES		
Belize Water Services Limited		
4,000,000 shares, BZ\$1.50 par value	6,000,000	6,000,000
Atlantic Bank Limited		
184 shares, BZ\$100 par value	18,400	-
1,014 shares, BZ\$100 par value	<u>152,490</u>	<u>152,490</u>
	<u>\$ 6,170,890</u>	<u>\$ 6,152,490</u>

**SOCIAL SECURITY BOARD****INVESTMENTS LISTINGS CONTINUED
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
TERM DEPOSITS		
St. John's Credit Union Ltd. 7.5% maturing April 22, 2012	\$ 2,500,000	\$ -
7.0% maturing December 17, 2012	<u>1,000,000</u>	<u>-</u>
	3,500,000	-
PRIVATE SECTOR LOANS		
Development Finance Corporation 12 years loan @ 8.5% interest	-	641,399
Development Finance Corporation 20 years loan @ 8% interest	-	641,399
Development Finance Corporation 5 years loan @ 7% interest	1,009,262	-
Belize Odyssey Limited 12 years loan @ 12% interest	1,749,478	1,749,478
Sunshine Holdings Limited 15 years loan @ 8.5% interest	14,133,562	10,000,000
Belize Water Services Limited 17 years loan @ 8.5% interest	22,000,000	22,000,000
Belize Elementary School 15 years loan @ 8.5% interest	292,519	339,213
Urbina Brothers 5 ½ years loan @ 12% interest	29,428	31,728
Peter Guenter 3 years loan @ 12% interest	-	24,163
Banana Growers Association 8 years loan @ 9% interest	5,889,708	6,627,341
Citrus Growers Association 15 years loan @ 8.5% interest	1,612,613	1,612,613
Border Management Agency 10 years loan @ 8.5% interest	4,238,098	4,219,330

**SOCIAL SECURITY BOARD****INVESTMENTS LISTINGS CONTINUED
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
PRIVATE SECTOR LOANS (CONTINUED)		
Toledo Fish Farming Company Limited 3 years loan @ 10% interest	\$ -	\$ 542,000
Belize Cane Farmers Association 4 years loan @ 10% interest	950,176	1,188,351
4 years loan @ 10% interest	672,968	1,132,851
Atlantic Bank Limited 3 years loan @ 8.5% interest	200,679	600,360
YWCA 5 year loan @ 7.5% interest	-	22,900
	52,778,491	51,373,126
Less: Provision for loss on investments	(1,028,000)	(1,272,000)
	51,750,491	50,101,126
MORTGAGES AND HOUSING		
Development Finance Corporation 20 years loan @ 6% interest	-	387,089
Fresh Pond Mortgages 20 years loans @ 8% to 8.5% interest	739,898	773,294
Housing/RECONDEV Mortgages 10 to 20 years mortgages @ 8% to 12% interest	12,932,292	13,744,211
RECONDEV 30 years loan @ 8% interest	554,480	579,909
Civil Service Credit Union Limited 20 years loan @ 9% interest	182,653	213,853
15 years loan @ 8.5% interest	1,225,777	1,336,838
St. Martin's Credit Union 10 years loan @ 8.5% interest	491,916	598,324
20 years loan @ 9% interest	209,110	242,521
12 years loan @ 8.5% interest	131,529	251,347
St. John's Credit Union Limited 15 years loan @ 8.5% interest	-	542,621



SOCIAL SECURITY BOARD

**INVESTMENTS LISTINGS CONTINUED
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
MORTGAGES AND HOUSING (CONTINUED)		
St. Francis Xavier Credit Union Limited 10 years loans @ 8.5% interest	\$ -	\$ 38,898
Belize National Teachers Union 20 years loans @ 10% interest	213,888	227,705
BNBS Assigned Mortgages 20 years loans @ 10 – 12% interest	2,536,318	2,525,086
Housing Mortgages – BNBS: District and Secondary, 10 – 20 years loans @ 12% interest	2,280,421	2,682,790
Vista Del Mar Project:		
Secondary mortgages, 20 years @ 12%	727,982	856,492
Police housing loans, 20 years @ 12%	83,242	86,621
Belize Defense Force loans, 20 years @ 12%	198,031	206,212
Teachers' general loans, 20 years @ 12%	45,208	52,254
P.S.U. Housing Scheme		
Middle income, 20 years loans @ 12%	1,586,065	1,768,106
Housing, 20 years loans @ 12%	308,549	375,685
St. James National Building Society Ltd.		
Assigned mortgages, 5 – 20 years loan @ 10 – 12% interest	1,196,118	1,678,582
Staff housing and other mortgage loans 10 – 20 years @ 8% interest	3,782,739	3,753,088
Previous staff housing loans 10 – 20 years @ 8% interest	<u>1,103,993</u>	<u>1,101,612</u>
	30,530,210	34,023,139
Less: provisions for loss on investment	<u>(4,715,000)</u>	<u>(4,495,600)</u>
	<u>25,815,210</u>	<u>29,527,539</u>



SOCIAL SECURITY BOARD

**INVESTMENTS LISTINGS CONTINUED
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
REAL ESTATE		
Vista Del Mar Housing Project Remaining lots acquired from Vista Del Mar Development Company Ltd.	\$ 590,000	\$ 742,304
Homeland Development Limited 1,198 plots of land	1,196,800	1,196,800
Rocky Point, Toledo District 8.993 acres land	175,015	-
San Pedro, Ambergris Caye 3,491 acres land	<u>10,636,234</u>	<u>10,636,234</u>
	<u>12,598,049</u>	<u>12,575,338</u>
OTHER LOANS		
Government of Belize 9 years loan @ 7.5% interest	<u>3,969,934</u>	<u>4,753,927</u>
	<u>3,969,934</u>	<u>4,753,927</u>
TOTAL INVESTMENTS	<u>\$359,301,344</u>	<u>\$310,011,399</u>



LIST OF ACRONYMS



APV	Actuarial Present Value
BZ	Belize
BZ\$	Belize Dollars
CMS	Contribution Management System
CPI	Consumer Price Index
EI	Employment Injury
GOB	Government of Belize
ILO	International Labour Organization
ISIC	International Standard Industrial Classifications of all Economic Activities
MOH	Ministry of Health
N/A	Not Available
NC	Natural Causes
NCP	Non-contributory Pension
NCPs	Non-contributory Pensioners
NHI	National Health Insurance
PCP	Primary Care Provider
p	Provisional
r	Revised
SIB	Statistical Institute of Belize
SSB	Social Security Board

Notes:

- Exchange rate: US\$1.00 equals BZ\$2.00.
- \$ refers to the Belize dollar unless otherwise stated
- 2010 figures are provisional and 2009 have been revised
- Totals in the tables are not always equal to the sum of its components due to rounding off.



GLOSSARY OF TERMS



TERM DEFINITION	
Active Business	A business that has made at least one weekly contribution during the year.
Active Employer	An employer who has made at least one weekly contribution during the year.
Active Self Employed	A self employed person who has made at least one weekly contribution to the SSB during the year.
Active Insured Person	A person who has made at least one weekly contribution to the SSB during the reference year.
Appeal	A request from an insured person being aggrieved or unsatisfied with a decision made by the SSB regarding a benefit claimed.
Appeal Tribunal	Is a body that hears appeals. The Appeal Tribunal is comprised of an Attorney as Chairman, a representative of employers and a representative of employees.
Beneficiary	A person entitled to a benefit or a person who is in receipt of a benefit.
Benefit	A benefit which is payable under the Social Security Act after insured persons have met all the requirements.
Benefit Regulations	The Social Security (Benefit) Regulations, 1980. These are the rules that say how much an insured person can receive/be paid.
Board	The Social Security Board established under section 28 of the Social Security Act.
Contributions	A contribution payable under the Social Security Act. The money that persons in insurable employment pay into the Social Security Scheme on their behalf.
Death Benefit	Refers to periodical payments in respect of an injured person who dies as a result of work-related injury or disease. This benefit is paid to the survivors of the deceased insured person (i.e. widow, widower, children or parents)
Disablement Benefit	Refers to periodical payments or a lump sum grant to an insured person who as a result of such injury or disease sustains loss of faculty.



TERM DEFINITION

Earnings	Refer to how much money a person in insurable employment makes or the total compensation that an employee receives in exchange for the service they perform for their employer including overtime payments, acting allowances and responsibility allowances.
Employed Person	A person employed in insurable employment as defined by Section 3 (Social Security Act).
Employment Injury (EI)	An Injury arising out of and in the course of employment.
EI Benefit Branch	Is the benefit branch from which benefits are paid to an insured person who gets injured in accident at work.
Fund	Is the Social Security Fund established under Section 46 of the Social Security Act: contributions are paid into the fund; benefits and administrative costs are paid out of the fund. The excess is invested.
Funeral Grant	A benefit payment made to the person bearing funeral expenses in respect of an insured person who dies as a result of work-related injury or disease or on the death by natural cause of a spouse or dependent child.
Industry	An organized economic activity or a branch of a commercial enterprise concerned with the output of a specified product or service. The Categories of industries utilized by the SSB are aggregated by the International Standard Industrial Classification of all Economic Activities Revision 3.1 (ISIC Rev. 3.1).
Inflation	Is an increase in the overall price level of goods and services in a country.
Inflation Rate	Is the percentage change in the price level from the previous period.
Insurable Employment	Refers to any employment specified in Part 1 of the First Schedule. Insurable employment means a regular job working not less than 8 hours a week for another person.
Insured Person	A person who is registered with Social Security and has insurable employment.
Invalidity Benefit	Are periodical payments or a lump sum payment to an insured person who is rendered permanently incapable of work otherwise than as a result of employment injury.
Investment	The laying out of money or capital with the expectation of a profit.



TERM DEFINITION	
Investment Income	Is the income received in a particular year from investment loans, securities and other investments.
Labour Force	Refers to all persons aged 14 years and older who were engaged in any form of economic activity, for at least one hour, during the reference week, or who were willing and able to be engaged in producing goods and services.
Long Term Benefit Branch	Is the benefit branch or category where benefits are payable for: Retirement Pension, Retirement Grant, Invalidity Pension, Invalidity Grant, Survivors' Pension, Survivors' Grant and Funeral Grant.
Maternity Benefit	Are periodical payments made to an insured woman in the event of her pregnancy or confinement. It can also be a grant paid to an insured man in respect of his wife's confinement or an insured woman.
Medical Board	Refers respectively to a board or a medical practitioner appointed to review cases and informs Social Security whether or not the insured person is invalid (because of sickness), or disabled (because of employment injury).
Medical Certificate	A certificate issued by a registered medical practitioner.
Medical Practitioner	A person registered under the Medical Practitioners Registration Act and includes any Government Medical Officer.
Nominal Rate	Is defined as the amount of income received that is unadjusted for inflation.
Non-contributory Pension	Is a pension that is awarded to non-insured persons as a social assistance program by the Government of Belize to help alleviate poverty for women 65 years or older and men 67 years and older.
Primary Care Providers	Is an individual or an institution that provides preventive and curative health care services in a systematic way to individuals, families or communities.
Prescribed	These are the requirements designated by Social Security regulation for providing services and benefits.
Real Rate	Is the return on investments that is adjusted for inflation.
Regulations	Refers to regulations made by the Minister of Finance under the Social Security Act.



TERM DEFINITION	
Retirement Benefit	Are periodical payments or a lump sum payment to an insured person who has attained the age of sixty.
Self Employed Person	A person gainfully occupied in Belize who is not a person employed under an employer.
Short Term Benefit Branch	Is the benefit branch or category comprised of Sickness Benefit, Maternity Allowance and Maternity Grant.
Sickness Benefit	Refers to periodical payments or a lump sum payment to an insured person who is temporarily incapable of work otherwise than as a result of employment injury.
Survivors' Benefit	Refers to periodical payments or a lump sum payment on behalf of an insured person who dies, otherwise than in consequence of an employment injury. This is the money paid to people left behind when an insured person dies.
Tribunal	Is any person or institution with the authority to judge, adjudicate on, or determine claims or disputes.
Voluntary Insured Person	An insured person whose insurance under the Social Security Act is continued voluntarily. If an insured person stops working or becomes self-employed, that person can choose to keep on making contributions.



Table 1: Key Indicators for Selected Years, 2006 - 2010

Key Indicators	2006	2007	2008	2009r	2010p	2009 - 2010 Change	
						Quantity	Percentage
Registration							
Population of Belize	301,300	311,480	322,100	333,200	310,896	(22,304)	(6.7)
Population with a Valid SSB Card	203,712	206,973	210,122	219,995	242,622	22,627	10.3
Percentage of SSB Card Holders in the Population	67.6%	66.4%	65.2%	66.0%	78.0%	12.0	18.2
Newly Registered Population	17,209	15,032	16,432	12,479	12,793	314	2.5
Newly Registered Employers	1,769	1,729	1,538	1,678	1,529	(149)	(8.9)
Newly Registered Businesses	1,949	2,172	1,947	1,973	1,790	(183)	(9.3)
Newly Registered Self Employed	481	574	507	517	438	(79)	(15.3)
Contributions							
Contributions (BZ\$)	\$50,160,260	\$52,793,870	\$57,582,065	\$59,886,197	\$60,329,075	\$442,878	0.7
Active Insured Persons	78,923	80,381	87,253	86,981	87,196	215	0.2
New Active Insured Persons	30,648	30,784	32,125	28,560	29,440	880	3.1
Percentage of Employed Persons Actively Insured	77.2%	71.9%	76.2%	68.9%	*N/A	N/A	N/A
Active Employers	8,837	8,278	9,917	10,044	9,912	(132)	(1.3)
Active Businesses	9,241	8,757	10,605	10,764	10,622	(142)	(1.3)
Active Self Employed	836	960	930	972	932	(40)	(4.1)
Benefits							
Benefit Payment (BZ\$; Inclusive of NHI)	\$35,344,475	\$41,372,531	\$50,619,410	\$53,326,548	\$56,175,243	\$2,848,695	5.3
Benefit Payment as a % of Contribution Income	70.5%	78.4%	87.9%	89.0%	93.1%	4.1	4.6
Total Claims Processed	43,219	46,701	54,440	57,363	54,282	(3,081)	(5.4)
Benefit Recipients	31,808	34,392	38,758	40,023	38,719	(1,304)	(3.3)
Retired Contributory Pensioners	2,555	2,737	2,861	3,142	3,463	321	10.2
Employment Injury Cases Allowed	2,280	2,470	2,521	2,446	1,955	(491)	(20.1)
Non-contributory Pensioners	2,671	3,570	4,657	4,297	3,992	(305)	(7.1)
Payments in Non-contributory Pensions (BZ\$)	\$2,211,394	\$2,391,547	\$4,934,460	\$4,702,520	\$4,201,325	(\$501,195)	(10.7)
Appeals	90	140	41	40	43	3	7.5

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Table 1: Key Indicators for Selected Years Continued, 2006 - 2010

Key Indicators	2006	2007	2008	2009r	2010p	2009 - 2010 Change	
						Quantity	Percentage
National Health Insurance							
NHI Expenditure (BZ\$)	\$7,238,338	\$9,555,514	\$10,279,681	\$11,777,497	\$14,147,733	\$2,370,236	20.1
Total NHI Membership	39,789	70,426	81,129	87,192	91,041	3,849	4.4
NHI Membership in Southside Belize City	39,789	42,224	42,922	44,686	46,069	1,383	3.1
NHI Membership in the Southern Region	N/A	28,202	38,207	42,506	44,972	2,466	5.8
Investments							
Total Investments as at December 31 (BZ\$)	\$252,317,276	\$271,427,249	\$284,984,237	\$310,011,399	\$359,301,344	\$49,289,945	15.9
Net Investment Income (BZ\$)	\$19,782,380	\$22,462,875	\$18,298,240	\$21,378,171	\$24,784,437	\$3,406,266	15.9
Nominal Rate of Return on Investments (%)	7.8	8.6	6.6	7.1	7.7	0.6	8.5
Real Rate of Return on Investments (%)	3.5	6.1	0.2	6.1	8.3	(2.1)	(18.7)
Other							
Total Assets (BZ\$)	\$332,963,083	\$350,383,939	\$358,945,443	\$383,302,249	\$412,214,547	\$28,912,298	7.5
Total Income (BZ\$)	\$75,395,593	\$81,818,400	\$82,355,956	\$94,652,587	\$100,154,148	\$5,501,561	5.8
Total Operating Expenses (BZ\$)	\$18,413,659	\$22,421,982	\$21,017,328	\$20,193,906	\$19,933,180	(\$260,726)	(1.3)
Administration Expenses (BZ\$)	\$17,349,897	\$21,357,942	\$19,908,941	\$19,059,984	\$18,629,765	(\$430,219)	(2.3)
Total Expenditure (BZ\$)	\$50,445,663	\$62,558,250	\$71,636,738	\$73,520,454	\$76,108,423	\$2,587,969	3.5
Excess of Income Over Expenditure (BZ\$)	\$24,949,930	\$19,260,150	\$10,719,218	\$21,132,133	\$24,045,725	\$2,913,592	13.8
Reserve at End of Year (BZ\$)	\$312,286,166	\$330,458,627	\$341,584,158	\$371,858,727	\$396,563,354	\$24,704,627	6.6
Total Expenditure to Total Income Ratio (Efficiency Ratio)	0.67	0.76	0.87	0.78	0.76	(0.02)	(2.2)
Total Expenditure to Contribution Income Ratio	0.95	1.08	1.15	1.01	1.02	0.01	0.8
Operating Expenses to Contribution Income	0.35	0.39	0.34	0.28	0.27	(0.01)	(3.9)
Operating Expenses to Total Income	0.37	0.42	0.36	0.34	0.33	(0.01)	(2.0)
Administration Expenses to Contribution Income	0.35	0.40	0.35	0.32	0.31	(0.01)	(3.0)
Customer Satisfaction Rate	N/A	78.3%	N/A	80.5%	78.8%	(1.7)	(2.1)

Source: Social Security Board

*Labour Force data is not calculated during a census year and hence is not available for comparative purposes.



REGISTRATION

This section presents statistics on registration of all eligible persons in Belize. Indicators include the registration of the general population, businesses, employers and the self-employed. The principal source of the data is the Social Security Board's (SSB) database. Secondary sources of the data include the Statistical Institute of Belize (SIB) and the Ministry of Health (MOH).

Registration – The Social Security ACT, Chapter 44 of the Laws of Belize Revised Edition 2000 – 2003, provides for the mandatory registration of all nationals, registered aliens, holders of work permits and their dependents, regardless of their age. Each person who registers with the SSB is allotted a Social Security number. Minors under the age of 14 years are given a SSB minor card not valid for employment. The eligible working age population 14 to 64 years is given a regular card valid for employment with an expiration date. Senior citizens sixty-five years and over are given a Golden Citizen card without an expiration date. The Social Security Card has become a primary source of identification within the country.

Employer and Business – The term employer is used to indicate that such entity or person is registered and has an account with the SSB for payment of contributions on behalf of employees. An employer may have more than one business. Each business is given a unique business number, which is a sub-account of the existing employer. Therefore, employers can only have one employer number and more than one business number.

Population – The figures used for the Belize population are derived from the census (that is conducted every 10 years) and mid-year estimates and are sourced from SIB. Data on live births are provided by MOH. These figures are used to compute the number of children registered within the year of birth.



Table 1.1
Percentage of Valid Card Holders in the Population by District,
2007 - 2010

District	Year			
	2007	2008	2009	2010
Persons with Valid Cards	206,973	210,122	219,995	242,622
Corozal	19,923	20,169	21,373	24,011
Orange Walk	28,959	29,928	31,047	34,794
Belize	71,353	72,181	74,846	82,618
Cayo	41,066	41,682	44,058	48,554
Stann Creek	26,810	26,895	28,342	31,141
Punta Gorda	18,862	19,267	20,329	21,504
Population	311,480	322,100	333,200	310,896
Corozal	36,365	36,800	37,300	40,324
Orange Walk	47,145	48,300	49,500	45,419
Belize	93,215	96,600	100,100	89,247
Cayo	73,325	77,000	80,800	73,202
Stann Creek	32,180	33,300	34,500	32,166
Punta Gorda	29,250	30,100	31,000	30,538
Percentage of Valid Card Holders in the Population	66.4	65.2	66.0	78.0
Corozal	54.8	54.8	57.3	59.5
Orange Walk	61.4	62.0	62.7	76.6
Belize	76.5	74.7	74.8	92.6
Cayo	56.0	54.1	54.5	66.3
Stann Creek	83.3	80.8	82.2	96.8
Punta Gorda	64.5	64.0	65.6	70.4

Source: Social Security Board and Statistical Institute of Belize

Note: 2010 Population data is from Census 2010.

Data for 2006 is not available.

The 2007 - 2009 data are mid year estimates based on intercensal growth rates and the Labour Force Surveys.

Table 1.2
Valid Cards by Card Type,
2006 - 2010

Card Type	Year				
	2006	2007	2008	2009 _r	2010 _p
Total	203,712	206,973	210,122	219,995	242,622
Minor (< 14 yrs)	50,732	51,227	51,718	53,230	55,311
Adult (14 - 64 yrs)	146,090	149,946	155,832	165,276	170,731
Senior (65+ yrs)	6,890	5,800	2,572	1,489	16,580

Source: Social Security Board



Table 1.3
Newly Registered Persons by Age Group,
2006 - 2010

Age Group	Year				
	2006	2007	2008	2009r	2010p
Total	17,209	15,032	16,432	12,479	12,793
0 - 4	4,318	3,438	4,361	4,423	5,043
5 - 9	2,440	2,084	2,188	1,220	1,253
10 - 14	2,289	1,785	1,547	1,082	1,280
15 - 19	3,105	2,586	2,272	1,742	1,712
20 - 24	1,264	1,409	1,048	956	856
25 - 29	837	844	740	646	618
30 - 34	607	544	728	552	440
35 - 39	486	549	704	435	328
40 - 44	454	410	639	351	324
45 - 49	415	319	563	291	255
50 - 54	299	336	454	238	193
55 - 59	230	226	350	199	170
60+	465	502	838	344	321

Source: Social Security Board

Table 1.4
Percentage of Newly Registered Persons in the Population by District,
2006 - 2010

District	Year				
	2006	2007	2008	2009	2010
Newly Registered	17,209	15,032	16,432	12,479	12,793
Corozal	1,291	1,100	1,817	1,187	1,344
Orange Walk	1,489	1,684	3,113	1,676	2,197
Belize	4,438	4,246	4,187	3,616	3,482
Cayo	2,634	3,231	4,004	2,673	2,739
Stann Creek	3,581	3,152	2,160	2,278	2,277
Toledo	3,776	1,619	1,151	1,049	754
Population	301,300	311,480	322,100	333,200	310,896
Corozal	35,800	36,365	36,800	37,300	40,324
Orange Walk	46,000	47,145	48,300	49,500	45,419
Belize	90,000	93,215	96,600	100,100	89,247
Cayo	70,000	73,325	77,000	80,800	73,202
Stann Creek	31,100	32,180	33,300	34,500	32,166
Toledo	28,400	29,250	30,100	31,000	30,538
Percentage of Newly Registered	5.7	4.8	5.1	3.7	4.1
Corozal	3.6	3.0	4.9	3.2	3.3
Orange Walk	3.2	3.6	6.4	3.4	4.8
Belize	4.9	4.6	4.3	3.6	3.9
Cayo	3.8	4.4	5.2	3.3	3.7
Stann Creek	11.5	9.8	6.5	6.6	7.1
Toledo	13.3	5.5	3.8	3.4	2.5

Source: Social Security Board and Statistical Institute of Belize

Note: 2010 Population data is from Census 2010.

The 2007 - 2009 data are mid year estimates based on intercensal growth rates and the Labour Force Surveys.



Table 1.5
Social Security Registration Coverage of Live Births,
2006 - 2010

	Year				
	2006	2007	2008	2009r	2010p
Live Births	7,184	7,035	7,066	7,420	7,230
Children Registered in Birth Year	1,050	1,325	1,426	1,552	1,657
Percentage of Live Births Registered	14.6	18.8	20.2	20.9	22.9

Source: Ministry of Health and Social Security Board

Table 1.6
Newly Registered Employers by District,
2006 - 2010

District	Year				
	2006	2007	2008	2009r	2010p
Total	1,769	1,729	1,538	1,678	1,529
Corozal	234	241	208	216	231
Orange Walk	269	220	190	200	185
Belize	561	560	503	567	456
Cayo	396	362	324	363	353
Stann Creek	214	254	191	244	214
Toledo	95	92	122	88	90

Source: Social Security Board

Table 1.7
Newly Registered Businesses by District,
2006 - 2010

District	Year				
	2006	2007	2008	2009r	2010p
Total	1,949	2,172	1,947	1,973	1,790
Corozal	256	332	284	266	298
Orange Walk	263	267	230	256	235
Belize	636	678	644	645	518
Cayo	452	474	415	425	402
Stann Creek	238	321	238	283	238
Toledo	104	100	136	98	99

Source: Social Security Board



Table 1.8
Newly Registered Self Employed by District,
2006 - 2010

District	Year				
	2006	2007	2008	2009r	2010p
Total	481	574	507	517	438
Corozal	42	48	60	54	48
Orange Walk	62	53	55	51	38
Belize	150	185	135	156	130
Cayo	109	132	132	126	89
Stann Creek	91	127	90	107	101
Toledo	27	29	35	23	32

Source: Social Security Board



CONTRIBUTIONS

This section presents data on Contributions made to the SSB and characteristics of the actively Insured Persons (IPs), as well as the active businesses, employers and the self-employed. The principal source of the contribution data is the SSB's database, captured through the Contributions Management System (CMS).

Schedule of Contributions Based on Weekly Insurable Earnings

Weekly Earnings Group	Average Insurable Earnings (BZ\$)	Employees' Contributions (BZ\$)	Employers' Contributions (BZ\$)	Total Weekly Contributions (BZ\$)
Under \$70.00	55.00	0.83	3.57	4.40
\$70.00 to \$109.99	90.00	1.35	5.85	7.20
\$110.00 to \$139.99	130.00	1.95	8.45	10.40
\$140.00 to \$179.99	160.00	3.15	9.65	12.80
\$180.00 to \$219.99	200.00	4.75	11.25	16.00
\$220.00 to \$259.99	240.00	6.35	12.85	19.20
\$260.00 to \$299.99	280.00	7.95	14.45	22.40
\$300.00 and over	320.00	9.55	16.05	25.60
**	0.00	0.00	2.60	2.60

Source: Social Security Board

** Applies to persons age 60 - 64 years who have received a retirement benefit and all persons 65 years and older.

Methods of payments - Employers can pay contributions on behalf of their employees in the following ways:

1. Direct – is the most commonly used method and payment can be made by visiting any of the nine SSB Branch Offices located in all district towns and five of the most economically active rural areas. At the SSB's Branch Offices, cashiers receive the payment and the completed forms giving the details of the contributions made.
2. Over-The-Counter – is paid over-the-counter at any of the designated banks countrywide; the completed forms can either be submitted to the Bank or any of the SSB Branch Offices. There is a gradual decrease in this practice and a shift to online payments. Although the payment information may be submitted to the bank in hard copies, the bank inputs the information and electronically submits the contribution information to the SSB.
3. Online – is the most recently introduced method for customers' convenience is online payment of contributions at initially two privately owned banks. The information on the contribution is attached along with the online payment information, electronically in a specific format, a predefined text format. The contribution information can either be received in hard-copies at the designated banks.



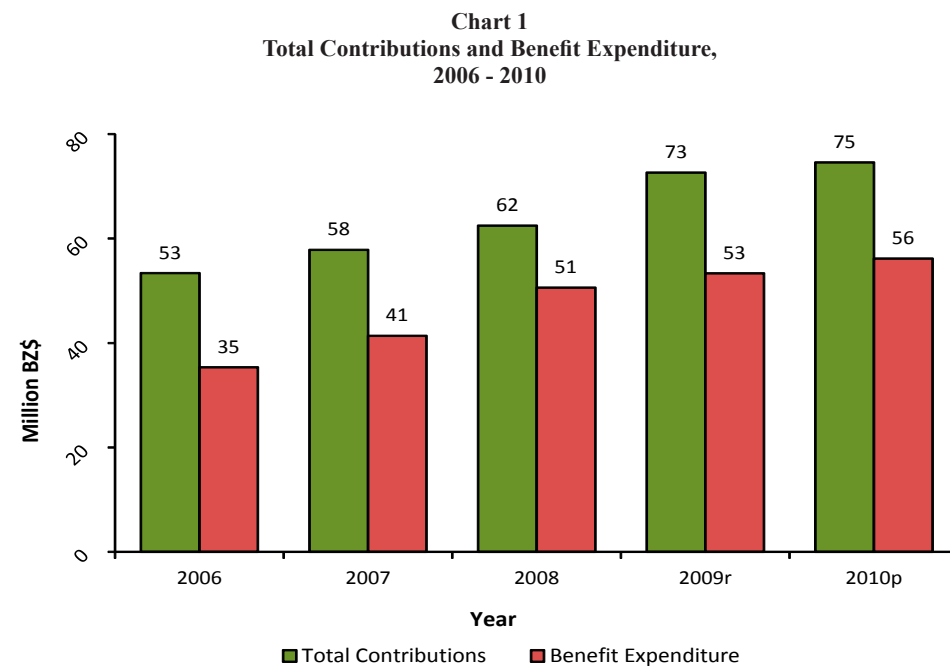
4. The Government of Belize (GOB) – makes the payments for its employees by direct deposit and sends the statement of contributions electronically through the GOB payment system.

All contributions collected are accrued into the Social Security Fund is used to pay benefits and administrative expenditures, and invested to earn income for future expenditures and payment of pensions.

Table 2.1
Total Contributions and Benefit Expenditure,
2006 - 2010
(BZ\$)

	Year				
	2006	2007	2008	2009r	2010p
Total Contributions	\$50,160,260	\$52,793,870	\$57,582,065	\$59,886,197	\$60,329,075
Benefit Expenditure	\$35,344,475	\$41,372,531	\$50,619,410	\$53,326,548	\$56,175,243
Benefit as a % of Contributions	66.2	71.5	81.0	73.4	75.3

Source: Social Security Board



Source: Social Security Board



Table 2.2
Contributions Collected and Percentage Distribution by District,
2006 - 2010
(BZ\$)

District	2006		2007		2008		2009r		2010p	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%	Quantity	%
Total	\$50,160,260	100.0	\$52,793,870	100.0	\$57,582,065	100.0	\$59,886,197	100.0	\$60,329,075	100.0
Corozal	\$3,618,966	7.2	\$3,928,748	7.4	\$4,062,295	7.1	\$3,885,053	6.5	\$3,933,594	6.5
Orange Walk	\$2,461,654	4.9	\$2,751,243	5.2	\$3,083,752	5.4	\$3,357,771	5.6	\$3,422,008	5.7
Belize	\$23,624,924	47.1	\$24,726,880	46.8	\$27,888,641	48.4	\$28,148,310	47.0	\$28,223,059	46.8
Cayo	\$14,580,885	29.1	\$15,126,911	28.7	\$15,684,519	27.2	\$17,508,656	29.2	\$17,832,244	29.6
Stann Creek	\$5,166,923	10.3	\$5,483,465	10.4	\$6,002,084	10.4	\$6,028,932	10.1	\$6,019,321	10.0
Toledo	\$706,908	1.4	\$776,623	1.5	\$860,774	1.5	\$957,475	1.6	\$898,850	1.5

Source: Social Security Board

Note: Contributions figures reflect those collected from employers and employee only.

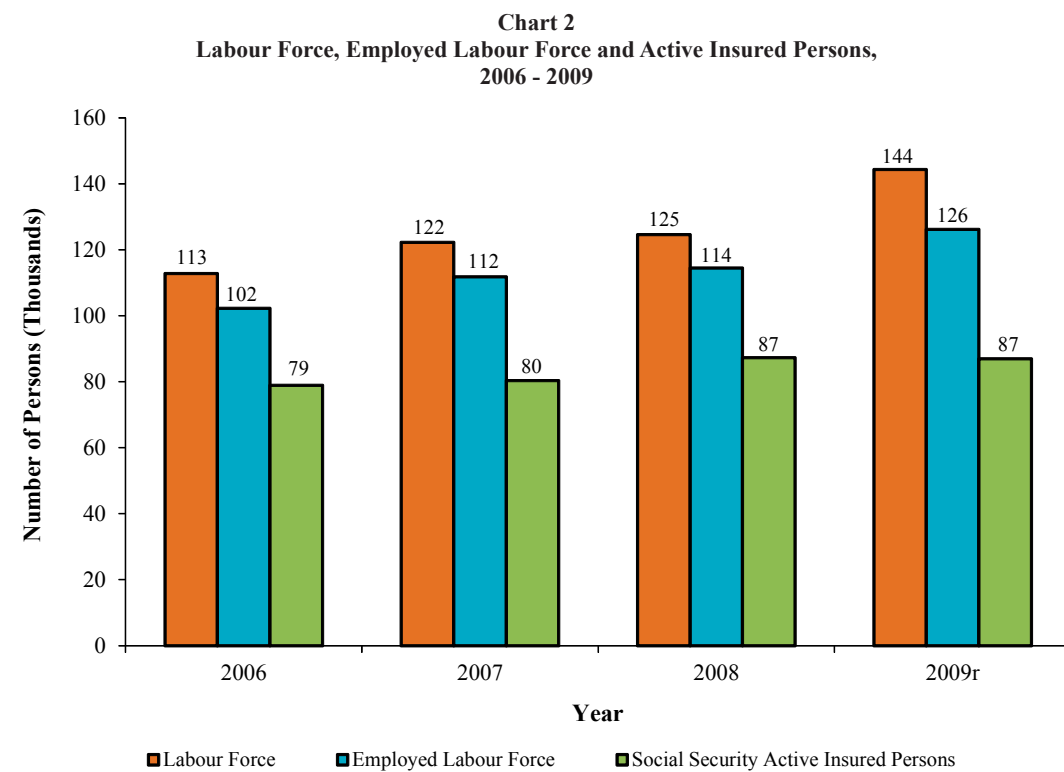


Table 2.3
Active Insured Persons and the Labour Force Participation Rates,
2006 - 2009

District	Year			
	2006	2007	2008	2009 ^r
Number of Persons in the Labour Force	112,806	122,258	124,637	144,363
Number of Persons Employed in the Labour Force	102,233	111,835	114,465	126,188
Number of Active Insured Persons	78,923	80,381	87,253	86,981
% of Active Insured in the Labour Force	70.0	65.7	70.0	60.3
% of Active Insured in the Employed Force	77.2	71.9	76.2	68.9

Source: Social Security Board

Note: No Labour Force Survey was conducted in 2010.



Source: Social Security Board and Statistical Institute of Belize



Table 2.4
Active Insured Persons by District, Sex and Age Group,
2006 - 2010

Selected Characteristics	Year				
	2006	2007	2008	2009 ^r	2010 ^p
Total	78,923	80,381	87,253	86,981	87,196
District					
Corozal	10,312	10,414	9,649	9,792	9,517
Orange Walk	10,850	11,245	7,340	7,711	7,707
Belize	27,486	27,914	35,288	37,113	36,694
Cayo	14,673	15,541	20,426	18,336	19,126
Stann Creek	10,845	10,448	12,595	11,907	12,082
Toledo	4,757	4,819	1,955	2,122	2,070
Sex					
Male	50,491	51,118	55,327	54,969	54,665
Female	28,432	29,263	31,914	32,002	32,531
Do Not Know or Not Stated	-	-	12	10	-
Age Group					
14 - 24	20,575	23,783	25,261	24,195	23,590
25 - 34	25,818	25,200	27,094	27,284	27,568
35 - 44	17,543	17,105	18,590	18,926	19,074
45 - 54	9,883	9,585	10,993	11,209	11,506
55+	5,074	4,692	5,303	5,357	5,458
Do Not Know or Not Stated	30	16	12	10	-

Source: Social Security Board



Chart 3
Active Insured Persons by Month,
2010

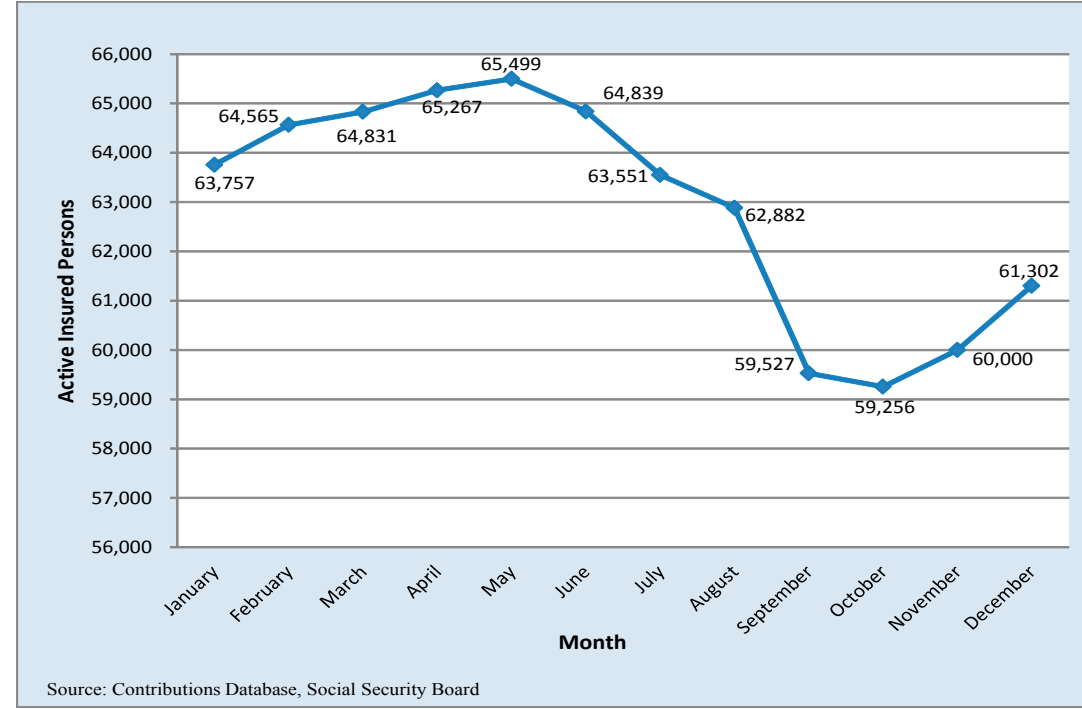


Table 2.5
Active Insured Persons and Percentage Distribution by Industry,
2006 - 2010

Industry	2006		2007		2008		2009r		2010p	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%	Quantity	%
Total Active Insured Persons	78,923	100.0	80,381	100.0	87,253	100.0	86,981	100.0	87,196	100.0
Agriculture, Hunting and Forestry	15,842	20.1	15,204	18.9	17,646	20.2	16,725	19.2	16,878	19.4
Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles	10,188	12.9	10,772	13.4	12,541	14.4	11,631	13.4	11,640	13.3
Public Administration	10,074	12.8	7,691	9.6	10,771	12.3	10,096	11.6	10,787	12.4
Hotel and Restaurants	9,125	11.6	9,713	12.1	10,635	12.2	9,719	11.2	9,240	10.6
Real Estate, Renting and Business Activities	6,084	7.7	6,242	7.8	8,838	10.1	8,195	9.4	8,930	10.2
Manufacturing	7,271	9.2	7,509	9.3	8,030	9.2	7,468	8.6	7,467	8.6
Construction	8,266	10.5	8,618	10.7	10,166	11.7	8,861	10.2	6,878	7.9
Education	5,091	6.5	5,577	6.9	6,160	7.1	6,048	7.0	6,057	6.9
Other Community, Social and Personal Activities	5,157	6.5	2,980	3.7	5,744	6.6	5,677	6.5	5,603	6.4
Transportation, Storage and Communication	4,979	6.3	5,149	6.4	5,380	6.2	5,368	6.2	5,590	6.4
Health and Social Work	2,802	3.6	5,437	6.8	3,090	3.5	3,020	3.5	3,097	3.6
Financial Intermediation	2,259	2.9	2,387	3.0	2,384	2.7	2,445	2.8	2,516	2.9
Private Households with Employed Persons	1,814	2.3	1,733	2.2	2,018	2.3	2,108	2.4	2,052	2.4
Fishing	2,986	3.8	2,373	3.0	2,234	2.6	2,060	2.4	1,949	2.2
Electricity, Gas, and Water Supply	781	1.0	900	1.1	1,407	1.6	1,542	1.8	1,711	2.0
Mining and Quarrying	541	0.7	601	0.7	786	0.9	558	0.6	507	0.6
Extra-Territorial Organizations and Bodies	233	0.3	249	0.3	562	0.6	409	0.5	405	0.5
Do Not Know or Not Stated	1,128	1.4	330	0.4	115	0.1	87	0.1	72	0.1

Source: Social Security Board

Note: The total number of Active Insured Persons shown is not equal to the sum of the Insured Persons in each industry during the respective years due to persons working in different industries during the year.

The sum of the percentages of Insured Persons in each industry does not add up to 100% during the respective years due to persons working in different industries during the year.



Table 2.6
Active Insured Persons and Percentage Distribution by Average Weekly Insurable Earnings Group,
2006 - 2010

Weekly Earnings Group	Year									
	2006	2007	2008	2009r	2010p					
	Quantity	%	Quantity	%	Quantity	%	Quantity	%		
Total	78,923	100.0	80,381	100.0	87,253	100.0	86,981	100.0	87,196	100.0
Under \$70.00	7,210	9.1	6,436	8.0	4,911	5.6	7,212	8.3	3,423	3.9
\$70.00 to \$109.99	9,153	11.6	8,048	10.0	8,175	9.4	7,923	9.1	7,119	8.2
\$110.00 to \$139.99	8,380	10.6	7,610	9.5	8,431	9.7	7,777	8.9	7,130	8.2
\$140.00 to \$179.99	12,401	15.7	12,571	15.6	14,131	16.2	13,201	15.2	15,093	17.3
\$180.00 to \$219.99	1,838	2.3	9,883	12.3	11,493	13.2	10,142	11.7	12,627	14.5
\$220.00 to \$259.99	13,167	16.7	7,159	8.9	8,221	9.4	7,495	8.6	9,578	11.0
\$260.00 to \$299.99	3,919	5.0	4,495	5.6	5,622	6.4	4,534	5.2	7,348	8.4
\$300.00 and Over	21,824	27.7	23,053	28.7	25,096	28.8	27,613	31.7	24,092	27.6
**	1,031	1.3	1,126	1.4	1,173	1.3	1,084	1.2	786	0.9

Source: Social Security Board

** Applies to persons age 60 - 64 years who have received a retirement benefit and all persons 65 years and older.



Table 2.7
Number of Active Insured Persons by Industry and Average Weekly Insurable Earnings,
2010

SSB Industry	Average Weekly Insurable Earnings									
	Under \$70.00	\$70.00 to \$109.99	\$110.00 to \$139.99	\$140.00 to \$179.99	\$180.00 to \$219.99	\$220.00 to \$259.99	\$260.00 to \$299.99	\$300.00 and Over	Total	**
Total	3,423	7,119	7,130	15,093	12,627	9,578	7,348	24,092	786	87,196
Agriculture, Hunting and Forestry	1,847	3,896	2,702	3,499	2,288	1,116	568	751	211	16,878
Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles	183	682	1,184	3,564	2,184	1,343	792	1,620	88	11,640
Public Administration	101	324	359	1,426	1,420	1,136	1,032	4,892	97	10,787
Hotel and Restaurants	189	588	783	1,769	1,658	1,351	1,216	1,637	49	9,240
Real Estate, Renting and Business Activities	172	495	823	1,830	1,616	1,141	859	1,954	40	8,930
Manufacturing	185	445	633	1,667	1,362	880	710	1,541	44	7,467
Construction	83	303	471	1,284	1,468	1,210	972	1,037	50	6,878
Education	51	113	84	256	407	498	422	4,185	41	6,057
Other Community, Social and Personal Activities	138	213	310	818	988	836	492	1,762	46	5,603
Transportation, Storage and Communication	124	226	387	799	805	762	724	1,700	63	5,590
Health and Social Work	168	85	95	220	355	359	297	1,481	37	3,097
Financial Intermediation	9	28	28	96	152	173	242	1,778	10	2,516
Private Households with Employed Persons	212	402	366	528	233	137	54	103	17	2,052
Fishing	122	321	371	452	267	152	124	134	6	1,949
Electricity, Gas, and Water Supply	52	73	78	181	214	222	145	740	6	1,711
Mining and Quarrying	6	23	40	30	32	32	57	279	8	507
Extra-Territorial Organizations and Bodies	1	2	1	9	22	20	60	289	1	405
Do Not Know or Not Stated	5	10	8	12	9	14	8	6	0	72

Source: Social Security Board

** Applies to persons age 60 - 64 years who have received a retirement benefit and all persons 65 years and older.

Note: The total number of Active Insured Persons shown is not equal to the sum of the Insured Persons in each industry during the respective years due to persons working in different industries during the year.



Table 2.8
Percentage Distribution of Active Insured Persons by Industry and Average Weekly Insurable Earnings,
2010

SSB Industry	Average Weekly Insurable Earnings									
	Under \$70.00	\$70.00 to \$109.99	\$110.00 to \$139.99	\$140.00 to \$179.99	\$180.00 to \$219.99	\$220.00 to \$259.99	\$260.00 to \$299.99	\$300.00 and Over	**	Total
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture, Hunting and Forestry	54.0	54.7	37.9	23.2	18.1	11.7	7.7	3.1	26.8	19.4
Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles	5.3	9.6	16.6	23.6	17.3	14.0	10.8	6.7	11.2	13.3
Public Administration	3.0	4.6	5.0	9.4	11.2	11.9	14.0	20.3	12.3	12.4
Hotel and Restaurants	5.5	8.3	11.0	11.7	13.1	14.1	16.5	6.8	6.2	10.6
Real Estate, Renting and Business Activities	5.0	7.0	11.5	12.1	12.8	11.9	11.7	8.1	5.1	10.2
Manufacturing	5.4	6.3	8.9	11.0	10.8	9.2	9.7	6.4	5.6	8.6
Construction	2.4	4.3	6.6	8.5	11.6	12.6	13.2	4.3	6.4	7.9
Education	1.5	1.6	1.2	1.7	3.2	5.2	5.7	17.4	5.2	6.9
Other Community, Social and Personal Activities	4.0	3.0	4.3	5.4	7.8	8.7	6.7	7.3	5.9	6.4
Transportation, Storage and Communication	3.6	3.2	5.4	5.3	6.4	8.0	9.9	7.1	8.0	6.4
Health and Social Work	4.9	1.2	1.3	1.5	2.8	3.7	4.0	6.1	4.7	3.6
Financial Intermediation	0.3	0.4	0.4	0.6	1.2	1.8	3.3	7.4	1.3	2.9
Private Households with Employed Persons	6.2	5.6	5.1	3.5	1.8	1.4	0.7	0.4	2.2	2.4
Fishing	3.6	4.5	5.2	3.0	2.1	1.6	1.7	0.6	0.8	2.2
Electricity, Gas, and Water Supply	1.5	1.0	1.1	1.2	1.7	2.3	2.0	3.1	0.8	2.0
Mining and Quarrying	0.2	0.3	0.6	0.2	0.3	0.3	0.8	1.2	1.0	0.6
Extra-Territorial Organizations and Bodies	0.0	0.0	0.0	0.1	0.2	0.2	0.8	1.2	0.1	0.5
Do Not Know or Not Stated	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.1

Source: Social Security Board

** Applies to persons age 60 - 64 years who have received a retirement benefit and all persons 65 years and older.

Note: The sum of the percentages of Insured Persons in each industry does not add up to 100% during the respective years due to persons working in different industries during the year.



Table 2.9
Active Contributing Employers by District,
2006 - 2010

District	Year				
	2006	2007	2008	2009r	2010p
Total	8,837	8,278	9,917	10,044	9,912
Corozal	2,456	2,305	2,442	2,434	2,518
Orange Walk	1,579	1,471	1,637	1,619	1,570
Belize	2,248	2,071	2,906	2,953	2,824
Cayo	1,654	1,427	1,645	1,717	1,752
Stann Creek	638	630	1,047	967	915
Toledo	262	374	240	354	333

Source: Social Security Board

Table 2.10
Active Businesses and Percentage Distribution by Industry,
2006 - 2010

Industry	Year				
	2006	2007	2008	2009r	2010p
Total	9,241	8,757	10,605	10,764	10,622
Agriculture, Hunting and Forestry	3,233	2,687	3,023	2,942	2,972
Wholesale and Retail, Repair of Motor Vehicles and Motorcycles	1,142	1,139	1,475	1,526	1,515
Private Households with Employed Persons	1,040	1,036	1,339	1,412	1,390
Hotels and Restaurants	851	874	1,105	1,116	1,124
Construction	665	688	812	800	693
Real Estate, Renting and Business Activities	405	431	574	591	573
Manufacturing	433	443	539	542	534
Other Community, Social and Personal Activities	373	374	454	531	533
Transport, Storage and Communication	268	283	382	415	396
Public Administration	203	223	239	257	261
Education	174	159	181	184	192
Health and Social Work	140	137	171	151	154
Financial Intermediation	91	98	105	103	100
Electricity, Gas and Water Supply	58	59	72	80	81
Fishing	35	38	39	39	33
Mining and Quarrying	21	22	31	28	30
Extra-Territorial Organizations and Bodies	13	14	16	13	13
Do Not Know or Not Stated	96	52	48	34	28

Source: Social Security Board



Table 2.11
Active Businesses and Percentage Distribution by District,
2006 - 2010

District	2006		2007		2008		2009r		2010p	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%	Quantity	%
Total	9,241	100.0	8,757	100.0	10,605	100.0	10,764	100.0	10,622	100.0
Corozal	2,549	27.6	2,293	26.2	2,537	23.9	2,518	23.4	2,608	24.6
Orange Walk	1,633	17.7	1,336	15.3	1,705	16.1	1,704	15.8	1,644	15.5
Belize	2,562	27.7	2,514	28.7	3,051	28.8	3,118	29.0	2,993	28.2
Cayo	1,520	16.4	1,575	18.0	1,949	18.4	2,020	18.8	2,055	19.3
Stann Creek	677	7.3	734	8.4	1,112	10.5	1,032	9.6	972	9.2
Toledo	300	3.2	305	3.5	251	2.4	372	3.5	350	3.3

Source: Social Security Board



Table 2.12
Active Self Employed by District and Sex,
2006 - 2010

District	Total				
	2006	2007	2008	2009r	2010p
Total	836	960	930	972	932
Corozal	50	78	108	94	99
Orange Walk	102	101	112	107	100
Belize	228	260	222	261	236
Cayo	201	209	219	212	229
Stann Creek	189	242	204	229	207
Toledo	66	70	65	69	61
Male	409	477	458	491	446
Corozal	32	48	63	55	57
Orange Walk	63	61	69	63	56
Belize	90	110	88	120	99
Cayo	109	117	116	110	114
Stann Creek	77	107	90	107	94
Toledo	38	34	32	36	26
Female	427	483	472	481	486
Corozal	18	30	45	39	42
Orange Walk	39	40	43	44	44
Belize	138	150	134	141	137
Cayo	92	92	103	102	115
Stann Creek	112	135	114	122	113
Toledo	28	36	33	33	35
Total Contribution Paid (BZ\$)	\$246,564	\$295,946	\$302,189	\$322,781	\$339,148

Source: Social Security Board

Table 2.13
Active Self Employed by Age Group and Sex,
2007 - 2010

Age Group	Year				
	2006	2007	2008	2009r	2010p
Total	836	960	930	972	932
18 - 19	8	4	5	2	1
20 - 24	39	45	42	41	36
25 - 29	64	75	64	69	71
30 - 34	106	124	136	119	107
35 - 39	125	144	128	137	141
40 - 44	136	146	125	135	131
45 - 49	126	152	146	160	135
50 - 54	107	138	152	162	168
55 - 59	112	114	115	127	129
60	13	18	17	20	13

Source: Social Security Board



BENEFITS

This section presents information on social security benefits, Non-contributory Pension (NCP), and appeals.

The primary source of benefits data is the Social Security databases. Data on the Mid-Year Population Estimates are obtained from the SIB.

Social Security coverage – includes employed persons aged 14 to 64 years, including public officers and self-employed persons. Persons aged 65 or older who engage in insurable employment are only covered for work injury benefits as of May 7, 1988 and a reduced contribution of BZ\$2.60 weekly is paid only by the Employer. Not covered are persons engaged in casual labour, persons employed for less than eight (8) hours in a contribution week, and military personnel. Coverage was later expanded to include the self-employed and non-contributory pensioners.

Unemployed persons who have met the requirements for voluntary coverage are only covered for Retirement and Survivors' benefits.

Legal Services, SSB, oversees the logistical arrangement for all appeals to be heard and further manages the process for appellants to be duly informed of decisions of the tribunal hearing.



Table 3.1
Benefits Expenditure by Branch/Benefit,
2006 - 2010
(BZ\$)

Branch/Benefit	Year				
	2006	2007	2008	2009r	2010p
Total	\$35,344,475	\$41,372,531	\$50,619,410	\$53,326,548	\$56,175,243
Short Term	\$8,032,219	\$8,603,428	\$10,099,211	\$10,825,484	\$10,427,906
Sickness	\$4,417,664	\$4,954,811	\$5,954,169	\$6,550,537	\$6,355,837
Maternity Allowance	\$2,644,679	\$2,633,720	\$3,085,315	\$3,202,276	\$3,067,662
Maternity Grant	\$969,876	\$1,014,897	\$1,059,728	\$1,072,671	\$1,004,407
Long Term	\$16,532,228	\$17,965,349	\$23,422,911	\$24,414,517	\$26,432,583
Retirement	\$8,827,106	\$9,989,225	\$11,908,989	\$13,065,933	\$14,754,284
Survivors	\$2,970,306	\$1,822,670	\$3,711,728	\$3,661,039	\$4,146,633
Invalidity	\$1,759,732	\$2,966,700	\$2,032,367	\$2,087,560	\$2,310,395
Funeral Grant (NC)	\$763,690	\$795,207	\$835,367	\$897,465	\$1,019,946
Non-contributory Pensions	\$2,211,394	\$2,391,547	\$4,934,460	\$4,702,520	\$4,201,325
Employment Injury	\$2,645,797	\$4,484,739	\$5,835,155	\$5,126,269	\$4,024,274
Injury Benefit	\$1,954,240	\$2,872,413	\$3,812,618	\$3,030,517	\$2,656,935
Disablement Grant	\$376,156	\$347,792	\$493,271	\$543,787	\$395,680
Funeral Grant (EI)	\$2,931	\$9,000	\$9,000	\$10,500	\$1,000
APV Disablement and Death	\$312,470	\$1,255,534	\$1,520,266	\$1,541,465	\$970,659
Disablement and Death Pension	\$1,643,509	\$1,694,606	\$1,876,022	\$1,874,425	\$1,934,752
National Health Insurance	\$6,490,721	\$8,624,409	\$9,386,111	\$11,085,853	\$13,355,728

Source: Social Security Board

Note: 2008 - 2010 National Health Insurance Expenditure refers to all payments made to Primary Care Providers.



Table 3.2
New Claims Allowed by Branch/Benefits,
2006 - 2010

Benefit	Year				
	2006	2007	2008	2009r	2010p
Total	29,897	31,959	37,215	37,098	33,487
Short Term	26,158	28,025	32,995	33,230	29,832
Sickness	21,603	23,435	28,120	28,272	25,240
Maternity Allowance	1,341	1,256	1,352	1,398	1,263
Maternity Grant	3,214	3,334	3,523	3,560	3,329
Long Term	1,358	1,328	1,544	1,480	1,574
Retirement	439	455	584	553	516
Survivors	215	170	223	161	216
Invalidity	76	53	77	69	74
Funeral Grant (NC)	628	650	660	697	768
Employment Injury	2,381	2,606	2,676	2,388	2,081
Injury	2,260	2,471	2,492	2,215	1,955
Disablement	113	126	168	157	109
Death Benefit	6	5	10	9	11
Funeral Grant (EI)	2	4	6	7	6

Source: Social Security Board

Table 3.3
Benefit Recipients by Branch/Benefits,
2006 - 2010

Benefit	Year				
	2006	2007	2008	2009r	2010p
Total	31,808	34,392	38,758	40,023	38,719
Short Term	20,056	21,365	24,287	25,962	24,747
Sickness	15,634	16,808	19,447	21,016	20,168
Maternity Allowance	1,233	1,240	1,352	1,398	1,263
Maternity Grant	3,189	3,317	3,488	3,548	3,316
Long Term	8,800	9,893	11,291	11,058	11,231
Retirement	2,798	2,961	3,237	3,410	3,654
Survivors	2,337	2,363	2,356	2,282	2,446
Invalidity	366	349	381	372	371
Funeral Grant (NC)	628	650	660	697	768
Non-contributory	2,671	3,570	4,657	4,297	3,992
Employment Injury	2,952	3,134	3,180	3,003	2,741
Injury	2,124	2,312	2,364	2,108	1,859
Disablement	489	504	483	553	530
Death Benefit	337	314	327	335	346
Funeral Grant (EI)	2	4	6	7	6

Source: Social Security Board

Note: Retirement, Survivors', Invalidity, Disablement and Death includes those that have received either a pension or a grant.



Table 3.4
Sickness Benefit: Cumulative Days Paid by Number of Days Claimed,
2006 - 2010

Benefit Days	Year				
	2006	2007	2008	2009r	2010p
Total	176,079	192,522	226,438	247,345	235,675
1	1,739	1,880	2,484	2,132	1,505
2	7,974	8,000	9,798	8,722	7,498
3	13,575	14,283	17,010	15,636	14,301
4 - 7	35,494	42,750	49,957	52,650	49,149
8 - 14	24,742	25,041	30,216	38,114	36,299
15 - 21	12,492	14,179	16,553	19,020	18,718
22 - 28	6,255	7,036	9,604	10,950	11,413
29 - 35	10,521	12,978	13,748	12,787	13,879
36 - 42	5,715	5,090	6,592	7,968	7,479
43 - 49	6,573	7,719	6,789	7,236	7,103
50 - 56	4,335	3,756	4,125	5,875	4,635
57 - 63	7,142	6,856	6,061	7,529	6,909
64 - 70	2,306	2,724	3,817	3,878	4,364
71 - 77	2,238	2,438	2,594	3,111	3,548
78 - 84	1,694	1,940	2,024	3,717	3,794
85 - 91	2,217	3,552	3,291	3,180	3,193
92 - 98	3,397	3,765	3,968	4,068	3,207
99 - 105	1,630	2,941	2,038	2,151	2,759
106 - 112	1,749	1,957	1,535	2,175	1,418
113 - 119	1,040	1,502	1,623	1,966	2,553
120 - 126	1,227	2,838	1,470	2,086	2,455
127 - 133	1,425	908	1,292	1,693	1,293
134 - 140	1,230	1,230	1,092	968	1,095
141 - 147	1,013	438	1,576	1,150	850
148 - 156	1,516	1,680	1,677	1,538	2,270
157 - 234	16,840	15,041	25,504	27,045	23,988

Source: Social Security Board



Table 3.5
Sickness Benefit Days Paid by Mean Benefit Payment,
2006 - 2010
(BZ\$)

Benefit Days	Year				
	2006	2007	2008	2009r	2010p
1	\$27	\$28	\$29	\$29	\$29
2	\$54	\$55	\$57	\$57	\$58
3	\$79	\$80	\$82	\$83	\$84
4 - 7	\$132	\$134	\$141	\$145	\$146
8 - 14	\$258	\$266	\$278	\$284	\$289
15 - 21	\$457	\$442	\$460	\$467	\$474
22 - 28	\$644	\$669	\$691	\$676	\$684
29 - 35	\$835	\$858	\$857	\$865	\$857
36 - 42	\$1,015	\$1,069	\$1,066	\$1,057	\$1,113
43 - 49	\$1,205	\$1,228	\$1,285	\$1,319	\$1,313
50 - 56	\$1,379	\$1,370	\$1,469	\$1,487	\$1,534
57 - 63	\$1,550	\$1,626	\$1,714	\$1,750	\$1,727
64 - 70	\$1,741	\$1,780	\$1,871	\$1,775	\$1,801
71 - 77	\$1,967	\$1,991	\$2,028	\$2,071	\$2,081
78 - 84	\$2,100	\$2,054	\$2,480	\$2,144	\$2,297
85 - 91	\$2,228	\$2,291	\$2,350	\$2,541	\$2,447
92 - 98	\$2,690	\$2,405	\$2,630	\$2,699	\$2,437
99 - 105	\$2,893	\$2,597	\$2,814	\$2,919	\$2,860
106 - 112	\$3,141	\$2,958	\$2,629	\$2,997	\$3,260
113 - 119	\$2,615	\$2,999	\$3,410	\$3,175	\$3,452
120 - 126	\$2,928	\$3,027	\$3,079	\$3,262	\$3,313
127 - 133	\$3,531	\$3,240	\$3,057	\$3,560	\$3,586
134 - 140	\$3,814	\$3,474	\$3,600	\$4,068	\$4,823
141 - 147	\$4,692	\$3,623	\$4,367	\$3,876	\$5,024
148 - 156	\$3,738	\$4,110	\$4,609	\$3,805	\$3,746
157 - 234	\$5,674	\$5,183	\$5,257	\$5,416	\$5,659
Mean Payment (BZ\$)	\$212	\$214	\$217	\$234	\$251

Source: Social Security Board

Note: Mean payment refers to the average cost per allowed claim.



Table 3.6
Sickness Benefit by Selected Characteristics,
2006 - 2010

Selected Characteristics	Year				
	2006	2007	2008	2009r	2010p
Cases Processed	26,246	27,698	32,793	31,198	28,359
Age Group					
14 - 19	878	1,139	1,447	1,321	866
20 - 24	4,589	4,717	5,844	5,683	4,811
25 - 29	5,599	5,569	6,437	6,373	5,722
30 - 34	4,457	4,798	5,608	5,261	4,863
35 - 39	3,784	3,833	4,336	4,246	3,926
40 - 44	2,685	2,863	3,449	3,141	3,036
45 - 49	1,968	2,313	2,604	2,375	2,319
50 - 54	1,330	1,333	1,728	1,567	1,633
55 - 64	956	1,133	1,340	1,231	1,183
Average Days Claimed	8	8	8	9	9
Age Group					
14 - 19	7	7	6	7	7
20 - 24	7	7	6	7	7
25 - 29	7	7	7	8	8
30 - 34	8	7	7	8	9
35 - 39	8	8	8	9	9
40 - 44	9	9	9	10	10
45 - 49	9	10	10	11	11
50 - 54	11	12	11	12	13
55 - 64	14	12	14	13	15
Mean Payment (BZ\$)	\$212	\$214	\$217	\$234	\$251
Age Group					
14 - 19	\$123	\$123	\$122	\$125	\$132
20 - 24	\$156	\$161	\$145	\$166	\$164
25 - 29	\$183	\$185	\$184	\$205	\$216
30 - 34	\$211	\$193	\$201	\$222	\$247
35 - 39	\$216	\$226	\$235	\$255	\$270
40 - 44	\$250	\$249	\$237	\$279	\$286
45 - 49	\$247	\$263	\$277	\$293	\$320
50 - 54	\$277	\$320	\$278	\$347	\$371
55 - 64	\$294	\$306	\$334	\$343	\$356

Source: Social Security Board

Note: Mean payment refers to the average cost per allowed claim.



Table 3.7
Sickness Benefit Claims Paid by Industry,
2006 - 2010

Industry	Year				
	2006	2007	2008	2009r	2010p
Total	21,603	23,435	28,120	28,272	25,240
Public Administration	3,847	3,429	4,577	4,430	4,296
Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles	2,171	2,450	2,901	3,189	2,899
Agriculture, Hunting and Forestry	2,422	2,722	2,846	2,676	2,574
Real Estate, Renting and Business Activities	1,515	1,950	2,869	2,772	2,157
Manufacturing	2,064	2,287	2,450	2,265	2,024
Health and Social Work	1,670	2,254	2,649	2,353	2,000
Hotels and Restaurants	1,448	1,612	1,772	1,883	1,630
Transport, Storage and Communication	1,569	1,565	1,647	1,582	1,509
Other Community, Social and Personal Activities	1,085	1,159	1,405	1,478	1,455
Financial Intermediation	687	814	941	1,242	1,239
Education	409	523	769	1,050	1,001
Construction	1,084	911	1,280	1,422	897
Electricity, Gas and Water Supply	425	450	507	550	539
Private Households with Employed Persons	404	400	364	383	405
Fishing	606	595	655	570	363
Extra-Territorial Organizations and Bodies	126	196	218	238	182
Mining and Quarrying	70	117	270	189	70
Do Not know or Not Stated	1	1	0	0	0

Source: Social Security Board



Table 3.8
Maternity Allowance by Selected Characteristics,
2006 - 2010

Selected Characteristics	Year				
	2006	2007	2008	2009r	2010p
Cases	1,341	1,256	1,352	1,398	1,338
Age Group					
14 - 19	36	29	43	82	30
20 - 24	402	321	372	419	337
25 - 29	430	401	457	446	486
30 - 34	297	315	307	294	297
35 - 39	143	143	128	125	154
40 - 44	33	46	45	31	31
45 - 64	0	1	0	1	3
Weeks Claimed					
< 14 Weeks	259	256	155	169	317
14 Weeks	903	939	1,125	1,169	1,002
15 Weeks	19	9	32	31	9
16 Weeks	21	23	41	31	10
Mean Payment (BZ\$)	\$1,972	\$1,891	\$2,245	\$2,418	\$2,235
Age Group					
14 - 19	\$1,177	\$1,703	\$1,808	\$1,815	\$1,182
20 - 24	\$1,801	\$1,969	\$2,283	\$2,195	\$1,938
25 - 29	\$2,030	\$2,178	\$2,508	\$2,638	\$2,235
30 - 34	\$2,227	\$2,300	\$2,583	\$2,575	\$2,541
35 - 39	\$1,967	\$2,402	\$2,646	\$2,472	\$2,498
40 - 44	\$1,897	\$1,883	\$2,249	\$2,179	\$2,340
45 - 64	\$0	\$798	\$0	\$1,792	\$1,288

Source: Social Security Board

Note: Mean payment refers to the average cost per allowed claim.



Table 3.9
Maternity Grants Paid by Age Group and Sex,
2006 - 2010

Age Group	Year				
	2006	2007	2008	2009r	2010p
Total	3,304	3,661	3,523	3,550	3,329
14 - 19	96	67	134	50	59
20 - 24	855	880	911	812	770
25 - 29	1,022	1,050	1,039	1,094	1,038
30 - 34	685	826	730	818	754
35 - 39	374	466	411	447	409
40 - 44	178	222	188	209	41
45 - 49	54	92	71	69	217
50 - 54	26	33	24	31	26
55 - 59	11	19	11	15	10
60+	3	6	4	5	5
Male*	2,173	2,463	2,194	2,184	1,997
14 - 19	59	40	70	24	35
20 - 24	511	579	515	499	443
25 - 29	642	662	609	629	559
30 - 34	455	536	453	480	453
35 - 39	258	327	282	279	249
40 - 44	154	171	155	158	0
45 - 49	54	91	71	64	217
50 - 54	26	32	24	31	26
55 - 59	11	19	11	15	10
60+	3	6	4	5	5
Female	1,131	1,198	1,329	1,366	1,332
14 - 19	37	27	64	26	24
20 - 24	344	301	396	313	327
25 - 29	380	388	430	465	479
30 - 34	230	290	277	338	301
35 - 39	116	139	129	168	160
40 - 44	24	51	33	51	41
45 - 49	0	1	0	5	0
50 - 54	0	1	0	0	0
55 - 59	0	0	0	0	0
60+	0	0	0	0	0

Source: Social Security Board

* Maternity grants are payable to male insured persons who present proof of paternity. A grant is not paid to fathers in respect of a child for whom an insured mother has claimed.



Table 3.10
Long Term Pension by Recipients at Year End and Expenditure,
2009 - 2010

Long Term Pensioners	2009		2010	
	Recipients	Expenditure (BZ\$)	Recipients	Expenditure (BZ\$)
Total	10,691	\$23,663,285	10,954	\$25,322,145
Retirement	3,142	\$12,149,093	3,463	\$13,822,401
Invalidity	341	\$1,770,802	340	\$1,912,810
Survivors [†]	2,166	\$3,164,573	2,468	\$3,450,857
Disablement	410	\$1,237,289	345	\$1,294,669
Death	335	\$639,008	346	\$640,083
Non-contributory Pensioners	4,297	\$4,702,520	3,992	\$4,201,325

Source: Social Security Board



Table 3.11
Retirement Pensions Awarded by Age, Sex and Mean Monthly Payment,
2006 - 2010

Age	Year				
	2006	2007	2008	2009r	2010p
Total	175	227	315	289	417
60	110	91	117	95	246
61	5	16	79	78	41
62	23	13	20	27	28
63	18	14	17	23	19
64	7	22	18	13	45
65	26	46	47	26	26
66	33	8	11	22	5
67	0	2	3	1	1
68	3	1	1	0	1
69+	2	2	2	4	5
Male	159	151	207	205	264
60	78	61	67	57	145
61	0	11	51	53	24
62	17	9	15	21	19
63	15	11	14	22	16
64	3	15	14	11	34
65	11	36	33	21	21
66	30	5	8	15	2
67	0	1	3	1	1
68	3	1	1	0	0
69+	2	1	1	4	2
Female	68	64	108	84	153
60	32	30	50	38	101
61	5	5	28	25	17
62	6	4	5	6	9
63	3	3	3	1	3
64	4	7	4	2	11
65	15	10	14	5	5
66	3	3	3	7	3
67	0	1	0	0	0
68	0	0	0	0	1
69+	0	1	1	0	3
Mean Monthly Payment (BZS)					
Total	\$369	\$427	\$414	\$421	\$408
Male	\$388	\$415	\$399	\$400	\$394
Female	\$361	\$453	\$442	\$472	\$433

Source: Social Security Board

Note: Mean monthly payment refers to the average monthly cost per allowed claim.



Table 3.12
Retirement Grants Awarded by Age, Sex and Mean Payment,
2006 - 2010

Age	Year				
	2006	2007	2008	2009r	2010p
Total	222	214	270	264	307
60	54	67	72	82	100
61	20	17	29	34	38
62	14	25	12	14	28
63	10	8	19	23	30
64	18	13	11	15	24
65	56	40	51	43	35
66	22	11	16	25	13
67	8	12	10	9	8
68	1	6	7	3	5
69+	19	15	43	16	26
Male	165	162	207	187	209
60	34	46	50	52	71
61	11	9	28	28	23
62	12	23	8	9	18
63	8	5	17	14	22
64	15	12	9	10	11
65	44	31	39	34	22
66	19	7	14	18	13
67	8	12	7	7	6
68	1	4	6	1	3
69+	13	13	29	14	20
Female	57	52	63	77	98
60	20	21	22	30	29
61	9	8	1	6	15
62	2	2	4	5	10
63	2	3	2	9	8
64	3	1	2	5	13
65	12	9	12	9	13
66	3	4	2	7	0
67	0	0	3	2	2
68	0	2	1	2	2
69+	6	2	14	2	6
Mean Payment (BZS)					
Total	\$3,148	\$3,240	\$2,861	\$3,277	\$2,957
Male	\$3,279	\$3,421	\$2,890	\$3,457	\$2,893
Female	\$2,771	\$2,669	\$2,766	\$2,844	\$3,095

Source: Social Security Board

Note: Mean payment refers to the average cost per allowed claim.



Table 3.13
Invalidity Pensioners at Year End by Age Group and Sex, 2006 - 2010

Age Group	Year				
	2006	2007	2008	2009r	2010p
Total	310	370	333	341	340
< 20	0	0	0	0	0
20 - 24	0	0	3	0	0
25 - 29	5	4	6	2	3
30 - 34	12	4	24	7	7
35 - 39	25	24	43	24	29
40 - 44	39	40	48	45	49
45 - 49	61	47	88	55	65
50 - 54	82	79	103	87	97
55 - 59	107	99	18	99	90
60 - 64	39	13	0	22	0
65+	0	1	0	0	0
Male	203	162	171	177	173
< 20	0	0	0	0	0
20 - 24	0	0	3	0	0
25 - 29	4	4	4	2	3
30 - 34	9	3	14	5	5
35 - 39	17	15	28	12	16
40 - 44	27	25	21	30	29
45 - 49	32	20	44	27	33
50 - 54	36	38	48	43	45
55 - 59	53	48	9	45	42
60 - 64	25	8	0	13	0
65+	0	1	0	0	0
Female	167	149	162	164	167
< 20	0	0	0	0	0
20 - 24	0	0	0	0	0
25 - 29	1	0	2	0	0
30 - 34	3	1	10	2	2
35 - 39	8	9	15	12	13
40 - 44	12	15	27	15	20
45 - 49	29	27	44	28	32
50 - 54	46	41	55	44	52
55 - 59	54	51	9	54	48
60 - 64	14	5	0	9	0
65+	0	0	0	0	0

Source: Social Security Board

¹ - Includes all persons declared by a medical board as permanently "incapable to work" as a result from a specific disease or bodily or mental disablement and are receiving a Social Security Invalidity Pension.



Table 3.14
Invalidity Grants Awarded by Sex, Total Payment and Mean Payment, 2006 - 2010

Selected Characteristics	Year				
	2006	2007	2008	2009r	2010p
Sex					
Total	33	31	38	27	31
Male	18	23	25	22	17
Female	15	8	13	5	14
Total Payment (BZ\$)					
Total	\$290,827	\$235,288	\$281,911	\$223,278	\$378,369
Male	\$128,447	\$154,928	\$212,351	\$195,531	\$238,243
Female	\$162,380	\$80,360	\$69,560	\$27,748	\$140,125
Mean Payment (BZ\$)	\$9,367	\$7,590	\$7,619	\$8,270	\$12,205

Source: Social Security Board

Note: Mean payment refers to the average cost per allowed claim.

Table 3.15
'Spouses Receiving Survivors' Pension at Year End by Sex and Mean Monthly Payment, 2006 - 2010

Selected Characteristics	Year				
	2006	2007	2008	2009r	2010p
Sex					
Total	725	801	855	907	989
Male	7	9	18	40	23
Female	718	792	837	867	966
Mean Monthly Payment (BZ\$)					
Total	\$151	\$188	\$179	\$184	\$198
Male	\$137	\$173	\$111	\$150	\$180
Female	\$151	\$204	\$181	\$186	\$198

Source: Social Security Board

¹ - Includes all persons classified as spouses in receipt of a Social Security Survival Pension.

Note: Mean monthly payment refers to the average monthly cost per allowed claim.



Table 3.16
Children Awarded Survivor's Pension by Age Group, Sex and Mean Monthly Payment, 2006 - 2010

Age Group	Year				
	2006	2007	2008	2009 ^r	2010 ^p
Total	120	138	145	114	181
00 - 04	21	24	27	14	32
05 - 09	33	40	39	32	45
10 - 14	34	39	50	35	63
15 - 16	16	16	12	17	15
17 - 21	15	18	15	16	24
22+	1	1	2	0	2
Male	56	78	72	59	94
00 - 04	14	15	15	8	17
05 - 09	12	22	18	14	25
10 - 14	14	22	31	15	31
15 - 16	10	9	4	11	11
17 - 21	6	10	4	11	9
22+	0	0	0	0	1
Female	64	60	73	55	87
00 - 04	7	9	12	6	15
05 - 09	21	18	21	18	20
10 - 14	20	17	19	20	32
15 - 16	6	7	8	6	4
17 - 21	9	8	11	5	15
22+	1	1	2	0	1
Mean Monthly Payment (BZ\$)					
Total	\$82	\$109	\$107	\$106	\$124
Male	\$79	\$96	\$103	\$105	\$128
Female	\$85	\$126	\$111	\$107	\$121

Source: Social Security Board

Note: Mean monthly payment refers to the average monthly cost per allowed claim.



Table 3.17
'Children Receiving Survivors' Pension at Year End by Age Group, Sex and Mean Monthly Payment, 2006 - 2010

Age Group	Year				
	2006	2007	2008	2009 ^r	2010 ^p
Total	927	1,038	1,174	1,259	1,479
00 - 04	142	70	91	80	64
05 - 09	141	223	261	250	225
10 - 14	274	383	451	456	441
15 - 16	193	231	168	194	200
17 - 21	164	116	189	258	518
22+	13	15	14	21	28
Male	473	518	595	641	750
00 - 04	84	39	50	43	34
05 - 09	61	111	127	124	119
10 - 14	138	189	226	220	215
15 - 16	96	116	84	105	98
17 - 21	87	55	100	136	268
22+	7	8	8	13	16
Female	454	520	579	618	729
00 - 04	58	31	41	37	30
05 - 09	80	112	134	126	109
10 - 14	136	194	225	236	226
15 - 16	97	115	84	89	102
17 - 21	77	61	89	122	250
22+	6	7	6	8	12
Mean Monthly Payment (BZ\$)					
Total	\$57	\$90	\$88	\$89	\$92
Male	\$59	\$93	\$89	\$89	\$93
Female	\$56	\$87	\$87	\$88	\$92

Source: Social Security Board

¹ - Includes all persons classified as orphans in receipt of a Social Security Survival Benefit.

Note: Mean monthly payment refers to the average monthly cost per allowed claim.



Table 3.18
'DIP by Number of Surviving Orphans by Sex and Year,
2006 - 2010

Number of Orphans	Year				
	2006	2007	2008	2009 ^r	2010 ^p
Total	106	112	102	108	123
1	32	21	24	24	27
2	18	22	19	26	30
3	17	19	20	10	30
4	14	18	17	13	16
5	7	6	9	3	2
6	18	12	6	18	18
7	0	14	7	14	0

Source: Social Security Board

¹ - Dead Insured Persons who met the requirements to receive a Retirement or Invalidation Pension.

Table 3.19
'DIP by Number of Surviving Spouses by Sex and Year,
2006 - 2010

Sex	Year				
	2006	2007	2008	2009 ^r	2010 ^p
Total	88	90	95	88	116
Male	4	4	0	2	0
Female	84	86	95	86	116

Source: Social Security Board

¹ - Dead Insured Persons who met the requirements to receive a Retirement or Invalidation Pension.

Table 3.20
'DIP by Number of Surviving Parents by Sex and Year,
2006 - 2010

Number of Parents	Year				
	2006	2007	2008	2009 ^r	2010 ^p
Total	8	6	5	5	0
1	4	4	3	5	0
2	4	2	2	0	0
Male	3	1	1	2	0
1	1	0	0	2	0
2	2	1	1	0	0
Female	5	5	4	3	0
1	3	4	3	3	0
2	2	1	1	0	0

Source: Social Security Board

¹ - Dead Insured Persons who met the requirements to receive a Retirement or Invalidation Pension.



Table 3.21
Survivors' Grant Awarded to Beneficiaries by
Age Group, Sex and Mean Payment,
2006 - 2010

Age Group	Year				
	2006	2007	2008	2009 ^r	2010 ^p
Total	107	156	169	204	258
<20	1	104	103	139	192
20 - 29	17	8	12	11	9
30 - 39	28	12	13	16	17
40 - 49	25	11	17	17	15
50 - 59	26	17	12	16	15
60+	10	4	12	5	10
Male	83	54	54	77	79
<20	0	44	50	74	75
20 - 29	10	1	1	3	0
30 - 39	19	2	0	0	0
40 - 49	20	2	1	0	2
50 - 59	24	4	0	0	1
60+	10	1	2	0	1
Female	24	102	115	127	179
<20	1	60	53	65	117
20 - 29	7	7	11	8	9
30 - 39	9	10	13	16	17
40 - 49	5	9	16	17	13
50 - 59	2	13	12	16	14
60+	0	3	10	5	9
Mean Payment (BZS)	\$4,041	\$1,855	\$3,540	\$3,885	\$4,962

Source: Social Security Board

Note: Mean payment refers to the average cost per allowed claim.



Table 3.22
Disablement Pension Awarded to Beneficiaries by Degree of Disability in Percent, Sex and Mean Monthly Payment, 2006 - 2010

Degree of Disability (%)	Year				
	2006	2007	2008	2009r	2010p
Total	4	19	12	16	12
25.00 - 29.99	1	5	2	2	2
30.00 - 39.99	2	7	5	5	4
40.00 - 49.99	1	2	2	2	2
50.00 - 59.99	0	1	0	4	0
60+	0	4	3	3	4
Male	4	18	11	16	11
25.00 - 29.99	1	4	1	2	2
30.00 - 39.99	2	7	5	5	3
40.00 - 49.99	1	2	2	2	2
50.00 - 59.99	0	1	0	4	0
60+	0	4	3	3	4
Female	0	1	1	0	1
25.00 - 29.99	0	1	1	0	0
30.00 - 39.99	0	0	0	0	1
40.00 - 49.99	0	0	0	0	0
50.00 - 59.99	0	0	0	0	0
60+	0	0	0	0	0
Mean Monthly Payment (BZ\$)					
Total	\$196	\$282	\$355	\$248	\$242
Male	\$196	\$287	\$370	\$248	\$249
Female	\$0	\$188	\$188	\$0	\$188

Source: Social Security Board

Note: Mean monthly payment refers to the average monthly cost per allowed claim.



Table 3.23
¹Disablement Pensions at Year End by Selected Characteristics, 2006 - 2010

Age Group	Year				
	2006	2007	2008	2009r	2010p
Total	380	395	401	405	417
< 20	1	1	0	1	0
20 - 29	23	22	22	24	25
30 - 39	77	72	69	73	72
40 - 49	115	118	114	114	120
50 - 59	88	98	107	104	109
60+	76	84	89	89	91
Male	355	369	374	377	392
< 20	1	1	0	0	0
20 - 29	21	20	20	22	23
30 - 39	76	71	67	70	70
40 - 49	107	109	108	109	113
50 - 59	79	91	98	95	102
60+	71	77	81	81	84
Female	25	26	27	28	25
< 20	0	0	0	1	0
20 - 29	2	2	2	2	2
30 - 39	1	1	2	3	2
40 - 49	8	9	6	5	7
50 - 59	9	7	9	9	7
60+	5	7	8	8	7
Mean Monthly Payment (BZ\$)					
Total	\$214	\$218	\$219	\$221	\$225
Male	\$215	\$219	\$220	\$222	\$228
Female	\$203	\$202	\$202	\$203	\$192

Source: Social Security Board

¹ - Includes all persons classified as having a work disability that are in receipt of a Social Security Income.

Note: Mean monthly payment refers to the average monthly cost per allowed claim.



Table 3.24
Disablement Grants Awarded by Degree of Disability in Percent,
Sex and Mean Payment,
2006 - 2010

Degree of Disability (%)	Year				
	2006	2007	2008	2009 ^r	2010 ^p
Total	109	109	82	148	113
00.00 - 04.99	47	43	73	75	60
05.00 - 09.99	39	23	47	39	29
10.00 - 14.99	16	9	19	18	15
15.00 - 19.99	3	5	5	7	7
20.00 - 24.99	4	2	4	9	2
Male	104	77	140	142	104
00.00 - 04.99	43	41	69	71	53
05.00 - 09.99	39	21	44	38	28
10.00 - 14.99	15	9	19	18	14
15.00 - 19.99	3	4	4	7	7
20.00 - 24.99	4	2	4	8	2
Female	5	5	8	6	9
00.00 - 04.99	4	2	4	4	7
05.00 - 09.99	0	2	3	1	1
10.00 - 14.99	1	0	0	0	1
15.00 - 19.99	0	1	1	0	0
20.00 - 24.99	0	0	0	1	0
Mean Payment (BZS)					
Total	\$3,349	\$3,257	\$3,333	\$3,730	\$3,222
Male	\$3,422	\$3,121	\$3,370	\$3,747	\$3,376
Female	\$1,821	\$5,357	\$2,685	\$3,337	\$1,439

Source: Social Security Board

Note: Mean payment refers to the average cost per allowed claim.

Table 3.25
Survivors' Benefit Awarded to Children for Death Benefit
by Sex and Mean Monthly Payment,
(Death due to Employment Injury)
2006 - 2010

Selected Characteristics	Year				
	2006	2007	2008	2009 ^r	2010 ^p
Sex					
Total	13	20	14	27	21
Male	5	11	6	12	11
Female	8	9	8	15	10
Mean Monthly Payment (BZS)	\$119	\$159	\$170	\$161	\$173

Source: Social Security Board

Note: Mean monthly payment refers to the average monthly cost per allowed claim.



Table 3.26
'Survivors' Benefit at Year End for Children Receiving Death Benefit
by Age Group, Sex and Mean Monthly Payment,
(Death due to Employment Injury)
2006 - 2010

Age Group	Year				
	2006	2007	2008	2009 ^r	2010 ^p
Total	236	184	219	225	239
00 - 04	21	10	12	9	11
05 - 09	52	43	44	48	41
10 - 14	62	66	63	74	76
15 - 16	34	26	31	31	30
17 - 21	67	39	69	63	81
Male	125	96	112	118	130
00 - 04	14	3	4	2	5
05 - 09	25	25	24	27	23
10 - 14	32	38	36	42	45
15 - 16	18	14	13	15	14
17 - 21	36	16	35	32	43
Female	111	88	107	107	109
00 - 04	7	7	8	7	6
05 - 09	27	18	20	21	18
10 - 14	30	28	27	32	31
15 - 16	16	12	18	16	16
17 - 21	31	23	34	31	38
Mean Monthly Payment (BZS)	\$81	\$115	\$120	\$127	\$126

Source: Social Security Board

¹ - Includes all children in receipt of a Social Security Death Benefit.

Note: Mean monthly payment refers to the average monthly cost per allowed claim.



Table 3.27
'Survivors' Benefit at Year End for Spouses Receiving
Death Benefit by Sex and Mean Monthly Payment,
(Death due to Employment Injury)
2006 - 2010

Selected Characteristics	Year				
	2006	2007	2008	2009r	2010p
Sex					
Total	101	130	108	110	107
Male	0	0	0	0	0
Female	101	130	108	110	107
Mean Monthly Payment (BZ\$)	\$232	\$258	\$283	\$296	\$313

Source: Social Security Board

¹ - Includes all persons classified as spouses receiving a Social Security Death Benefit.

Note: Mean monthly payment refers to the average monthly cost per allowed claim.

Table 3.28
Employment Injury by Nature of Injury,
2006 - 2010

Nature of Injury	Year				
	2006	2007	2008	2009r	2010p
Total	2,280	2,470	2,521	2,446	1,955
Open wounds and injury to blood vessels	759	812	789	739	682
Other injuries, early complications of trauma	750	853	961	877	618
Dislocations, sprains and strains	264	335	273	317	239
Fractures	210	158	172	175	137
Foreign bodies entering orifice	96	141	145	150	102
Intercranial and internal injuries, including nerves	41	67	72	79	83
Late effects of injuries, poisoning, toxic effects and other external causes	69	32	34	28	50
Burns	64	54	54	53	42
Poisoning and toxic effects	12	4	7	16	0
Complications of medical and surgical care	1	1	0	1	0
Missing Codes	14	13	14	11	2

Source: Social Security Board



Table 3.29
Employment Injury by Industry and Cause,
2006 - 2010

Selected Characteristics	Year				
	2006	2007	2008	2009r	2010p
Total	2,280	2,470	2,521	2,446	1,955
Industry					
Agriculture, Hunting and Forestry	812	865	797	818	745
Construction	319	402	507	439	240
Manufacturing	255	259	271	263	204
Wholesale and Retail Trade, Repair of Motor Vehicles	158	191	177	189	152
Public Administration	115	103	98	126	114
Hotels and Restaurants	164	125	137	134	101
Real Estate, Renting and Business Activities	73	64	76	93	71
Health and Social Work	59	79	61	79	61
Transport, Storage and Communications	85	107	104	79	59
Other Community, Social and Personal Activities	63	65	75	57	56
Fishing	77	38	54	45	39
Electricity, Gas and Water Supply	18	26	21	20	38
Education	13	27	27	29	26
Private Households with Employed Persons	30	38	29	22	24
Mining and Quarrying	17	50	65	31	15
Financial Intermediation	7	5	12	15	5
Extra-Territorial Organizations and Bodies	7	13	3	1	1
Do Not Know or Not Stated	8	13	7	6	4
Cause					
Other Accidents Including Late Effects	1,446	1,620	1,525	1,505	1,343
Accidental Falls	595	597	692	654	445
Transport Accidents	141	167	139	176	116
Other Violence	20	10	19	52	23
Accidental Poisoning	10	13	102	11	10
Accidents Caused by Fire or Flames	51	30	15	30	7
Homicide and Injury Purposefully Inflicted by Other Persons	4	6	9	9	2
Misadventures During Medical Care	1	0	1	0	0
Missing Codes	12	27	19	9	9

Source: Social Security Board



Table 3.30
Number of Non-contributory Pensioners at Year End by District and Sex,
2006 - 2010

District	Year				
	2006*	2007**	2008	2009	2010p
Total	2,671	3,570	4,657	4,297	3,992
Corozal	403	519	742	654	680
Orange Walk	479	700	954	893	771
Belize City	692	823	1,020	981	949
Cayo	577	802	1,041	929	827
Stann Creek	266	352	423	425	362
Toledo	254	374	477	415	403
Female	2,671	2,815	2,941	2,790	2,654
Corozal	403	409	454	403	413
Orange Walk	479	527	522	520	459
Belize City	692	721	759	709	710
Cayo	577	610	629	611	568
Stann Creek	266	283	297	285	246
Toledo	254	265	280	262	258
Male	-	755	1,716	1,507	1,338
Corozal	-	110	288	251	267
Orange Walk	-	173	432	373	312
Belize City	-	102	261	272	239
Cayo	-	192	412	318	259
Stann Creek	-	69	126	140	116
Toledo	-	109	197	153	145

Source: Social Security Board and Statistical Institute of Belize

Note: * Females only.

** NCP Scheme for Males began in December 2007.



Table 3.31
Total Expenditure, Non-contributory Pensioners by Branch,
2006 - 2010
(BZ\$)

Branch	Year				
	2006	2007	2008	2009r	2010p
Total	\$2,254,050	\$2,391,547	\$5,094,100	\$4,702,520	\$4,440,000
Belize City	\$571,500	\$544,800	\$1,003,500	\$978,300	\$913,800
Belmopan	\$81,300	\$139,025	\$330,900	\$306,520	\$287,400
Corozal	\$339,750	\$345,875	\$769,300	\$744,200	\$712,600
Dangriga	\$193,125	\$209,575	\$362,400	\$312,700	\$295,600
Independence	\$30,900	\$38,900	\$117,800	\$146,900	\$150,300
Orange Walk	\$403,125	\$461,950	\$1,123,800	\$1,009,500	\$937,000
Punta Gorda	\$211,050	\$239,875	\$517,600	\$462,800	\$442,100
San Pedro	\$21,675	\$19,900	\$29,600	\$29,200	\$28,800
Santa Elena	\$401,625	\$391,647	\$839,200	\$712,400	\$672,400

Source: Social Security Board

Note: NCP Expenditure includes total payment made for all approved NCP recipients January - December in reference year.

In 2006 to 2008, NCP expenditures represents approved NCP payments prior to cancellations or replacements.

NCP Scheme for Males began in December 2007.

Table 3.32
Number of Non-contributory Pensioners by Year by District, Sex and Age Group,
2009

Age Group	District						Total
	Corozal	Orange Walk	Belize	Cayo	Stann Creek	Toledo	
Total	654	893	981	929	425	415	4,297
65 - 69	117	160	115	126	48	61	627
70 - 74	176	226	229	226	125	114	1,096
75 - 79	146	212	259	230	114	114	1,075
80 - 84	109	170	178	194	77	76	804
85 - 89	68	88	110	99	42	27	434
90 - 94	26	24	62	40	12	15	179
95 - 99	12	11	20	11	5	6	65
100 & Over	0	2	8	3	2	2	17

Source: Social Security Board



Table 3.33
Appeals Heard by an Appeal Tribunal by Branch Office, Benefit
and Outcome of Appeal,
2006 - 2010

Selected Characteristics	Year				
	2006	2007	2008	2009 ^r	2010 ^p
Branch Office	90	140	41	40	43
Corozal	11	11	1	13	3
Orange Walk	14	18	2	5	4
Belize	32	70	16	7	14
San Pedro	0	6	3	0	2
Belmopan	12	15	8	4	7
Santa Elena	13	8	8	7	6
Dangriga	7	6	1	2	5
Independence	1	1	0	0	1
Punta Gorda	0	5	2	2	1
Benefit	90	140	41	40	49
Short Term	52	83	12	10	20
Sickness	50	81	10	6	13
Maternity Allowance	1	1	2	4	5
Maternity Grant	1	1	0	0	2
Long Term	8	18	12	9	11
Retirement	1	2	2	0	3
Survivors	1	5	2	4	4
Invalidity	5	11	7	5	3
Funeral Grant (NC)	1	0	1	0	1
Employment Injury	30	39	17	21	18
Injury	30	36	12	12	9
Disablement	0	3	5	9	9
Death Benefit	0	0	0	0	0
Funeral Grant (EI)	0	0	0	0	0
Outcome of Appeal	90	140	41	40	43
Ruling for SSB	50	85	30	29	31
Ruling for Appellant	0	51	2	1	12
Cases Pending/adjourned	40	4	9	10	0

Source: Social Security Board



NATIONAL HEALTH INSURANCE (NHI)

This section presents data on National Health Insurance (NHI) Membership, Expenditure, Primary Care Providers, Patients Getting Prescription, Patients Getting Lab Referral, Patients Getting Imaging Referral, and Most Common Medication & Laboratory Test. The main source of data is the NHI Services .

In August 2001, the Government of Belize implemented the NHI Pilot project in the South Side of Belize City. This was part of the overall Health Sector Reform project which had as one of its primary objectives the delivery of quality primary health care that is accessible to the population in an equitable, sustainable and efficient manner. In 2006, the NHI program was rolled out to the Southern Region of Belize, namely, Stann Creek and Toledo District. Initial financing of the Scheme came from SSB but eventually Government began to take up an ever increasing portion of the budgetary commitment. In 2009, the NHI became fully funded by the Government of Belize.

The evaluation of the Pilot Project and subsequent assessments have provided solid evidence that the NHI Scheme has had significant impact on the quality and accessibility of primary care service delivery for the people of the South Side Belize City and the Southern Region. The Pay for Performance scheme has been successful in stimulating productivity and quality in both private and public medical care providers.



Table 4.1
NHI Membership by Primary Care Providers,
2006 - 2010

Primary Care Providers	Year				
	2006	2007	2008	2009r	2010p
Total	39,789	70,426	81,129	87,192	91,041
Southside Belize City	39,789	42,224	42,922	44,686	46,069
Belize Family Life Association	7,124	7,808	8,451	9,270	10,069
Belize Health Care Partners	12,576	12,576	12,000	12,000	12,000
Belize Medical Associates	8,986	9,710	10,471	11,416	12,000
Matron Roberts Clinic	11,103	12,130	12,000	12,000	12,000
Mercy Clinic	-	-	-	3,000	3,000
Southern Region	-	28,202	38,207	42,506	44,972
Dangriga	-	5,940	9,912	11,558	12,642
Independence	-	9,452	11,413	12,280	12,631
Punta Gorda	-	6,457	8,944	9,995	10,646
San Antonio	-	6,353	7,938	8,673	9,053

Source: NHI, Social Security Board

Table 4.2
Percent of NHI Patients Receiving Prescription by Primary Care Providers,
2008 - 2010

Primary Care Providers	Year		
	2008	2009r	2010p
Southside Belize City			
Belize Family Life Association	85%	85%	84%
Belize Health Care Partners	83%	87%	89%
Belize Medical Associates	78%	84%	85%
Matron Roberts Health Clinic	80%	80%	82%
Mercy Clinic	-	93%	98%
Southern Region			
Dangriga	88%	86%	86%
Independence	92%	83%	87%
Punta Gorda	92%	92%	91%
San Antonio	92%	97%	98%

Source: NHI, Social Security Board



Table 4.3
Percent of NHI Patients Receiving Lab Referral by Primary Care Providers,
2008 - 2010

Primary Care Providers	Year		
	2008	2009r	2010p
Southside Belize City			
Belize Family Life Association	45%	53%	70%
Belize Health Care Partners	44%	50%	62%
Belize Medical Associates	55%	59%	71%
Matron Roberts Health Clinic	36%	45%	54%
Mercy Clinic	-	37%	78%
Southern Region			
Dangriga	15%	9%	17%
Independence	2%	1%	3%
Punta Gorda	28%	26%	32%
San Antonio	10%	14%	17%

Source: NHI, Social Security Board

Table 4.4
Percent of NHI Patients Receiving Imaging Referral by Primary Care Providers,
2008 - 2010

Primary Care Providers	Year		
	2008	2009r	2010p
Southside Belize City			
Belize Family Life Association	29%	34%	40%
Belize Health Care Partners	30%	28%	32%
Belize Medical Associates	36%	34%	41%
Matron Roberts Health Clinic	24%	28%	30%
Mercy Clinic	-	-	37%
Southern Region			
Dangriga	8%	5%	12%
Independence	-	-	-
Punta Gorda	9%	12%	16%
San Antonio	5%	12%	13%

Source: NHI, Social Security Board



Table 4.5
Mean Number of Consultations Per Patient by Primary Care Providers, 2008 - 2010

Primary Care Providers	Year		
	2008	2009r	2010p
Grand Mean	3.5	3.5	3.8
Southside Belize City	3.9	2.8	3.0
Belize Family Life Association	4.3	4.5	5.0
Belize Health Care Partners	3.8	4.0	4.5
Belize Medical Associates	4.4	4.6	5.0
Matron Roberts Health Clinic	3.1	3.4	3.9
Mercy Clinic	-	1.5	7.3
Southern Region	3.2	2.8	3.0
Dangriga	2.8	2.5	2.8
Independence	4.1	2.7	3.1
Punta Gorda	3.1	3.0	3.2
San Antonio	2.4	3.2	3.1

Source: NHI, Social Security Board

Table 4.6
NHI Ten Most Common Primary Diagnosis by Frequency, 2010

Primary Diagnosis	Year	
	2010p	
	Quantity	%
Total	171,376	100.0
Acute Respiratory Infections	23,191	13.5
Maternal Care	15,935	9.3
Hypertension	12,844	7.5
Normal examinations	8,511	5.0
Diabetes	5,967	3.5
Immunizations	4,569	2.7
Urinary Tract Infections	4,442	2.6
Diarrhoeal Disease	3,972	2.3
Hypercholesterolemia	2,000	1.2
Scabies	1,626	0.9
Other	88,319	51.5

Source: NHI, Social Security Board



Table 4.7
NHI Most Common Medication & Laboratory Test by Expenditure, 2010 (BZ\$)

Medication & Laboratory Test	Expenditure
Medication	\$1,781,386
Metformin Oral 500mg	\$279,465
Acetylsalicylic Acid Oral 81 mg	\$258,212
Glibenclamide Oral 5mg	\$242,891
Paracetamol / Acetaminophen Tablets 500mg	\$191,150
Atorvastatin Oral 10mg	\$166,650
Captopril 25mg	\$145,647
Vitamin B-Complex Oral	\$141,823
Hydrochlorothiazide Oral 25 mg	\$135,518
Capsules Nifedipine Oral 10mg Capsule	\$118,875
Enalapril (Ace Inhibitor) Oral 20mg Tablet	\$101,155
Laboratory Test	\$70,314
Complete Body Count (CBC) with Differential	\$12,429
Urinalysis	\$12,297
Glucose Fasting or Random	\$9,330
Creatinine Serum	\$6,816
Lipids	\$6,095
Serum Glutamic Pyruvic Transaminase (SGPT)	\$5,870
Serum Glutamic Oxaloacetic Transaminase (SGOT)	\$5,051
HIV-1 Antibody Screen	\$4,340
Blood Urea Nitrogen	\$4,289
Uric Acid	\$3,797

Source: NHI, Social Security Board



INVESTMENTS

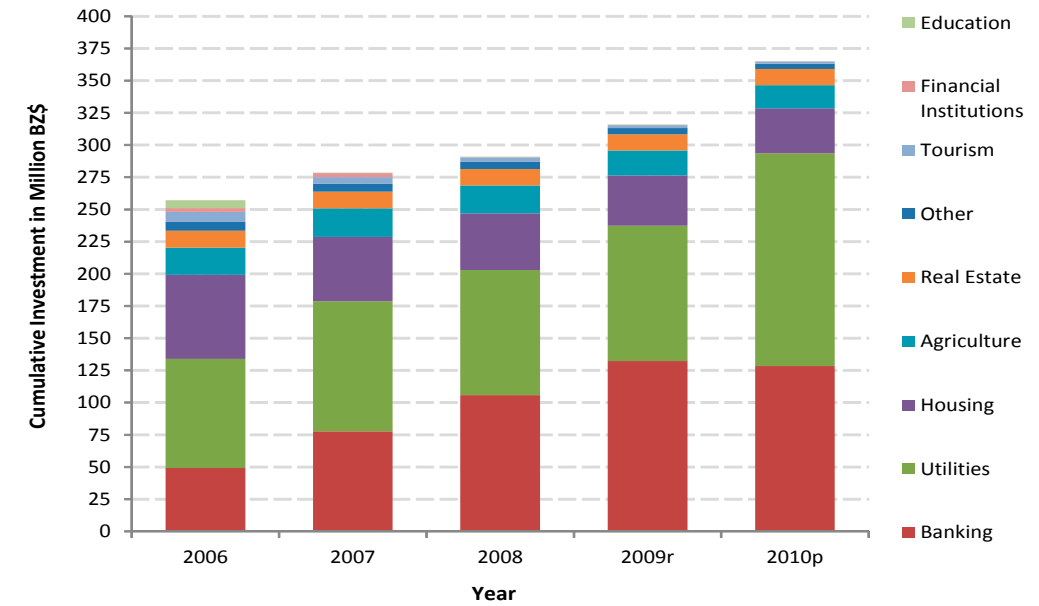
This Section presents data on investments, investment income, investment per capita, inflation rate, and rates of return on investments. The main source of data is the Social Security Board's Investment Services. The only exceptions are the data on inflation rate and on population which were gotten from the SIB.

Investments made by SSB play a major role in sustaining and developing Belize's economy. SSB investments are made in a wide spectrum of Belize's economic sectors and are based on the type of economic activity carried out by the investment recipient. These economic sectors include: Banking, Agriculture, Education, Housing, Utilities, Tourism, Financial Institutions, Real Estate and Other. SSB generates revenue from contributions made by the insured persons. Contributions collected are used to meet operating expenses and to payout benefits expenditure; any surplus is invested as per stipulation and guidelines of the Act.

In this section, investment data were presented yearly and cumulatively. Investments are the total investments made in a particular year while the total investment as at December 31 is the increase in the investment by successive yearly additions.

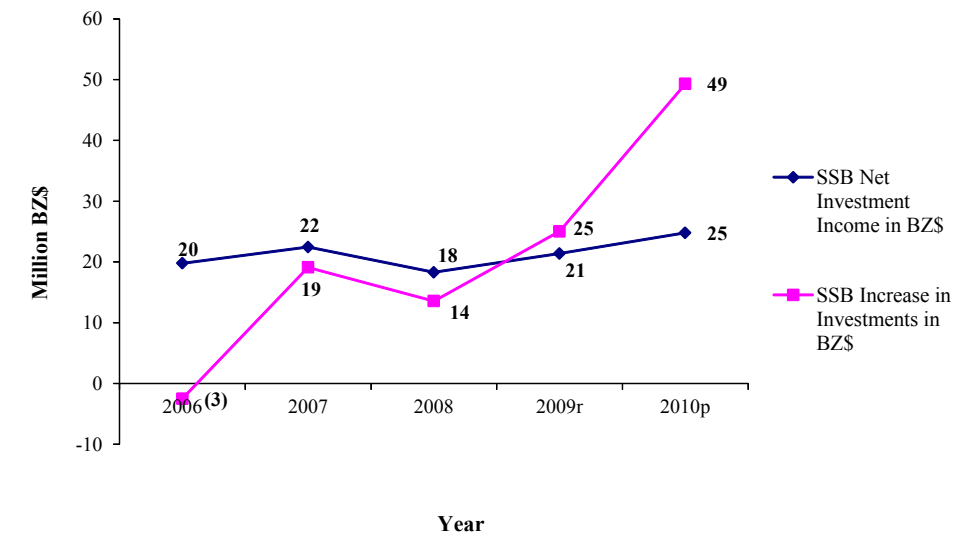


Chart 4
Investment by Sector as at December 31,
2006 - 2010



Source: Social Security Board

Chart 5
SSB Increase in Investments & Net Investment Income,
2006 - 2010



Source: Social Security Board



Table 5.1
Investment Portfolio Allocations by Sector as at December 31,
2006 - 2010
(BZ\$)

SECTOR	2006		2007		2008		2009r		2010p	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%	Quantity	%
Total	\$252,317,276	100.0	\$271,427,249	100.0	\$284,984,237	100.0	\$310,011,399	100.0	\$359,301,344	100.0
Utilities	\$84,843,862	33.6	\$100,995,227	37.2	\$97,055,793	34.1	\$105,124,033	33.9	\$165,277,523	46.0
Banking	\$49,164,618	19.5	\$77,722,283	28.6	\$105,837,546	37.1	\$132,209,411	42.6	\$128,364,024	35.7
Housing	\$65,150,023	25.8	\$49,968,668	18.4	\$44,121,456	15.5	\$38,962,659	12.6	\$34,797,736	9.7
Agriculture	\$21,157,739	8.4	\$22,095,560	8.1	\$21,487,207	7.5	\$19,459,052	6.3	\$18,012,191	5.0
Real Estate	\$13,128,922	5.2	\$13,058,189	4.8	\$12,938,751	4.5	\$12,575,337	4.1	\$12,598,049	3.5
Other	\$6,777,084	2.7	\$6,142,616	2.3	\$5,474,718	1.9	\$4,753,927	1.5	\$3,969,934	1.1
Tourism	\$7,814,702	3.1	\$5,139,509	1.9	\$3,535,576	1.2	\$2,390,877	0.8	\$1,749,478	0.5
Education	\$6,110,359	2.4	\$420,231	0.2	\$381,146	0.1	\$339,213	0.1	\$292,519	0.1
Financial Institutions Less Provision for Loss on Investment	\$3,051,967	1.2	\$3,051,967	1.1	\$152,490	0.1	\$152,490	0.0	\$170,890	0.0
	(\$4,882,000)	(1.9)	(\$7,167,000)	(2.6)	(\$6,000,446)	(2.1)	(\$5,955,600)	(1.9)	(\$5,931,000)	(1.7)

Source: Social Security Board



Table 5.2
Investment Indicators,
2006 - 2010

Indicators	Year				
	2006	2007	2008	2009r	2010p
Population Estimate	301,300	311,480	322,100	333,200	312,971
Investment (BZ\$)	\$252,317,276	\$271,427,249	\$284,984,237	\$310,011,399	\$359,301,344
Increase in Investments (BZ\$)	(\$2,501,284)	\$19,109,973	\$13,556,988	\$25,027,162	\$49,289,945
Net Investment Income (BZ\$)	\$19,782,380	\$22,462,875	\$18,298,240	\$21,378,171	\$24,784,437
Investment Per Capita (BZ\$)	73.15	38.13	30.75	39.67	89.33
Investment Income Per Capita (BZ\$)	65.66	72.12	56.81	63.97	79.19
Inflation Rate	4.2	2.3	6.4	(1.1)	0.9
Nominal Rate of Return on Investments in Percent	7.8	8.6	6.6	7.7	7.1
Real Rate of Return on Investments in Percent	3.5	6.1	0.2	8.9	6.1

Source: Social Security Board and Statistical Institute of Belize



SOCIAL SECURITY BOARD

Annual Actuarial Performance Review
of the Social Security Scheme (2010)
Hernando Pérez Montás
Actuarial Consultant
October, 2011



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Consultores Actuariales, S. A.
CONSULTORES ACTUARIALES • PLANES DE PENSION • SOCIO-ECONÓMICOS

October 12, 2011

BELIZE
SOCIAL SECURITY BOARD
Annual Actuarial Performance Review of the Social Security Scheme
(2010)
Introduction

Pursuant to the provisions of Section 45 of the Social Security Act (1979) an actuarial analysis of the operations of the scheme, the financial condition of the Fund and the adequacy of the contribution to support benefits was carried out reviewing the operations in 2009. The valuation updates the comprehensive actuarial review carried out in 2008, and takes into consideration cost-containment strategies of the non-contributory pension scheme, the restoration of the statutory minimum reserves of the short-term branch, and the distribution of contributions among the benefit branches. Also, recommendations are provided on the investment strategy, a subject of high priority to the Board, in view of the rising actuarial maturity of the long-term branch.

As a by-product of the valuation, amendments proposed to the benefit structure and the financing bases are set forth in the report, to ensure the adequate development and the financial sustainability of the scheme, in accordance with international standards and benchmarks.

A summary of the main findings and recommendations is set out in Chapter I of the report, while Chapter II describes the legal bases and the financial operations. Chapters III and IV and V present the actuarial analysis of the short-term benefits branch, the employment injury branch, and updates the 2008 analysis and projections of the long-term branch. Chapter VI assesses the NHI project, as required by Part VI of the Act, and Chapter VII evaluates the Investment Performance, as required by the Third Schedule of the Act.

Attestation

The cost, liabilities and other bases utilized in the valuation have been determined using reasonable methods and generally accepted assumptions that, in our opinion, provide a reasonable estimate of the anticipated plan requirements and development. The report has also been formulated according to preliminary guidelines issued by the International Actuarial Association for actuarial valuations of Social Security Programs.

For Consultores Actuariales, S.A.


Herando Pérez Moitás
 Consulting Actuary



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Glossary of Terms

Adapted from the ILO/ISSA publication “Actuarial Practice in Social Security”, Plamondon, Drouin, Pérez Montás, et al. (2002)

Assessment of Constituent Capitals: A financial system applied to employment injury benefits under which the annual cost of the scheme is determined as the present value of all future payments relative to pensions awarded during that year. Under that system, a reserve is continuously maintained equal to the present value of pensions in payment. This is sometimes designated as “terminal funding” system of finance.

Defined-benefit scheme: A scheme under which the benefit is a defined amount, which depends on the number of contributions or insurance years and on the amount of insurable earnings.

Defined-contributions scheme: A pension plan under which contributions are paid to an “individual account” for each participant. The retirement pension is “undefined” and is dependent on the capitalized balance and the value of annuities at retirement, usually through for-profit entities (financial institutions or insurance companies).

Financial system: The systematic arrangement for raising the resources necessary to meet the financial obligations of a scheme. This is an expression often used to refer to the selected method of financing long-term pensions under a defined-benefit scheme (pay-as-you-go, partial funding or full funding).

General average premium: A financial system based on a theoretical constant contribution rate that can be applied indefinitely. It is calculated by equating the present value of projected future contributions of actual insured persons and all future new entrants, plus the value of existing reserves, to the present value of projected future benefit and administration expenses

Pay-as-you-go rate (PAYG): The ratio of the total expenditure of a scheme to the sum of insurable earnings of that scheme. The PAYG financial system is usually applied to short-term benefits.



Period of equilibrium: As stated below in “scaled premium system”, in actuarial valuations of a national pension scheme, the period of equilibrium measures the number of years when reserves will be increasing. At the end of the period of equilibrium income from contributions and investments equal benefit and administrative expenditure, according to the actuarial assumptions. Without an adjustment to the contribution rate, assets will need to be liquidated to pay current expenditure and reserves will begin to decrease.

Scaled premium system: A financial system for pensions under which contribution rates are increased throughout the life-cycle of a pension scheme on a step-by-step basis (where the duration of each individual “step” is called the “**period of equilibrium**”). In a more narrow definition (the Thulen scaled premium), the contribution rate is calculated for a defined period of years, that is, a “period of equilibrium” (which often ranges from ten to 25 years), with the objective of equating, at the end of the period of equilibrium, the income from contributions and the investment income to the expenditure on benefits and administration.

State Plan: A term used in accounting standards for a pension plan sponsored by a State or Government on a not-for-profit basis, and therefore with indefinite duration: as opposed to pension plans sponsored by an enterprise which can become insolvent if the enterprise fails.

Terminal funding: A financial system under which a premium equal to the present value of a pension is paid at the time the pension is awarded. The premium is set aside as a reserve, the guarantee of future benefit payments.



I SUMMARY AND RECOMMENDATIONS

1. Scope of the Analysis

In accordance with the provisions of Section 45 of the Social Security Act, an actuarial performance review of the scheme was carried out as of 31 December 2010, to assess the performance of the benefit. The amended legal provisions set forth in Section 45 of the Act require an annual assessment to allow the Board to monitor more closely the actuarial developments of a scheme that is entering a second phase of maturity, particularly the long-term branch. The review was based on the legislative provisions in force, including amendments introduced since the last review. The actuarial review required the assessment of the expected cost of each branch of benefits, and an update of the period of financial equilibrium of the long-term branch which could be sustained under the present level of financing.

2. Consolidated Trends

a) Financial Trends

The 2010 valuation shows a satisfactory financial and actuarial performance, with a stable level of contributions and investment income, a remarkable performance in view of the worldwide economic slowdown that has adversely impacted the economy of Belize. Consolidated benefit expenses evolved at a moderate pace, with lower non-contributory, employment injury and administrative expenditure offsetting the increase in retirement pensions.

Despite the residual incidence of the financial crisis, as shown by a significant increase in the unemployment rate and related economic indicators, the 2010 actuarial performance of the scheme was better than anticipated. Contributions did not decrease, expenses decreased by 1.6%, and, reserves increased by 5.6%. However, the nominal rate of return on investments decreased to 5.74%, from 6.21% in the preceding year, in correlation with a decline of the rates payable by financial institutions in short-term and medium-term obligations. The liquidity situation was more restricted at year-end, with a cash and bank balance of \$10.4 million, as compared to \$30 million at 31 December 2009, although short-term investments of \$136 million (\$139.8 million the preceding year), still guarantee adequate operational liquidity.

Taking into consideration that the capitalization of the scheme arises exclusively from a decreasing share of investment income, with a negative gap between contributions and total



expenditure of \$1.93 million in 2010, which is projected to increase gradually based on legal provisions in force, the Board is advised, as from 2012, to restrict new investments in loans, shares and non-liquid obligations, to avoid an erosion in the liquidity status of the scheme, until the ceiling or the rate of contributions are updated, in accordance with actuarial recommendations.

b) Accumulation of Reserves

The positive financial performance yielded a \$19.8 million increase in consolidated reserves (\$20.2 million in 2009), and a strengthening of the actuarial situation of the Employment Injury branch. The Short-term branch reserves showed a negative performance, as the legal amendments setting the allocation to the branch of 25% of contribution income have not been enacted yet. As a result, the EI branch continues to be overfunded and the short term branch underfunded. The reserve position of the Disablement & Death branch has remained stable.

The Long-term branch continues to accumulate reserves, but at a lower pace than in previous years, a normal process as the maturity of the branch advances and the period of equilibrium is shortened.

c) Key Actuarial Findings

The actuarial assessment shows:

- The need to update the financing of the short-term branch at the expense of the actuarial financing of the EI branch, because otherwise the reserves will again fall below the statutory minimum early in 2012, as shown below.
- The reduced allocation of contribution income to the EI branch will not have an incidence on the actuarial surplus of the branch. A transfer of surplus reserves (estimated at 50% of the EI reserves - \$33 million), from the EI branch to the Long-term branch might also be desirable.
- The need to enact additional legal amendments under consideration by the Board, including the minimum level of contributions, legal provisions of the self-employed scheme, and related issues, as shown in annex D of the report.
- Management has been able to reduce further the actuarial cost of administration, despite a frozen ceiling on contributions and the economic slowdown. However, a substantial decline in expenditure from the high level of 2.55% of insurable earnings, down from 3.26% in 2007



and 2.80% in 2008, would only be feasible once the ceiling or the rate of contributions are updated.

- The performance of the long-term branch has been adequate, with reserves increasing at a stable pace, despite the slowdown in the economy. However, the period of equilibrium is reaching a critical stage, due to the actuarial maturity of the branch, with reserves equivalent to only seven years of expenditure and a period of equilibrium of approximately eight years.
- Cost-containment strategies provided a reduction in non-contributory pensions, as liberal evaluation procedures were tightened by management.

d) Reallocation of the Contribution Rate

As stated in the report, the Board is advised to recommend the following amendments to the contributions rates to restore the financial solvency of the short-term branch and strengthen the accumulation of reserves of the long-term branch.

Branch	Percent of Contributions		Percent of insurable earnings	
	Actual	Proposed	Actual	Proposed
Short-term	19.25	27.50	1.54	2.20
Employment injury	24.50	12.50	1.96	1.00
Long-term	56.25	60.00	4.50	4.80
Total	100%	100%	8.00%	8.00%

3. Short-Term Benefit Branch

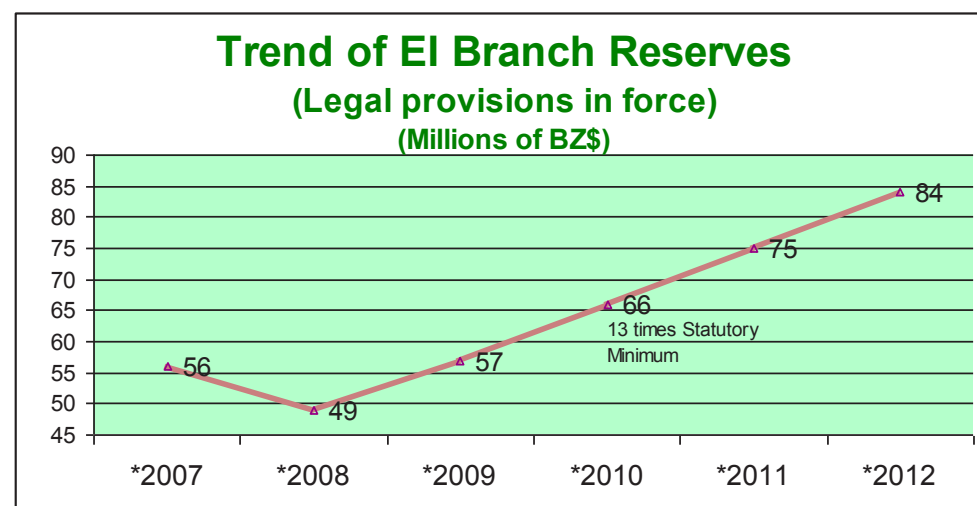
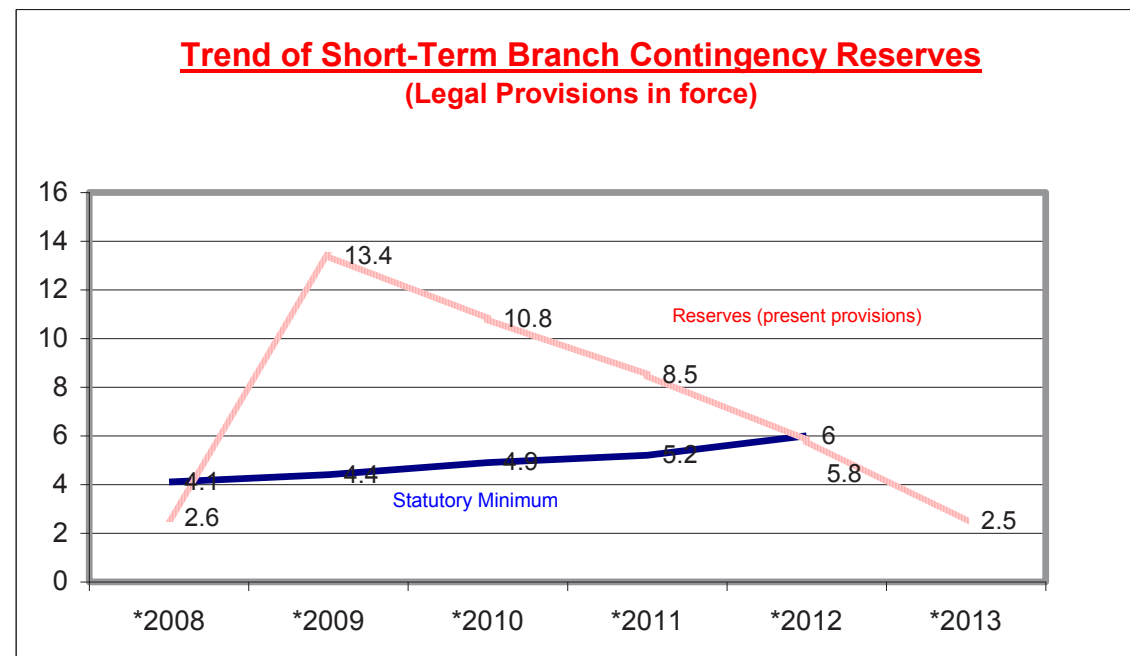
The transfer of \$15 million of EI branch surplus reserves in 2008 restored temporarily the balance of reserves of the Short-term branch above the statutory minimum required by Section 17 (1) of the Financial Regulations. However, in 2010 the reserves of the short-term benefit branch resumed the steady decline, from \$10.8 million to \$8.5 million, as expenses exceeded contributions and investment income.

The analysis shows the actuarial cost of the short-term branch of 2.04% of insurable earnings in the period 2011/12, exceeding the present allocation of 1.54% of salaries (19.25% of contributions) by a substantial margin. Therefore, without a re-alignment of the contribution rates between the EI branch and the short-term branch, reserves would continue to decrease below the statutory minimum early in 2012. **Therefore, a further adjustment to the financial regulations is required, assigning to the Short-term branch 27.5% of contributions (rather than the 25% recommended last year).**

Once the contraction of the Belize economy subsides, amendments to additional key provisions of the short-term branch are advisable. In this regard, it is also reiterated that the 2001 elimination of the waiting period for the payment of sickness allowances exceeded



acceptable standards, and sickness allowances should continue to be paid in practice on the day following the onset of incapacity, until the SSB is able to restore a two-day waiting period, still below the statutory provisions in most countries in Central America and the Caribbean. This would reduce considerably the administrative workload of both the SSB and the employer, yield a marginal reduction in actuarial costs, and reduce the incidence of frivolous claims. As to the benefit formula, the rate for sickness and maternity allowances was raised from 60% to 80% of insurable earnings in 2001, which also exceeds acceptable standards. A re-adjustment to 70% is also advisable.



4. Employment Injury Branch

The EI branch experienced an exceptionally positive actuarial performance, with an operational surplus of 1.4% of insurable earnings, due to reduced expenditure in all categories of cash benefits.

The surplus of \$10.5 million contributed to augmenting the reserve to \$66.4% million, more than 13 times the minimum stipulated in Section 17 (2) the financial regulation, indicative that the contribution rate assigned to the branch exceeds the actuarial requirements.

For 2011/12 total expenses are conservatively assessed at 1.25% of insurable earnings, substantially higher than the 2010 experience, to account for an unexpected negative experience in the actuarial risks. Even so, the actuarial cost would be lower than the present allocation of 1.96% of insurable earnings to the branch (24.5% of contribution). Adding investment income on the reserves, which yielded 0.45% of insurable earnings in 2010, ensures a steady accumulation of reserves in future years, augmenting the surplus position of the branch, even after the re-allocation of a share of the contributions to the other benefits branches.

As the two other schemes require a strengthening of the financial bases, a transfer of reserves to the long-term branch, to extend the actuarial period of equilibrium, and to the short-term branch, to ensure a level of contingency reserves above the statutory minimum, might also be required medium-term. It is anticipated therefore that an adjustment of the allocation to the EI branch of 1.0% to insurable earnings (12.5% of contributions), ensures the actuarial solvency and funded status of the EI branch for the foreseeable future, as investment income on the accumulated reserves will compensate any emerging deficits between contributions and expenses, including the additional expenses of the Social Development Account transferred to the branch as from 2009 (Section 14 (1:01) of the Financial Regulations).

As to the Disablement and Death sub-branch, the level of reserves remained practically stable at \$16.2 million in 2010, equivalent to 8.37 times the benefit expenses, a ratio approximately equal to the present value of pensions in payment, in accordance with the terminal reserve actuarial method applicable to the EI pensions in force. It is noted that the mortality rates of disabled pensioners should be higher than non-disabled pensioners. Widows(ers) benefits might also cease in case of remarriage or on attaining age 50 with no eligible children entitled to benefits, and children's death benefits are temporary until age 16,



or 21 if receiving full time education. The concept “deemed to be married” should be clarified in the regulations.

The SSB agenda also should recommend updating the partial disablement tables (Second Schedule, Section 43, and section 42 of the Benefit Regulations), as well as restricted provisions for "temporary" disability, as shown in this report. The substantial actuarial surplus of the EI short-term branch is deemed adequate to cover any marginal increase in benefit expenditure.

5. Long-Term Branch

The actuarial maturity long-term branch continues to increase, as expected, as new pensions in force exceed the rate of increase in contributions and investment income. The “current” operations (contributions less expenditure) yielded a deficit of 0.50% of insurable earnings in 2010, as compared to a deficit of 0.23% in 2009. The total surplus declined from 1.99% of insurable earnings in 2009 to 1.68% in 2010, but reserves increased by 4.5% in 2010 as compared to 5.7% in 2009.

In 2007, contributions were equivalent to 101.4% of total expenditure, a ratio that declined to only 90% in 2010, despite the reduction in NCP expenses. However, investment income contributed to a \$12.6 million branch surplus in 2010, as compared to a \$14.9 million surplus in 2009. When the surplus decreases to zero (period of equilibrium), branch reserves will start to decrease unless an adjustment to the contribution rate restores a positive operational balances and reserves continue to increase.

As from 2008 total expenditure has started to exceed contributions, with the future increase in reserves arising exclusively from a declining share of investment income, a situation that was accelerated in 2007 by the addition of the payment of non-contributory pensions to males and the adjustment of the basic rate to \$100 per month.

The 2010 data shows that reserves increased by \$12.6 million, due to the combined incidence of higher investment income and lower expenditure in non-contributory pensions, as compared to \$15 million in 2009. **Operational surpluses are expected for a few more years, due exclusively to the incidence of investment income, extending the growth of reserves until total expenditure exceeds total income, a process that could be delayed temporarily by adjustments to the contribution rate, and other amendments to the benefit provisions, as recommended in this report.**

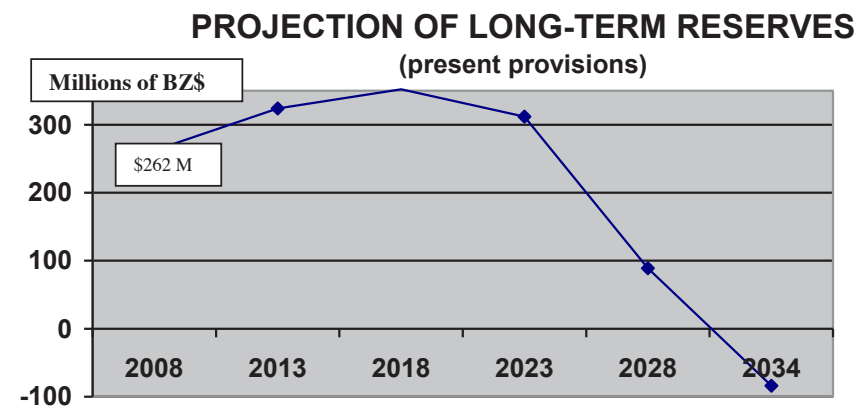


At the close of 2010 the branch reserves were equivalent to 7.1 times the projected 2011 expenditure, a ratio that will decline, to twice the projected expenditure in five to six years. Before the period of equilibrium is reached, assessed in the present valuation at approximately 8 years, the rate of contributions should be increased, to avoid the liquidation of investments in order to pay benefits. It is recalled that the first increase, from 3.5% to 4.5% of insurable earnings took place in 2004. The next increase should take place before the end period of equilibrium and should entail a 2% increase in the rate of contributions allocated to the branch. Postponing the increase would imply more severe adjustments in the future. However, a series of parametric adjustments might delay the required increase in the rate of contributions for several years, as well as a transfer of EI surplus reserves and the payment of NCP to the Government.

The regular valuation, assuming a 6% nominal rate of return on the investment portfolio allocated to the long-term branch, shows a steady increase in current deficits (contribution less expenditure). However, reserves will continue to increase, due to the incidence of investment income, for a period of equilibrium of about 8 years under the regular valuation, plus or minus one year according to sensitivity tests based on the rate of return on investments. Thereafter, in the absence of amendments to the financing provisions, the reserves would start to decline, as total income (contributions plus investment income) would become lower than total expenditure. Under this scenario, investments would have to be liquidated to meet current expenditure.

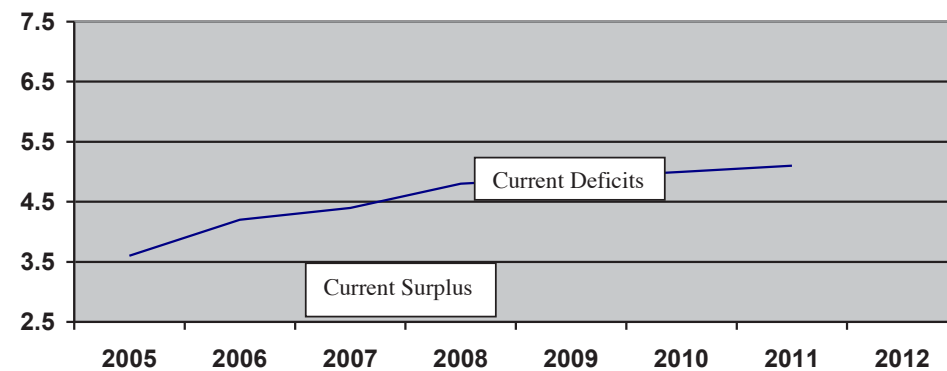
The actuary is in accordance with the amendments proposed by the Board to the non-contributory pension scheme, plus further amendments to the regulations and to the retirement age, would contribute to an extension of the period of equilibrium. Projections are subject to significant deviations over time, based on the difference between actual versus expected performance of a complex series of actuarial parameters of demographic, biometric and financial natures.

It is also reiterated that the projections are based on legal provisions in force, which are likely to be amended medium-term, such as the initial retirement age, which most countries are increasing gradually, due to the longer life expectancy of populations and the added cost to national pension schemes. For these reasons, projections as well as the assumptions underlying the projections are to be updated as at 31 December 2011. Nevertheless, the medium-term projections provide sufficient evidence of the need to introduce a series of amendments to the financial and benefit bases of the scheme.



Reserves would reach a maximum of \$352 million in about 8 years (2017) (period of equilibrium) and then decrease steadily, becoming negative in 20 years (2028). Projections to be updated periodically:

PROJECTED PAYG PREMIUM - LONG-TERM BRANCH
(Expenditure as a % of insurable earnings)



As from 2008, expenditure exceeds contributions of 4.5% of salaries on a sustainable basis. Deficits are covered by a share of investment income.

6. National Health Insurance Project

As from 2009 the pilot project is being financed exclusively by GOB transfers. The expansion of the project would entail additional costs that, according to the financing model, can be obtained by combined payroll contribution and GOB transfers, to be actuarially assessed. Full geographical coverage as from 2012 would require substantial additional funds, as set forth in the NHI Actuarial Assessment and Financing Options submitted in 2008.

Key policy decisions require a definition of:

- A sustainable and transparent NHI financing scheme.
- A restricted or comprehensive package of benefits.



- The specific geographical areas to be included.

As stipulated in Part VI of the Social Security Act, the Board has been entrusted with the management of the National Health Insurance Scheme. However, the financing regulations have yet to be enacted and transitional pilot projects have been in operation in specific areas of Belize City, and more recently in Southern Belize (Stann Creek and Toledo Districts).

The analysis presented in chapters VI of this report shows:

- A level of reserves equivalent to about two months of expenditure, below internationally accepted benchmarks. The ratio would decline further, if the outstanding claims are deducted from the reserves. Therefore, a key task of the NHI is to strengthen the Fund Ratio with contingency reserves equivalent to six months average expenditure, to cover potential increases in claims and/or delays in GOB transfers.
- A 5% increase in the number of beneficiaries, but a 20% increase in expenditure,
- An increase in the actuarial cost to 6.28% of the wage-base of the targeted population, as compared to 5.28% in 2009.
- Static unit costs in the Southern Region but a significant increase in the cost of services in Southern Belize, including a high increase in the cost of lab tests.

7. Performance Analysis of the Self-Employed Scheme

Provisions for **voluntary insurance** of former salaried workers have been in force since the inception of the scheme. However, the number of workers availing themselves of the voluntary insurance window to continue to accumulate credits for retirement has been minimal

At the request of the CEO a formal analysis was carried out. (See Annex B). The 2011 experience shows that contributions by self-employed persons are stagnant in relative terms. Therefore, in the absence of amendments to the legislation, there is a significant potential for rather high long-term actuarial costs of benefits to participants having paid only a fraction of the actuarial cost, funded by salaried insured persons.

The statistics also show that demand for short-term benefits has been intense, particularly for maternity and sickness benefits, risks that are usually excluded in voluntary self-employed schemes. The generous 80% rate of sickness allowance without a “waiting” period and entitlement with only 50 weekly contributions, of which at least five are payable in the 13 weeks before the onset of the sickness, exposes the scheme to substantial actuarial deficits due to potential claims by persons with pre-existing or emerging medical conditions.

The analysis shows that compliance indicators of the self-employed scheme have been very deficient, with 2960 registrations since the commencement of the scheme in October 2002



but only 767 active contributors in the first-half of 2009. As compared to the general scheme, the wage distribution of active self-employed persons is heavily skewed towards the low income segment, with 42% declaring earnings below \$100 per week as compared to only 17% in the general scheme, and only 20% with earnings of \$280 per week and over, as compared to 37% in the general scheme.

The age distribution shows a reverse situation, with one-third of the self-employed over 50 years of age as compared to only 12% in the general scheme, a latent indicator of “adverse selection” by a specific segment of the self-employed (who will obtain a substantial **financial gain** from the scheme), yielding emerging actuarial deficits, in particular if those who ceased making contributions decide to re-activate their participation a few years before reaching normal retirement age, in order to qualify for a life pension having paid only a fraction of the actuarial cost.

The data also shows that one out of every 4 or 5 active contributors submits a short-term benefit claim per year. With benefit and administrative expenses assessed at one-half the 7% contribution rate, the remainder has to finance Long-term branch pensions and EI disablement and death pensions, **which could start on an increasing basis as soon as the qualifying conditions are met in 2013 (500 weekly contributions for age pensions) or immediately for invalidity pensions (150 weekly contributions).**

In view of the above, the omissions or lack of clarity in the Regulations dealing with compliance (eg. Section 3 (3), and the voluntary nature of the scheme (allowing persons over 50 years of age to register, pay for a few weeks, and obtain sickness and life pensions with a minimum amount of \$47 per week), **the SSB is advised to submit amendments to the scheme, starting with the exclusion of “housewives” as self-employed persons. Otherwise, additional actuarial costs would impact negatively on the actuarial situation of the benefit branches, in particular the long-term branch.**

Key recommendations are as follows:

- a) Eliminate coverage of EI for the self-employed and for housewives
- b) Set a scale of five “notional” earnings for the self-employed, as in most schemes, rather than 266 items.
- c) Set the contribution at 6.5% of notional earnings: 4.5% for pensions, 2.0% for sickness and maternity
- d) Apply a linear rather than a skewed pension formula (such as 1.5% to 2% per contribution year).



e) Increase on a gradual basis the number of contributions to qualify for a pension from 10 years to 20 years.

f) Set a ceiling on medical care of offshore EI and introduce co-payment if the amount exceeds certain limits.

8. Non-Contributory Pension Scheme

The payment of Non-Contributory Pensions (NCP) was transferred from the Ministry of Social Services to the SSB in July 2003, without a compensatory transfer of funds, negatively impacting on the actuarial situation of the long-term branch. Although the contribution rate was increased by 1% of insurable earnings and assigned in its entirety to the long-term branch, which henceforth had been allocated 4.5% of insurable earnings, such an increase has been recommended in previous actuarial valuations as part of the scaled-premium system of finance, to guarantee the long-term solvency of the long-term branch, and not specifically to finance the NCP scheme.

In December 2007 the Government decided to add eligible males as beneficiaries of NCP and increased the payment to \$100 per month, allowing the NCP Committee to approve almost 900 additional NCP within six weeks.

Trend of Pensions in Payment

The total number of NCP declined from a peak of 4,934 to 3,872 in 2009 and declined even further in 2010, with only 3,361 pensions in payment in December 2010, confirming that the high mortality of pensioners and more thorough evaluation procedures contributed to offset the abnormal surge of pensions awarded during the initial phase of operations.

The data confirms that a large number of NCP were approved without a proper investigation, allowing non-indigent pensioners to obtain a life pension financed by the SSB long-term branch, which impacted negatively on the actuarial situation of the branch, a process that was aggravated by the adjustment of pensions and the addition of males NCP.

Projected Benefit Expenditure and Extension of the Period of Equilibrium

Assuming the SSB is able to control the cost of NCP with no pension adjustments the next two years and modest adjustments thereafter, capitalized expenses over the next 10 years would amount to almost approximately **\$50 million**.

The actuarial projections indicate a maximum level of reserves of long-term branch of \$352 million at the end of the next ten years

In the event that the SSB is unable to transfer the payment of NCP to the Government, cost curtailment strategies are advisable to ameliorate the financial incidence of the scheme.

Amendments to the Non-Contributory Pension Legal Provisions



Jointly with the re-allocation of contributions between the Short-term branch and the EI branch, and amendments to the Self-Employed scheme, these proposals would constitute the initial set of legal amendments required by the SSB in the first phase.

9. Investment of the Reserves

The SSB has become the main institutional investor in Belize and, following Government guidelines early in the decade to assist in the development of the private sector, the SSB gradually increased the diversification of the portfolio, allocating substantial funds to housing mortgages, private sector loans, equities, and economically targeted investments in utilities, several of which are originating losses to the SSB. The actuarial projections show that the investment portfolio should continue to prioritize the liquidity of the investments and, therefore, the exposure to obligations and non-liquid assets should be curtailed.

In 2011 the reserve of the EI branch should increase by about \$9.5 million, and the long-term branch reserves should increase by an additional \$10 million, for a consolidated amount of \$19.5 million. However, the short-term branch is expected to experience a \$2.5 million loss, for a net increase of reserves of approximately \$17 million, according to legal provisions in force, as compared to \$20 million in 2010, due to the joint incidence of lower interest rates and the gradual actuarial maturity of the scheme.

Despite the allocation of \$50 million in BTL shares, short-term investments still represent 38.9% of the portfolio (46% in 2009).

As the Board is planning to allocate additional liquid funds to specific ventures in 2011, that will reduce further the proportion of short-term investments and the liquidity of SSB.

Therefore, as a general guideline, the actuary advises to keep the allocation of short-term investments above 33% of the investment portfolio, to ensure an adequate liquidity position for the period 2011/12, and to restore the cash position to a minimum of three months the average total expenditure.

The investment strategy to be implemented as from 2011 should therefore continue to emphasize liquid financial assets, which are yielding satisfactory real rates of return as compared to other investment categories with higher investment risks.

The Third Schedule of the Act stipulates new provisions governing the Investment of the Fund, including objectives, benchmarks, performance analysis, and restrictions on investments, as a supplement to the statutory actuarial valuation. **The Board and the Investment Committee are advised to evaluate the Actuarial Assessment of the Investments, set forth in Chapter VII, including the need to develop specific performance benchmarks and the asset allocation strategy for 2011/12.**



10. Social Development Fund and Catastrophic Risks

As from 2009 the financing associated with the Social Development Fund and the Disaster Fund has been transferred to the EI branch. In view of the emerging financial constraints of the SSB, the Board is advised to consider setting a cap on the amount of transfers, as recommended by the CEO.

The Board has been earmarking funds from the Social Security Development Account to cover catastrophic risks arising from hurricanes and related events. This is a “cyclical” risk and “costs” have to be assessed on a multi-year basis.

11. Other Issues

a) Ceiling on Contributions and Adjustments to Pensions

When the Belize scheme was set up in 1979, the ceiling on earnings on which contributions were payable was set at BZ\$130 per week. In 2001, the earnings ceiling was raised to BZ\$320 per week. Since then, the proportion of insured persons with earnings above the ceiling has almost doubled to one-third of total contributors in 2009. **The 2010 Census confirms that the minimum SSB contribution scales are outdated.**

Due to the incidence of the financial crisis on employment, an adjustment of the ceiling at the present juncture is not advisable, as this would increase the social cost to employers, including the Government, and constrain labor creation. However, once the financial crisis ends and the economy and employment are reactivated, an increase in the ceiling is advisable, with legislation providing for periodic increases in the earnings ceiling. The extent of the increase and choice of the period over which it is required, depends on the required magnitude of the adjustment, with \$500 per week for 2013/14.

After the initial adjustments, subsequent increases in the earnings ceiling should be gradually introduced in correlation with the rate of salary inflation and with adjustments to pensions in payment, in order to limit “windfall” gains to participants whose pensions are based on earnings in their best three average years and who have contributed most of their career on the basis of a low earnings ceilings. However, at present, the actuary does not favour annual automatic increases but “ad hoc” multi-year adjustments subject to actuarial advice.

The Board also requested the actuary to submit an assessment of the feasibility of adjustments to the minimum pensions, as summarized below.

The ratio of the minimum weekly contribution by insured persons (\$83 cents per week) and the minimum pension of \$47 per week, yield an astronomical ratio of 56.6 times the minimum contribution. To address these anomalies in the financial regulations, the actuary



has proposed an adjustment in the minimum contribution by insured persons, which is still under consideration by the Board, as part of the matrix of legal amendments.

It is also recalled that the usual practice of social security schemes is to adjust pensions in payments (**not only the minimum, but also pensions in higher amounts**), **in correlation to increases in the ceiling on contributions**. Adjusting only the minimum pension penalizes the purchasing power of pensioners exceeding the minimum amount, who were paying higher contributions throughout their career and then would end up with the same pension as low income categories.

An increase of the minimum to \$3,000 or \$3,600 per month implies adjustments of **22.7%** and **47.3%** respectively, exceeding the rate of inflation in recent years. A similar adjustment to the scale of contributions would theoretically require adjustments to the two minimum weekly insurable earnings (Schedule, Regs., 6 (1), from \$55 and \$90 per week by a similar proportion, and the ceiling from \$320 to \$392/\$471 per week.

In view of the above, consideration of an adjustment to the minimum pensions of \$47 per week (\$2,444 per year) to \$3,000 or \$3,600 per annum should be deferred until after the adjustment to the minimum contributions by insured persons and/or the SSB ceiling.

b) Qualifying Conditions and Minimum Pension

The contribution conditions to qualify for a pension are equivalent to 500 weekly contributions (10 years) for an age pension and 150 weekly contributions (3 years) for an invalidity pension. Hence, the accumulation rate for some workers can be excessively high in view of the minimum pension. This implies that the present minimum pension causes an anomalous distortion in the accumulation rate in favor of low income workers with a reduced number of contributions.

The qualifying condition of 500 weekly contributions could also incentivise evasion and non-compliance, and penalizes, rather than rewards, specific groups of workers with contributions above the minimum. Therefore, as recommended above, the contribution requirements should be updated, once the financial and employment crisis ends, preferably from 2013.

c) Increase in the Minimum Retirement Age

The law establishes a normal retirement age of 60 years. Most schemes in industrialized countries have been increasing the normal retirement age as a cost-containment measure, in view of the extension of the life-expectancy and the ageing of the populations due to lower mortality and declining fertility. Adjustments to the normal retirement age are usually



done on a gradual basis. Such an amendment will have a significant impact on the finances of the long-term branch, by extending the period of financial equilibrium of the long-term branch and thus, postponing the need for subsequent adjustments to **the rate of contributions**.

An option would stipulate a "formula driven" increase, allowing retirement at 60 years only for insured persons with a minimum number of years of contributions, for example 25 years, although this could have a negative impact on low income or seasonal workers, who are prone to periodic spells of unemployment, and would favor Government employees and employees in the formal sector of the economy, such as the financial sector, who probably have a longer life expectancy and productivity. As from 2012, consideration of an increase in the minimum retirement age is advisable, at the rate of 0.5% years per calendar year, reaching age 62 in a few years.

d) Mandatory Retirement Age and Incentives to Defer Retirement

The mandatory retirement age of 65 years should be removed. Jointly with the elimination of the mandatory retirement age, subject to the concurrence of the employer, the scheme could provide incentives to defer retirement, for example:

- increase the annual pension accrual rate from 1% to 1.25% of salary for retirement between 60 and 64 years of age.
- increase the annual pension accrual rate to 1.50% of salary for deferment as from age 65.

e) Wage Bands and Actual Earnings for Contributions and Pensionable Salary

Contributions and pensions are still based on a system of wage-bands, that has been phased out by most social security schemes. Hence, **it is reiterated that the SSB should formally adopt a system based on actual earnings that would ease the administrative procedures of most employers, and provide a pension directly related to actual insurable earnings**. A transition period for the formal introduction of the new system is advisable, for example, 12 months. No material actuarial impact is anticipated under the proposal, either for employers or employees.

11. Accounting Disclosures

The SSB pension scheme is qualified as a "State Plan", according to International Accounting Standards (IAS-19, paragraphs 37 and 39), which prescribe only the accounting and disclosure standards by employers. As such, employers have no legal or constructive liabilities except to pay the statutory contributions. For this reason, the actuarial obligation of each employer is limited to paying the statutory contribution set forth in the Act. As to the SSB, the financial and actuarial disclosures comply with accepted standards of national social security schemes.



12. Research, Statistics and Finance

The Office of Strategic Management and its unit, the Research and Analysis Services, have been able to set up a comprehensive collection, tabulation and presentation of statistical data, allowing both management and the actuary to be able to monitor developments more efficiently. The actuary will continue to liaise with the Managers to expand the analytical capabilities of this Office. The Financial Office has streamlined its operations allowing financial statements to be submitted in a more timely manner.



II: LEGAL BASES AND FINANCIAL OPERATIONS

1. Legal Bases, Coverage, and Benefit Provisions

The social protection system in Belize, as regards cash benefits, is composed of the national social security scheme administered by the Social Security Board (SSB), as a first pillar of pension protection, and the Civil Service Pension scheme and a limited number of complementary pension schemes, as a second pillar. The SSB operates a "defined benefit" and contributory scheme funded on a bipartite basis by employers and employees, whereas the Government system is non-contributory and unfunded, with payments made from current revenues. The remaining complementary schemes are usually funded on a bipartite basis. No individual retirement provisions (IRA's) are presently envisaged, as a third voluntary pillar of pension protection. The adequate planning of social protection should take into consideration these arrangements for the proper and sustainable design of a pension system in Belize, although the present report deals exclusively with the national social security scheme administered by the SSB.

The legal bases of the social security scheme are set out in the Social Security Act Cap 44 of the Laws of Belize, and the regulations issued thereunder.

The scheme covers all employed persons from 14 to 64 years of age, with specified exceptions such as domestic workers working less than 8 hours per week, persons in the military service and selected officials. Employed persons 65 years and over are covered only against employment injury. A summary of the benefit provisions is shown in Appendix G. Effective 1 January 2009, the distribution of contributions by branch was amended as shown below. A further adjustment is required as from 2012, apportioning to the short-term branch 25% of contributions, to allow the recapitalization of the branch and to avoid the reserves falling below the statutory minimum, and to strengthen the financing bases of the long-term branch.

Branch	2010 [¶]	2009	2008
	(% of contributions)		
Short-term	27.50%	19.25%	18.75%
Employment injury	12.50	24.50	25.00
Long-term	60.00	56.25	56.25
Total	100%	100%	100%

[¶] Recommended by the actuary

Further, as from 2009, allocations to the Social Development Fund have been charged to the Employment Injury Branch, and a limit should be stipulated in the Regulations.



2. Macro-Economic and Social Security Indicators

Table 1 summarizes basic economic, demographic and labour statistics. In the last three years the active insured population has been stable, due to the economic slowdown, yielding a coverage rate, as a percent of the employed labour force of 70%. The inception of a self-employed scheme as from 1 March 2003, although on a voluntary basis in the first phase, had a marginal incidence in the rate of increase of the active insured population, as most of the increase was due to higher levels of compliance by employers due to more strict enforcement procedures applied by the SSB as from 2008.

The economy is characterized by a highly seasonal pattern of employment, and a significant proportion of insured persons spend part of the year either unemployed or in self-employed activities. Contributions were equivalent to 2.15% of the Gross Domestic Product (GDP) in 2010, and accumulated reserves are equivalent to 13.8% of GDP.

The total population of Belize has increased in the last decade at a pace similar to the high variant projections of the Statistical Institute of Belize (SIB). In 2010 the population census estimated 312,971 persons, much lower than estimates of the data shown in the 2009 Poverty Assessment Study, which estimated 345,000 in 2009. Such a rate of population increase is expected to decline in the future and, for the next decade, a 2.2% average rate of increase is anticipated, as family planning and higher educational standards slow the incidence of fertility. From an actuarial standpoint, high fertility rates contribute to delay the ageing of the population and, thus, the demographic ratio of pensioners over active contributors. Nevertheless, the age-structure of the population has experienced a significant change, particularly in the last ten years, with a demographic ratio (population 65 years and over divided by the population 15 to 64 years, in percent), that was relatively stable between 1990 and 2000 at an average of 8% that has increased to 10% in 2010, showing the incidence of ageing and its emerging incidence on pension costs in the future.

Gross mortality rates have decreased from 28 per thousand in 1990/95 to 15 per thousand in 2010. Also, the life expectancy at birth increased by three years in the last 15 years, reaching an average of 76 years in 2010.

Data from the Belize County Poverty Assessment (2009) shows that one fifth of heads of households were not born in Belize in 2009, but also detected a recent increase in the number of migrants from North America and of Chinese origin. However, accurate immigration trends will not be available until the 2010 Census data is tabulated, although it is expected to continue to have a significant incidence in population trends in the future,



particularly from neighboring countries. However, real GDP grew by 2.4% in 2010, an indicator that the economy has begun to reactivate.

The 2010 Census data also show:

- a) A medium monthly income of \$922 males and \$822 females, **indicative that the SSB medium pay scales are outdated.**
- b) The public sector accounts for 15% of the employed population
- c) The 2010 Census might have underestimated the number of self-employed persons, thus yielding a rather high 23% unemployment ratio (16.7% males and 33% females). The preliminary disclosure mentions 30,000 persons without a job (looking for **employment**), but many are expected to be actively self-employed or seasonably employed.
- d) As the SSB reported 87,200 active contributors in 2010, it seems highly improbable that only 13,000 persons (13% of the employed labour force) are categorized as self-employed. A more likely rate of unemployment should yield between 14% and 18%.

Table 1
Basic Indicators

	2010
Gross Domestic Product (GDP) in millions of BZ\$	2,790
Consumer Price Index increase (CPI)	0.9%
Population (thousands) 2010 Census Data	312,971
Annual Rate of Population Growth (2000/2010)	2.69%
Labour force	130,717
Employed Labour Force *	100,537
Unemployment Rate *	23.1%
SSB Number of Contributors *	87,196
Percent of Employed Labour Force *	66%
Labour Force Participation Rate *	65.7%
-Males *	80.3%
-Females *	51.2%
Dependency Ratio (population > 65 years ÷ population 15/64 years)	10% (8% in 2001)
Social Security Reserves (as % of GDP)	13.8%
Rate of Increase of the Employed Labour Force	5.2%

2010 Census Data	a/ 2008
Crude Birth Rate a/	22%
Crude Death Rate a/	0.4%
Migration Rate a/	1.5%
Life Expectancy at Birth (years)	75

3 National Health Insurance Scheme

On the basis of recommendations of a National Health Sector Reform Committee, the Government amended the Social Security Act to include a new chapter in order to introduce a National Health Insurance Scheme (NHI). The financing regulations have yet to be



implemented. As from 2009 the NHI Scheme is funded exclusively by Government transfers, although managed by the SSB.

4. Financial Bases

Three benefit branches are presently in operation: a Short-Term branch comprising sickness and maternity benefits; a Long-Term branch comprising retirement, invalidity and survivors' benefits, and an Employment Injury branch comprising medical care, temporary employment injury benefits, and grants or pensions in the event of permanent disability or death due to employment injury. Medical care for employment injury was provided only in government installations but as from September 1999, private medical facilities have been integrated into the available options, and at present, most of such care is dispensed by the private sector.

At present, the rate of contributions paid by employers and employees is 8% of insurable earnings (7% for the self-insured), up to a contributory earnings ceiling of \$320 per week, as follows:

Weekly earnings	Employee	Employer	Total
Up to \$139.99	1.50%	6.50%	8.00%
\$140/320	1.97% to 2.95%	5.63% to 5.02%	8.00%

If the insured person is over 65 years, the employer pays \$2.60 per week only for employment injury benefits. Investment income is allocated to each branch in proportion to the reserve of each branch at the beginning of the year, whereas other income is distributed equally among the three benefit branches.

The original contribution ceiling of \$130 per week has been increased only once, in 2001, when the ceiling was raised to \$320 per week, and the skewed original bipartite contribution schedule (6:1 the employer/employee) was reset for earnings above \$130 per week. However, low income workers are eligible for a minimum pension of \$47 per week and are still paying a minimum contribution of \$0.83 per week.

Data shows that the present ceiling has become obsolete, and once the financial crisis and its negative incidence on employment ceases, the stakeholders should reach an agreement to update the ceiling in order to achieve a better correlation between actual earnings and SSB benefits, including provisions for quasi-automatic adjustments to the ceiling.

The amendments should also include phasing-out the obsolete wage-band system to assess contributions, for payments based on actual earnings, which are easier to manage by enterprises in the formal sector of the economy.



The distribution by branch is as follows:

Branch	January 2009 ^{1/}	July 2003 ^{2/}	Before July 2003
Long-Term Benefits	4.50%	4.5%	3.5%
Short-Term Benefits	1.54% ^{2/}	1.5%	1.5%
Employment Injury Benefits	1.96% ^{2/}	2.0%	2.0%
Total	8.0%	8.0%	7.0%

^{1/} 19.25% and 24.5% of contributions for the short-term branch and the EI branch respectively

^{2/} 25% of contributions the short-term branch and 18.75% the EI branch.

5. Actuarial Systems

The short-term branch and the temporary injury benefit of the employment injury branch operate under the "assessment" or pay-as-you-go (PAYG) system of financing. The reserve is established in the regulations as the six months average benefit expenditure in the last three years for the short-term branch, and 12 months of the same average for the employment injury branch.

The survivors' and disability pensions of the employment injury branch operate under the "assessment of constituent capitals", under which the present value of pensions awarded is accounted for as the expense in a given year. The "technical" reserve should theoretically be sufficient to meet the actuarial liabilities in respect of pensions in force. This method was recommended in the actuarial valuation carried out prior to the inception of the scheme and should be retained, due to the different nature of short-term obligations and long-term disability pensions.

The long-term branch operates under the "scaled-premium" system of finance, which is a partial capitalization system under which the contribution rate should provide for increasing reserves for a given "period of equilibrium". When expenses exceed contribution income and interest, or before reserves fall below the prescribed minimum, the contribution rate should be adjusted to ensure an adequate level of capitalization.

6. Income and Expenditure

Accounting standards record income and expenses on a cash basis, and hence, the financial statements do not reflect outstanding contributions in arrears. Investment income is recorded on an accrual basis, and income from associates is accounted for on the equity method. Table 2 shows the consolidated income and expenditure in the last four financial years, excluding NHI operations and other comprehensive income. Despite the contraction of the economy due to the global economic slowdown, management was able to avoid a decline in contributions in 2010, after increasing contributions by 4% in 2009 and by 9% in 2008.

**Table 2****Consolidated Statement of Income and Expenditure ^{1/} (ex-NHI Operations)**

(amounts in thousands of BZ\$)

	2010	2009	2008	2007
Contributions	60,329	59,886	57,582	52,794
Investment income	23,022	21,315	18,298	22,444
Other income ^{2/}	794	697	1,591	1,515
Total Income	84,145	81,898	77,471	76,753
Benefits				
Short-term branch	10,427	10,825	10,099	8,603
Long-term branch ^{3/}	26,433	24,415	23,423	17,965
Employment injury branch	5,959	7,001	6,191	4,924
Benefit Expenditure	42,819	42,241	39,713	31,492
Administrative and other expenses ^{4/}	19,141	19,502	20,124	22,422
Total expenditure	61,960	61,743	59,837	53,914
Net income	22,185	20,155	17,634	22,839

^{1/} Excludes GOB contribution to the NHI Fund and NHI operations^{2/} Includes interest on rental income, staff advances and surcharges for late contributions.^{3/} Includes non-contributory pensions.^{4/} Excludes NHI expenditure (\$691,644 and \$792,005 in 2009 and 2010)**7. Other Income and Comprehensive Income**

Other income is shown in table 3, including interest on late contributions, staff advances and rental income. Surcharges increased by 15% in 2010, due to penalties imposed on employees for contributions in arrears.

The income is distributed in equal parts among the three benefit branches, pursuant to the provisions of Section 14(3) of the Financial Regulations, yielding 0.22% of insurable earnings in 2008. Other comprehensive income related to the Actuarial Present Value (APV) of disablement and death benefits and an actuarial surplus of \$610,717 for the staff pension plan, for a total of \$1,581,376.

Table 3**Distribution of Other Income (in thousands of BZ\$)**

	2010	2009	2008	2007
Rental income	97	128	98	\$112
Interest on staff advances	69	83	404	391
Surcharge on late contributions	696	605	566	815
Miscellaneous	(67)	(119) ^{a/}	522	197
Total	\$795	\$697	\$1,590	\$1,515
as % of insurable earnings	0.11%	0.09%	0.22%	0.23%

^{a/} Include a \$267,749 loss on the sale of fixed assets**8. Expenditure and Net Income**

Benefit expenditure increased by only 1.37% in 2010, as compared to 6.3% in 2009.

The Long-term branch benefits increased by only 8.3%, as cost-containment measures yielded a reduction in non-contributory pensions; Short-term branch benefits decreased by 3.7%, while EI branch benefits decreased by 14.8%.

Administrative expenditure, including depreciation, decreased by 1.65% in 2010, by 3.1% in 2009, and 10.2% in 2008, due to cost-reduction strategies applied by the administration, reversing the 21.7% increases experienced in 2007.

The adequate financial performance in 2010 contributed to halt temporarily the gradual actuarial maturity of the scheme, with expenditure exceeding contributions by only 3.2% in 2010 as compared to 3.1% in 2009.

9. Balance Sheet and Reserves by Branch

Table 4 shows the balance sheet as at 31 December 2010 and the preceding three years, with a \$22.9 million increase in reserves, as compared to \$24.6 million in 2009.

Table 4**Balance Sheet of the Social Security Board (as at 31 December)**

(amounts in thousands of BZ\$)

	2010	2009	2008	2007
Cash and bank balance	10,441	30,013	36,148	39,801
Short-term investments	132,353	139,777	113,697	85,576
Long-term investments ^{a/}	219,512	164,560	171,287	185,851
Accounts receivable and others	12,702	13,638	8,393	9,062
Fixed assets (net)	29,770	29,640	29,420	30,093
Total assets	404,778	377,628	358,945	350,383
Liabilities and deferred income	(15,651)	(11,443)	(17,361)	(19,925)
Net reserves and special funds	389,127	366,185	341,584	330,458

^{a/} Includes investment in associates

As to the distribution of reserves by branch, Table 5 shows an increase in both Long-term branch and EI branch reserves, the latter exceeding accepted benchmarks, whereas the Disablement and Death reserves increased marginally. **The Short-term branch reserves declined in 2010 and should fall early in 2012 below the minimum statutory level of the six-month average benefit expenditure in the last three years, required by Section 17(1) of the Financial Regulations), unless the rate of contribution allocated to the branch is adjusted.**



Table 5
Distribution of Reserves by Branch
(as at 31 December. Thousand of BZ\$)

Benefit Branch	2010	2009	2008	2007
Short-term	8,610	10,793	13,490	2,589
Long-term	291,294	276,937	262,045	249,748
Employment Injury	66,807	57,202	49,243	56,307
Disablement and Death	16,285	16,216	15,573	15,077
National Health Insurance Fund	2,142	2,044	1,067	6,462
Social Security Development Fund	654	450	176	275
Pension reserve	3,335 ^{a/}	2,725	-	-
Total	389,127	366,184	341,584	330,458

^{a/}Actuarial valuation at 31 December 2010: \$3,195,993, balanced by a similar amount in other assets.

10. Reserves as a Percent of GDP

Table 6 shows the consolidated SSB reserves in a percent of GDP. In the last three years SSB reserves have increased at a rate of 5.20% per annum, while GDP has increased at a rate of 2.78% per annum, resulting in an increase of SSB reserves as a percent of GDP of 13.8% at 31 December 2010, as compared to 12.9% as at 31 December 2007.

Table 6
SSB Reserves as Percent Gross Domestic Product (GDP)

	2010 ^{P/}	2009	2008
	(amounts in millions of BZ\$)		
GDP ^{1/}	2,790	2,695	2,727
SSB Reserves	389	366	342
% of GDP	13.9%	13.6%	12.5%

^{P/} Provisional

^{1/} Current prices (SIB)

11. Rate of Return on Investments

As shown in Table 7 the rate of return on investments has fluctuated significantly, and has been influenced by capital gains and provisions for non-performing investments. The nominal return declined from 6.21% in 2009 to 5.74% in 2010, with an average rate of 5.98%, almost similar to the 2008 triennial assumption.

Investment expenses are charged against investment income, to arrive at a net amount. Such expenses are shown in Table 8, as a percent of total investment income. A separate actuarial report regarding the investments is attached, pursuant to the provisions of the Third Schedule of the Act.



Table 7
Rates of Return on Financial Investments (net assets)(amounts in millions of BZ\$)

	2010	2009	2008	2007
Net investment income	23,022	21,315	18,298	22,444
Nominal rate of return ^{1/}	6.29%	6.21%	5.60%	7.24%
Inflation rate ^{2/}	1.00%	(1.10)%	6.4%	2.3%
Real return ^{3/}	5.24%	7.39%	(0.01)	4.83%

^{1/} According to the formula $i = 2I/(R0 + R1 - I)$, where I is the return on investments and R the reserves at the beginning and at the end of the year.

^{2/} Preliminary. ^{3/} According to the formula: $[(1 + i) / (1 + s)] - 1$ where i and s represent the interest rate and the inflation rate.

Table 8
Investment Expense (in thousands of BZ\$)

	2010	2009	2008
Gross investment income ^{a/}	23,022	\$22,224	\$18,876
Net investment expenses	\$827	\$909	\$578
Expenses as % of income	3.59%	4.09%	3.06%

^{a/}Includes losses from investments in associates, mortgage securitization and others.

12. Integrity of the Reserves and Non-Performing Investments

The Board has strengthened compliance procedures with debtors and it is expected that the risk of potential losses on investment will be reduced gradually. As to the housing mortgages, an agreement with the Government to re-assume responsibility for all mortgages that have been transferred to the SSB would eliminate from the balance sheet such investments.

13. Administrative Expenditure

Administrative expenditure is distributed among the three benefit branches by a weighed share of the sum of contribution income and benefit of the branch as compared to the Fund as a whole. Table 9 shows the trend in administrative expenditure of the basic scheme, with a 1.65% reduction in 2010, as substantial declines in specific items offset other expenses, a remarkable performance bearing in mind the static ceiling on contribution.

Table 9
Distribution of Administrative Expenditure (Thousands of BS\$)

	2010	2009	2008	2007
Total operating expenditure ^{1/}	19,141	19,502	20,124	21,491
Depreciation	(1,239)	(1,240)	(1,262)	(2,030)
Amortization	(471)	(470)	(463)	(428)
Net operating expenses	17,431	17,792	18,399	19,964
Actuarial cost (total) ^{2/}	2.54%	2.61%	2.80%	3.26%
Actuarial cost (net) ^{2/}	2.32%	2.37%	2.56%	3.03%
Budget Performance Indicators				
As % of contributions	31.7%	32.6%	34.9%	37.8%
As % of contributions + benefits	18.6%	19.1%	20.7%	23.7%

^{1/} Excluding NHI expenses ^{2/} As percent of insurable earnings



As a percent of insurable earnings, administrative expenditure decreased from 2.80% to 2.61% in 2009 and to 2.55% in 2010, including depreciation and amortization, as higher contribution income and an expanded wage-base increased at a faster rate than administrative expenditure. Excluding these two items, the level of administrative expenditure declined to 2.33% of insurable earnings in 2010.

In three consecutive years management has been able to reduce the absolute amount of administrative expenditure by 11% and the actuarial cost by 22%. Should the relative cost continue at a stable level, the triennial average assessed in 2008 of 2.80% of insurable earnings would be reduced to 2.60% of insurable earnings, as at 31 December 2011.

The bottom part of Table 9 shows the performance ratios of administrative expenditure, which are applicable for budgeting purposes, with a 2010 decline of the rate of administrative expenditure from 32.6% to 31.9% of contributions and from 19.1% to 18.6% of contributions plus benefits. The distribution by branch is shown in Table 10.

Table 10
Administrative Expenditure by Branch

	2010	2009	2008	2009/11 ^{a/}
Short-term branch	0.57%	0.60%	0.62%	0.60%
EI branch	0.50%	0.54%	0.60%	0.72%
Long-term branch	1.48%	1.47%	1.58%	1.48%
Total	2.55%	2.61%	2.80%	2.80%

^{a/}2008 triennial valuation

When the ceiling on contributions is updated, raising the level of insurable earnings, the relative cost of administrative expenditure should decline, but reaching a competitive level of similar social security schemes in Central America and the Caribbean requires additional cost-curtailed measures. Costs are not compatible, as the Belize scheme needs several District Offices, which is not the case in smaller schemes in the Caribbean.

14. Social Development Fund and Disaster Fund

Pursuant to the provisions of statutory instrument No. 60 (1990), 0.15% of insurable earnings of the short-term branch had been assigned to a Social Development Account, reducing the effective financing of short-term branch benefits. As from 2009 the financing of



those funds have been transferred to the EI branch, as recommended by the actuary, and the CEO has endorsed a \$1 million maximum ceiling on the allocation to these funds per year. As at 31 December 2010 the accounts had the following reserve balances.

	2010	2009	2008
	(Amounts in BZ\$)		
Social Development Fund	22,662	68,797	6,065
Disaster Fund	631,076	381,076	160,250
Total	653,738	449,873	166,315



III

ANALYSIS OF THE SHORT-TERM BENEFIT BRANCH

1. Financial Operations

Table 11 shows the financial operations of the short-term benefit branch. Total expenditure has consistently exceeded total income, with a loss of \$2.30 million in 2010 and \$2.69 millions in 2009. The current loss (contributions less total expenditure) declined to \$3.2 millions in 2010, due to lower sickness cases paid but lower reserves yielded lower investment income. A transfer of \$15 million in reserves from the EI branch contributed to restore the reserves above the statutory minimum as at 31 December 2008, but in the absence of the legal amendments crediting the branch with a higher rate of contributions, the reserve is anticipated to fall again below the statutory minimum early in 2012. The branch was severely penalized by subsidizing the NHI pilot project with about \$25 million between 2001 and 2005, depleting the accumulated reserves of previous years, a process that was abetted by an excessive liberalization of the benefit provisions in 2001.

Table 11
Income and Expenditure of the Short-Term Benefits Branch
(Amounts in Thousands of Belize Dollars)

	2010	2009	2008	2007
Contributions	11,613	11,528	10,797	9,899
Investment & other income	1,006	1,077	676	942
Total Income	12,619	12,605	11,473	10,841
Maternity benefits	3,068	3,202	3,085	2,633
Sickness benefits	6,356	6,551	5,954	4,955
Maternity grants	1,004	1,073	1,060	1,015
Total Benefits	10,428	10,826	10,099	8,603
Operational expenses	4,319	4,473	4,468	4,609
Total Expenditure	14,747	15,299	14,567	13,213
Income less Expenditure	(2,127)	(2,694)	(3,094)	(2,372)
Contingency Reserve	8,610	10,793	13,489^{1/}	2,589

^{1/}Includes a transfer of \$15 million from the EI branch

2. Income and Expenditure as a Percent of Insurable Earnings

Income and expenditure as a percentage of insurable earnings is shown in Table 12. Total cost (benefit and administrative expenditure) have consistently exceeded the contribution rate allocated to the branch. Investment income contributed to reduce the deficit, but as reserves have been declining, investment income has also declined. The deficit reached 0.43% of insurable earnings in 2008, but declined to 0.36% of insurable earnings in 2009 and 0.31% in 2010.



Table 12

Income and Expenditure of the Short-Term Branch as a Percent of Insurable Earnings

	2010	2009	2008
Contributions	1.540	1.540	1.500
Investment & other income	0.119	0.144	0.094
Total Income	1.659	1.684	1.594
Maternity allowances	0.409	0.428	0.429
Sickness benefits	0.846	0.875	0.827
Maternity grants	0.134	0.143	0.147
Total Benefits	1.389	1.446	1.403
Operating expenses	0.576	0.598	0.621
Total Expenditure	1.965	2.044	2.024
Income less Expenditure	(0.306)	(0.360)	(0.430)

3. Cost and Funding Ratios

Section 17 (1) of the Financial Regulations set a minimum level of reserves equivalent to six months the average benefit expenditure in the last three years. Without the transfer of EI reserves, the level of reserves as at 31 December 2008 would have fallen below the statutory minimum. The \$15 million transfer temporarily restored the reserve ratio above the minimum at the close of the 2008 and 2009, as shown in table 13, but is projected to fall below the minimum early in 2012.

Table 13
Statutory Minimum Level of Reserves (31 December)

	2010	2009	2008	2007
	(amounts in thousands of BZ\$)			
Minimum statutory reserve ^{1/}	5,225	4,921	4,456	4,091
Actual reserve	8,610	10,793	13,489 ^{2/}	2,589
Reserve Ratio (actual / minimum)	1.65	2.19	3.02	0.63

^{1/} Six months average benefit expenditure in the last three years.

^{2/} Includes a \$15 million transfer from the EI reserves

Table 14 shows the cost and funding ratios of the short-term branch, with the following summary:

- a) The ratio of benefits divided by contributions has shown an increasing trend but declined to 90% of contributions in 2010.
- b) **Cost ratios of expenditure divided by contributions and total income are higher than one, meaning sustainable "current deficits"**. Even including investment income still yields sustainable deficits.



- c) The Fund Ratio shows a steady decline, and at 31 December 2010 was equivalent to 0.52 or about six months' projected expenditure, approaching the international accepted minimum of six months' total expenditure.

Table 14**Cost and Fund Ratios of the Short-Term Branch (excluding NHI and SSDA expenses)**

	2010	2009	2008	2007
Benefits / contributions	0.90	0.94	0.94	0.87
Expenditure / contributions	1.28	1.33	1.35	1.33
Expenditure / total income	1.18	1.21	1.27	1.22
Fund Ratio ^{1/}	0.52	0.73	0.88	0.18

^{1/} Reserves at the end of a year ÷ "total" expected expenditure in the following year

^{2/} Projected, assuming a 10% increase in 2010 expenditure

4. Key Frequencies and Unit Cost of Sickness Benefit

Table 15 shows the key indicators of sickness benefits, with a Morbidity Rate (average days paid per insured) almost twice the standard of other countries, due to the elimination of the 3-day waiting period, with a high proportion of cases and days paid lasting one to three days, adding also to the cost of administration of the branch. **A partial restoration of a waiting period, which is recommended, would reduce materially the morbidity rates and the actuarial cost.**

Table 15**Key Frequencies and Unit Cost of Sickness Benefits**

	2010	2009	2008
Active contributors	87,254	86,981	85,123
Insurable earnings (\$ million)	750.9	748.6	719.8
Benefit expenses (\$ thousands)	63.56	6,551	5,954
Sickness days paid	217,664	240,589	219,733
Number of cases	28,359	31,266	28,531
Days paid per case	7.68	7.69	7.70
Cases per 100 insured	32.5	35.9	33.5
Days paid per insured (morbidity rate)	2.50	2.77	2.58
Cost per day	\$29.20	27.23	27.10
Cost per insured	\$72.84	75.03	69.95
Actuarial cost (% of insurable earnings)	0.846%	0.875%	0.827%

**5. Sex Differentials of the Duration of Sickness Benefits**

Table 16 shows the sex differentials of sickness claims.

Table 16**Sex-Differentials of Sickness Benefit**

	2010			2009		
	Males	Females	Total	Males	Females	Total
Active insured persons	56,644	32,525	87,196	54,968	32,001	86,981
Number of days paid	119,376	98,288	217,664	130,808	109,781	240,589
Morbidity rate (days paid per insured)	2.11	3.02	2.50	2.45	3.59	2.86
Average duration of benefit ^{2/}	6.04	5.13	5.59	4.61	4.25	4.44

^{2/} Derived from terminated cases

6. Sickness Disallowance Rates and Appeals

Statistical data shows a gradual decline in the proportion of disallowances from 15.5% of allowed claims in 2000 to 10% in 2009. The main reasons for non-payment are due to the claimant not meeting the contribution requirement of 50 paid contributions, which shows a substantial increase from 34% to 63% of total disallowances between 2006 and 2009, while rejections for late claims declined from 50% to only 20% within the same period. The significant variations of these two causalities – rejections for less than 50 contributions increased by 34% between 2005 / 2009, and late claim declining by 31% within the same period – could mean the joint incidence of higher density of contributions and higher information by insured persons of the legal requirements.

Appeals for sickness benefit claims declined significantly from 87 cases in 2006 to only 13 cases in 2010, while for maternity benefits there is a non-material increase from 4 cases in 2006 to 7 cases in 2010. Appeals are requested by less than one claimant per 1000 cases of sickness claims. The analysis by sex shows that females have a higher incidence of sickness, although the average duration of terminated cases seems to be lower, according to preliminary data, still subject to adjustments and a more in-depth evaluation.

7. Incidence of the Elimination of the Waiting Period

Statistics on sickness claims show that approximately 45% of the total lasted from one to three days, accounting for 13.6% of the total days paid and 14.4% of the amounts paid. Therefore, the elimination of the 3-day waiting period in the legal amendments enacted in 2001 have almost doubled the number of claims processed, generating a significant increase in the administrative workload, while increasing the SSB cost of sickness benefits. **A restoration of the waiting period will have no material incidence in the direct cost to employers, but it will reduce the SSB administrative cost.**



It is also to be recalled that claiming sickness benefits payments for only one or two days, entailing additional lost hours of work, causes expenses for claimants and employers, and reduces productivity at the workplace, to the detriment of the cost of production of goods and services. Therefore, the stakeholders are advised to consider a gradual restoration of a waiting period as from 2012, for example, a one-day waiting period in 2012, and 2 days in 2013.

The morbidity rate (days paid per insured) should decrease by 25%, due to a high incidence of cases in the agricultural sector, usually prior to the conclusion of the harvesting season. The high replacement ratio of 80% of the average insurable earnings, as compared to 60% to 70% in other schemes, also contributes to the high incidence and duration of sickness cases, particularly if the beneficiary is able to work in the informal sector as a self-employed without being detected by the SSB.

The restoration of the 2 or 3 days waiting period (sickness benefits), and benefit rate of 70% rather than 80% for sickness and maternity benefits, should be postponed for 2012, due to the incidence of the economic crisis on employment. However, the amendments would align the SSB legal provisions with other schemes, would reduce further the cost of the ST branch. The amendments would increase the cost to employers by approximately 0.10% of insurable earnings, or **approximately \$750,000** per year (\$9 per employee per year), a non-material cost to employers.

8. Actuarial Cost of Sickness Benefit

Table 17 shows the actual and projected actuarial cost of sickness benefits. A basic cost of 0.88% of insurable earnings has been assessed for the period 20011/12, with alternative cost scenarios assuming a restoration of waiting periods and a moderation of the 80% benefit rate to 70%. The actual cost of 0.85% in 2010 is slightly higher than anticipated, although the economic slowdown has a direct incidence on the incidence and duration of sickness claims.

Table 17
Actual and Expected Actuarial Cost of Sickness Benefit

Cost Scenarios	2011/12 estimate	2010 actual	2009/2010 assessment
a) Basic actuarial cost	0.86%	0.85%	0.78%
b) With a 2-days waiting period	0.82	n/a	0.73%
c) With a 3-days waiting period and a 70% benefit	0.72	n/a	0.64%

n/a: Not applicable yet in 2009



9. Trends of Maternity Benefits

The number of maternity allowances has remained stable, with an average of 1,363 cases in the last three years. 31% of the cases are in the 14/24 age group, 34% in the 25/29 age group, and 35% for females 30 years and over. A similar trend is detected in the frequency of maternity grants, with an average of 3,467 cases in the last three years. It is also noted that an average of 61% of grants have been paid to male claimants in the period 2008/10, with a 6.6% disallowance rate in that period, mainly for not meeting the contributions conditions.

10. Actuarial Cost of Maternity Benefits

The cost of maternity allowances has remained rather stable in the last three years, at an average of 0.42% of insurable earnings, while the cost of grants has averaged 0.14% of insurable earnings. The 2010 preliminary experience shows no material deviation in the assessed actuarial cost and, therefore, until the next actuarial review, average benefit expenses of 0.42% and 0.14% in allowances and grants respectively are anticipated, as shown in table 18.

The statistical data also shows that the fertility rate started to decline in Belize, but the age-structure of the population over 15 years is changing gradually, a trend which also is influenced by migration, with an estimate of 10% of the population over 60 years of age, as compared to 8% in 2002, according to the County Poverty Assessment, a ratio that will be verified once the 2010 census data becomes available. Data is shown in table 18.

Table 18

Actuarial Cost of Maternity Benefits

	2010	2009	2008
Active contributors	87,254	86,981	87,196
Female contributors	32,528	32,001	31,914
Number of allowances paid	1,338	1,398	1,352
Benefit payments (1,000)	\$3,068	\$3,202	\$3,088
Number of Grants paid	3,329	3,550	3,523
Benefits paid (1,000)	\$1,004	\$1,073	\$1,060
* Allowances			
Allowances per 100 females	4.11	4.37	4.24
Cost per allowed	2,293	2,290	2,284
Cost per insured	35.16	36.81	35.41
Actuarial cost	0.41%	0.43%	0.43%
* Grants			
Grants per 100 insured	3.82	4.08	4.04
Cost per insured	11.51	12.34	12.16
Actuarial cost	0.13%	0.14%	0.15%



10. Actual versus Expected Experience

Table 19 shows a comparison between the actual and expected actuarial cost of the short-term branch benefits, with total cost of 1.97% in 2010 of insurable earnings, slightly higher than the rate of 1.94% assessed for the period 2009/11, **a ratio which is influenced by the economic slowdown.** The actuarial cost estimate for the period 2011/12 is still assessed at 2.04% of insurable earnings, of which 43% arise from sickness benefits. No significant reductions should be expected until the ceiling of insurable earnings is updated, or until the former benefit provisions are restored on a partial basis. The actuarial costs is 32% higher than the present statutory allocation of 1.54% of insurable earnings (or 19.25% of contributions), which is insufficient to restore the actuarial solvency of the branch as shown below.

Table 19
Comparison between Actual and Expected Actuarial Cost of Benefits
(as % of insurable earnings)

	Updated projection (2011/12)	2010	2009	Projected in 2008/11 ^{a/}
Sickness allowance	0.88%	0.85%	0.87%	0.78%
Maternity allowance	0.42	0.41	0.43	0.42%
Maternity grant	0.14	0.13	0.14	0.14%
Total benefits	1.44	1.39	1.44	1.34
Administrative expenses	0.60	0.58	0.60	0.60
Total	2.04%	1.97%	2.04%	1.94%

^{a/}Legal provisions in force

11. Reserve Projection of the Short-Term Branch

Assuming a gradual uptrend in the economic performance, the short-term branch is expected to evolve as shown in table 20, showing that the **Short-Term branch would become insolvent in two years unless the financing provisions are updated**, as recommended by the Actuary. Further, the branch reserves would fall below the statutory minimum early in 2012, requiring more drastic adjustments to the financing bases.



Table 20
Projections of the Short-Term Branch Reserves ^{a/}
(amounts in thousands of BZ\$)

Year	Contributions	Expenditure	Interest	Terminal Reserve
2010	11,564	(14,757)	896	8,493
2011	11,910	(15,347)	303	6,359
2012	12,269	(15,961)	160	2,827
2013	12,636	(16,600)	0	(3,964)
2014	13,015	(17,263)	0	(8,212)
2015	13,405	(17,954)	0	(12,761)

^{a/}Legal bases in force

Bases: Rate of increase in contributions: 3% p.a. (2% in 2011)
 Rate of increase in benefits: 4% p.a.
 Rate of return on investments: 6% p.a.



IV

ANALYSIS OF THE EMPLOYMENT INJURY BRANCH

1. Financial Operations of the Employment Injury Branch

Table 21 shows the operations of the employment injury branch, which takes into account as expenses the actuarial present value of disablement and survivors pensions, in accordance with the actuarial method of "terminal reserves" or "assessment of constituent capital" applied to the scheme. Benefit expenditure increased substantially in 2008, as demand costs increased and the fee schedule of reimbursements to medical providers were adjusted upwards, but these declined in 2009, as short-term injury benefits fell substantially. Operating expenses were also lower, yielding a positive net result of \$8.8 million, one million higher than in 2008. The 2009 actuarial performance exceeded expectations, despite a slight reduction in the share of contributions and additional charges of the Social Security Development and Disaster Funds. At 31 December 2010 EI short-term branch reserves reached \$66.4 million, far in excess of actuarial requirements.

Table 21

Income and Expenditure of the Employment Injury Benefit Branch (Amounts in thousands of BZ\$ Dollars)

	2010	2009	2008	2007
Contributions	14,781	14,672	14,395	13,198
Investment and other income	4,180	3,316	3,713	4,446
Total Income	18,961	17,988	18,108	17,644
Disablement grants	396	544	493	348
Employment injury (short-term)	2,657	3,030	3,813	2,872
Disablement benefits (actuarial value)	581	1,108	1,019	847
Death benefits (actuarial value)	390	434	501	409
Funeral grants	1	11	9	9
Total Benefits	4,024	5,126	5,835	4,485
Operating expenses	3,749	4,006	4,338	5,570
Total Expenditure	7,773	9,132	10,173	10,055
Income less Expenditure	11,187	8,856	7,935	7,589
Transfers to the Short-term branch	0	0	(15,000)	0
Net Reserve (Short-term benefits)	66,807	57,020	49,243	56,307



2. Income and Expenditure as a Percent of Insurable Earnings

Income and expenditure as a percentage of insurable earnings are shown in table 22. Total benefits declined again to 0.54% of insurable earnings and total expenses to 1.04% of insurable earnings, almost one half the 2% assigned to the branch. Adding investment income yields a record surplus of 1.4% of insurable earnings in 2010.

Table 22

Income and Expenditure as a Percent of Insurable Earnings (EI Branch)

	2010	2009	2008	2007
Contributions	1.960	1.960	2.000	2.000
Investment and other income	0.554	0.443	0.516	0.674
Total Income	2.514	2.403	2.516	2.674
Disablement grants	0.053	0.073	0.068	0.053
Employment injury (short-term)	0.352	0.405	0.530	0.435
Disablement benefits (actuarial value)	0.077	0.148	0.142	0.128
Death benefits (actuarial value)	0.052	0.058	0.069	0.062
Funeral grants	0.000	0.001	0.001	0.002
Total Benefits	0.534	0.685	0.811	0.680
Operating expenses	0.497	0.535	0.602	0.844
Total Expenditure	1.031	1.220	1.413	1.524
Income less Expenditure	1.483	1.183	1.103	1.150

3 Reserves and Fund Ratios

Reserves of the Employment Injury branch have evolved as shown in table 23. The minimum short-term reserve of the branch, as provided for in Section 17(2) of the Financial Regulations, should be equivalent to the average benefit expenditure in the preceding three years, or \$5,000,000 as at 31 December 2010. Therefore, at year-end, the reserve is 13.28 times higher than the stipulated minimum, a clear indication that the contribution rate assigned to the branch exceeds the actuarial requirements.

The Disablement and Death Reserve, shown in the last line of table 23, is of a different nature, representing the amounts required to pay pensions in payment until cessation of payment due to death, recovery or termination of survivors' benefits.

Table 23
Reserves of the EI Branch

	2010	2009	2008	2007
Amounts in thousands of BZE\$ (as at 31 December)				
Short-term benefits	66,807 ^{al}	57,020	49,243	56,307
Disablement and death benefits	16,285	16,216	15,573	15,077

^{al}13.36 times the minimum statutory requirements



4. Funded Status Disablement and Death Benefits

Table 24 shows the income, expenditure, reserves and the Fund Ratio of the Disablement and Death benefits. It is recalled that a transfer of \$4 million from the Short-term EI branch benefit reserves to fully fund the actuarial obligations of the sub-branch was approved by the Board in 2004. At the valuation date the Fund Ratio is equivalent to 7.82 times projected expenditure, deemed adequate to cover, with interest, the expenditure of pensions in payment until the death of the beneficiaries.

Table 24
Disablement and Death Benefit Reserves and Fund Ratios
(amount in thousands of BZ\$ dollars)

	2010	2009	2008	2007
Actuarial present value of benefits	2010	2009	2008	2007
Arising in the year	971 ^{al}	1,542	1,520	1,256
Investment income (net)	1,113	975	852	1,060
Total Income	2,084	2,517	2,372	2,315
Disablement pensions	1,295	1,236	1,245	1,122
Survivors' benefits	640	639	631	573
Benefit Expenditure (current)	1,935	1,874	1,876	1,695
Income less expenditure	149	643	496	621
Accumulated reserve	16,286	16,365	15,573	15,077
Fund Ratio ^b	7.86	7.87	7.40	8.03

^{al}\$580,700 disablement and \$389,959 death benefits

^bReserve ÷ benefit expenditure the following year, assumed to increase by 7% in 2011.

6. Incidence of Employment Injury Benefits

Table 25 shows the incidence and cost ratios of cash benefits of the Employment Injury branch, with the actuarial cost declining from 0.41% in 2009 to 0.35% in 2010. The data show that between three and four persons per 100 actively insured are awarded allowances. Despite lower costs in 2010, the incidence of employment injury cases in Belize is still rather high.

The number of accidents according to consequence is shown in Table 26, with a peak in 2008 and a steady decline in the following two years, due to the incidence of the economic crisis on employment.

Table 25
Incidence of Employment Injury Benefit

	2011	2010	2008	2007	2006
Number of cases paid	2,320	2,553	2,812	2,471	2,259
Amount paid ('000)	2,657	3,013	3,813	1,955	2,872
Cases per 100 insured	3.05	3.46	3.26	2.86	3.09
Cost per case (\$)	873	1,180	1,356	865	1,162
Cost per insured (\$) *	30.47	34.68	44.20	24.73	3,590
Actuarial cost (% of salaries) ^{al}	0.35	0.41	0.53%	0.29%	0.44%

^{al}0.41% in 2009



Table 26
NUMBER OF ACCIDENTS ACCORDING TO CONSEQUENCES
Source: Social Security Board - Belize

Year	Medical care only	Temporary incapacity	Permanent incapacity	Death	Total
2006	2,226	0	5	6	2,237
2007	2,471	0	0	8	2,479
2008	2,812	0	12	4	2,828
2009	2,422	0	123	8	2,553
2010	2,200	0	109	11	2,320

© 2011 Social Security Board. Data for 2009/10 should be reviewed (permanent incapacity).

7. Expected Actuarial Cost of Allowances

The emerging marginal trend shows that the anticipated incidence has been lower, as the impact of the economic crisis continues to cause an increase in the unemployment rate, impacting low income seasonal workers, particularly in the agricultural sector, who have a high incidence of work accidents. Therefore, the estimated cost for 2011/12 is now assessed at 0.40% of insurable earnings.

	Projected 2011/12	Projected 2009/11
Cases per 100 insured	3.40	3.50
Days per case	14	18
Days per insured	0.47	0.63
Actuarial cost (% of salaries)	0.40% ^{al}	0.55% ^{al}

^{al}0.41% in 2009 and 0.35% in 2010

8. Medical Expenses

Medical expenses are budgeted as a separate item but are shown on a consolidated basis with employment injury benefits in the financial statements, as noted above. Costs have averaged 54% of total injury benefits in 2007 and 60% in 2008. Data for 2009/10 is not available. **It is recommended that the financial statements show injury benefits and medical expenses separately as from 2011.**

9. Trend of Disablement Pensions

Statistics show the following trend:

Table 27
Trend of Disablement Pensions

	2010	2009
In payment at 1 January	417	404
Awarded	12	17
Deaths	(8)	(10)



Recoveries & other	-	-
In payment at 31 December	429 ^{at}	418
	^{at} 94% of cases are males	

Statistically, about 80% of the new cases have a degree of incapacity of less than 20%, and therefore the insured person is entitled only to a disablement grant. The emerging cost of disablement and death pensions is equivalent, as per the financial regulations, to the actuarial present value (APV) of new pensions awarded, and was equivalent to 0.08% in 2010, (0.15% in 2009) lower than the estimated rate of 0.18% for the period 2009/11. A 0.13% is assessed for 2011/12.

10. Death Benefits (EI Branch)

The average number of deaths giving rise to survivor's benefits averaged 7.66 per year in the last three years, indicative of very low work-related accidental deaths amongst the insured population. The actuarial cost of death benefits and in 2010 of 0.05% of insurable earnings was lower than the 0.10% assessed in 2008. **A rate of 0.07% is anticipated for 2011/12, plus 0.13% for disability pensions, for a total of 0.20%.**

11. Disablement and Funeral Grants

The actuarial cost of disablement grants is estimated at 0.06% of insurable earnings, whereas the cost of funeral grants has been non-material. A rate of 0.06% of salaries is also retained for funeral and death grants until the next actuarial review, with the expectation of a decrease in partial disablement pensions and the introduction of temporary disablement pensions.

12. Funded Status of the Disablement and Death Reserve

A direct analysis of the level of sufficiency of the Disablement and Death Reserve was carried out in 2008. Calculations with a 6% discount rate for the valuation of disablement and death obligations are acceptable under a "ad hoc" adjustment assumption; (with pensions expected to be adjusted infrequently for inflation). The calculation of the actuarial liability was carried out according to the following bases, yielding a Funded Status of 93% as at 31 December 2008, which has remained practically stable in 2010, as per the financial and statistical data.

- Mortality Table: GAM-83
- Mortality of Disabled Lives: $a_x + 7$ (x = age).
- Females Survivors Mortality: $a_x - 4$.
- Remarriage Rates: Nil.
- Discount Rate: 6%.
- a_x : Present Value of the annuity
- Orphans: Temporary annuities



13. Expected Cost of the EI Branch

Based on the 2009/10 trend, the expected cost of the EI branch is assessed as shown in Table 28. The estimated ratio of 1.22% is equivalent to 61% the present allocation.

Table 28

Actuarial Cost of the EI Branch

Benefit	Percent of insurable earnings (2011/12)
Employment Injury	0.40
Disablement & Death Benefits (APV)	0.20
Disablement Grants	0.06
Death and Funeral Grants	0.06
Total Benefits	0.72
Administrative expenditure	0.50
Total	1.22

The recommended allocation of 1% of insurable earnings requires a margin of 0.22%, to be covered by investment income on the reserves, which were equivalent to 0.48% of insurable earnings in 2010. Therefore, even with a reduced allocation to one-half the present statutory allocation, the ample reserves of the EI branch will continue to increase in the future.



V

PERFORMANCE ANALYSIS OF THE LONG-TERM BRANCH

1. Actuarial System

For the long-term branch the "scaled-premium" system of finance is being applied. Under this system, the contribution rate is fixed at such a level that the income from contributions and investment is expected to exceed the expenditure on benefits and administration for a period of years referred to as the "period of equilibrium". Throughout the period of equilibrium, the annual excess of income over expenditure is accumulated in a reserve that increases steadily, but declining thereafter if there are no adjustments to the contribution rate. A primary objective of the actuarial review is to ascertain the adequacy of the statutory contribution rate in accordance with the system of finance, and to quantify the projected level of reserves derived from the financial development of the branch.

2. Financial Operations

The comparative data is in Table 29, showing the expected increase in pension benefits, with new pensions awarded exceeding the cost reduction arising from the mortality of existing pensioners. Reserves increased by 4.5% in 2010 and by 5.7% in 2009, a satisfactory performance in view of the economic slowdown.

In 2007, contributions were equivalent to 101.4% of total expenditure, a ratio that declined to only 90% in 2010, despite the reduction in NCP expenses. However, investment income contributed to generate a \$12.6 million surplus in 2010, as compared to a \$14.9 million surplus in 2009. When the surplus decreases to zero (period of equilibrium), branch reserves would start to decrease unless an adjustment to the contribution rate restores a positive operational balance and reserves continue to increase.

As from 2008 total expenditure has started to exceed contributions, with the future increase in reserves arising exclusively from a declining share of investment income, a situation that was accelerated by the addition of non-contributory pensions to males and the adjustment of the basic rate to \$100 per month.

The 2010 data shows that reserves increased by \$14.7 million, due to the combined incidence of higher investment income and lower expenditure in non-contributory pensions, as compared to \$15 million in 2009. **Operational surpluses are expected for a few more years, due exclusively to the incidence of investment income, extending the growth of reserves until total expenditure exceeds total income, a process that could be delayed**



temporarily by adjustment to the ceiling on contributions and other amendments to the benefit provisions.

Table 29
Income and Expenditure of the Long-Term Branch
(Amounts in Thousands of Belize Dollars)

	2010	2009	2008	2007
Contributions	33,935	33,686	32,396	29,696
Investment & other income	19,280	16,644	14,647	17,511
Total Income	53,215	50,330	47,037	47,207
Retirement benefits	14,754	13,066	11,910	9,989
Invalidity benefits	2,310	2,088	2,032	1,823
Survivors' benefits	4,147	3,661	3,712	2,966
Funeral Grants	1,020	897	835	795
Non-contributory pensions	4,201	4,703	4,934	2,392
Total Benefits	26,433	24,415	22,423	17,965
Operating Expenses	11,074	11,023	11,318	11,311
Total Expenditure	37,506	35,435	34,741	29,276
Income less Expenditure	15,708	14,892	12,296	17,931
Actuarial Reserve	291,294	276,937	262,045	249,748
Fund Ratio ^{1/}	7.1	7.4	6.7	7.5

^{1/} Reserves ÷ projected expenditure the following year (8% in 2011)

3. Income and Expenditure as a Percent of Earnings

Table 30 shows the financial experience as a percent of insurable earnings. Total benefits rose to 3.52% of salaries, and total expenditure to 4.98% of insurable earnings, higher than the 4.5% allocated to the branch. The current surplus (contributions less expenditure) has been declining steadily, reaching a negative ratio of 0.48% of insurable earnings in 2011.

Table 30
Income and Expenditure as a Percent of Insurable Earnings

	2010	2009	2008	2007
Contributions	4.50	4.50	4.500	4.500
Investment & other income	2.55	2.22	2.035	2.653
Total Income	7.05	6.72	6.535	7.153
Retirement benefits	1.96	1.75	1.655	1.514
Invalidity benefits	0.31	0.28	0.282	0.276
Survivors' benefits	0.55	0.49	0.516	0.449
Funeral Grants	0.14	0.12	0.116	0.120
Non-contributory pensions	0.55	0.62	0.686	0.363
Total Benefits	3.51	3.26	3.255	2.722
Operating Expenses	1.47	1.47	1.572	1.714
Total Expenditure	4.98	4.73	4.827	4.436
Income less Expenditure	2.07	1.99	1.708	2.717
Current Surplus ^{1/}	(0.48)	(0.23)	(0.327)	0.064

^{1/} Contributions less expenditure.



4. Trend of Pensions in Payment

Table 31 shows the trend of pensions in payment, with a steady increase in all the categories of pensioners, a normal trend reflecting the gradual demographic maturity of the long-term branch.

Table 31
Trend of Pensions in Payment (Year-end)

	Retirement	Invalidity	Survivors	Orphans
2007	2,747	326	884	1,228
2008	2,964	342	922	1,167
2009	3,146	345	874	1,170
2010	3,462	340	946	1,200

The geometric rate of increase in the number of pensioners is in the last four years as follows:

Retirement:	5.95%
Invalidity:	1.06%
Survivors:	1.71%
Orphans:	0.00%

The low rate of increase in the number of invalidity and survivors' pensions is due to high termination rates, due to the death of the beneficiary and to "other causes", as many pensioners resume work and the pension is suspended.

5. Performance of the Non-Contributory Pension Scheme (NCP)

Cost-curtalement directives by the CEO and implemented by the NCP Committee, to address unwarranted NCP awards in December 2007 and early 2008, and to introduce appropriate evaluation procedures, yielded a reduction in NCP expenditure. The NCP assessment is shown in Annex A, with a cost estimate of 0.50% of insurable earnings, exclusive of administrative expenditure.

6. Distribution of Statutory Contributions

The gross share of contributions allocated to the long-term branch is equivalent to 4.50% of insurable earnings as from 1 July 2003. Deducting the estimated costs of grants, and the non-contributory scheme along with administrative and other expenditure, yields an updated net rate of 2.22%, higher than the rate of 2.15% of insurable earnings assessed in 2008, to finance the cost of retirement, invalidity and survivor's pensions, plus investment income. The scenario at year-end 2009 is more adequate than anticipated, due to higher investment income as shown in Table 34.



Table 34

Distribution of the Statutory Contributions (Long-Term Benefits) **(excluding investment income)**

	Contribution Rate (percent of insurable average)		
	2011/12 ^{1/}	2010	2009
Gross rate	4.50%	4.50%	4.50%
Other income	0.04	0.04	0.03
Total Contributions	4.54	4.54	4.53%
Administrative expenditure	(1.50)	(1.48)	(1.47)
Grants	(0.20)	(0.19)	(0.22)
Non-contributors pensions	(0.50)	(0.55)	(0.62)
Net rate for contributory pension benefits	2.34%	2.32%	2.22%

7. Demographic Projections

Table 35 shows a summary of the triennial demographic projection carried out in 2008, based on legal provisions in force, with the last two columns showing the ratios of retirements and total pensioners to the active insured (demographic ratios). The 2010 trend does not deviate substantially from the expected ratio, despite the incidence of the economic slowdown on employment, with 87,196 active contributors, 98.7% expected number.

Table 35

Summary of the Basic Demographic Projections

Year	Number of Contributors	Number of Pensioners			Total	Demographic Ratios ^{3/}	
		Retirement	Invalidity ^{1/}	Survivors ^{2/}		Retirement Pensions %	All Pensions %
2009	83,980	3,052	345	2,076	5,473	3.6	6.5
2010	88,381	3,293	352	2,082	5,727	3.7	6.5
2015	99,995	5,040	398	2,396	7,834	5.0	7.8
2020	110,402	7,362	451	2,763	10,576	6.7	9.6
2025	119,404	10,983	510	3,192	14,685	9.2	12.3
2030	126,116	15,316	577	3,695	19,588	12.1	15.5
2040	136,576	25,972	720	4,979	31,671	19.0	23.2
2050	147,904	38,203	945	6,759	45,907	25.8	31.0

^{1/} Invalidity pensions are converted into age pensions at age 65.

^{2/} Widows and orphans.

^{3/} Ratio of pensioners to active insured, in percent, excluding non-contributory pensions.



Table 36 shows the actual versus the expected number of pensioners, with a very close fit for retirement and invalidity pensions, and lower than expected survivors' pensions.

Table 36

**Actual versus Expected Demographic Projections
(as at 31 December)**

	Actual (2010) ^{a/}	Expected	Deviation
Invalidity pensions	340	352	-3%
Retirement pensions	3,462	3,293	+5%
Survivors' pensions	2,146	2,082	+3%

^{a/} 797 widows, 1,114 orphans and 58 parents.

8. Financial Projections

The projections of the 2009 valuation as compared to the 2010 actual experience shows the following ratios, indicative of the gradual statutory of the long-term branch.

Table 37

	2010 Actual	2010 Expected	2008 Actual
PAYG rate ^{a/}	5.00%	4.97%	4.83%
Reserves (millions of BZ\$)	\$290	\$288	\$262
Period of equilibrium	8.0 years ^{b/}	8.5 years	10 years

^{a/} Benefits as a percent of insurable earnings

^{b/} Incidence of the economic slowdown.

9. Gross Mortality Rates

Table 38 shows the crude gross rates of mortality of pensioners, which in the future can provide reliable indicators to develop mortality tables adapted to the experience of Belize. The denominator is based on the number of pensions at 1 January of each year.

Table 38

Rates of Mortality and Terminations

	2010	2009	2008
Invalidity ^{a/}	15.2	11.4	7.4
Retirement	3.94	2.33	3.46
Survivors ^{a/}	4.35	^{b/}	7.35

^{a/} Includes death and recovery (and remarriages for widows)

^{b/} Distorted ratio



VI ACTUARIAL ASSESSMENT OF THE NATIONAL HEALTH INSURANCE PROJECT

1. Background

As stipulated in Part VI of the Social Security Act, the Board has been entrusted with the management of the National Health Insurance Scheme. However, the financing regulations have yet to be enacted and transitional pilot projects have been in operation in specific areas of Belize City, and more recently in the Southern Region (Stann Creek and Toledo Districts).

2. The Health Care Model in Belize

Belize has a multiple health care model based on three pillars, namely: a) services provided by the MOH, b) limited regional services provided by the NHI, and c) private services through insurance companies or facilities offshore.

The NHI pilot project is limited in coverage; its restricted package of benefits (excluding surgery, general hospitalization and other services), was funded in its entirety by the SSB until December 2007, co-financed with GOB transfers as from 2008 and entirely by GOB funds as from 2010.

3. Financing of the Project

In the first phase the pilot projects were financed by the SSB, which implied a substantial financial burden to the SSB of about BZ\$40 millions. From a fiscal standpoint, the redistribution of income was very regressive, as funds contributed by all stakeholders were utilized to benefit a small segment of the population, regardless of their social insurance status.

As from late 2006, in view of the financial inability of the SSB to earmark additional funds for the roll-out (expansion) to additional geographical areas, the Government began to supplement the funds allocated by the SSB with transfers from the MOH budget and direct Government transfers. As recommended in actuarial assessment, no further SSB subsidies were feasible, and as from 2009 the pilot projects have been financed exclusively by GOB transfers to the SSB, and residual reserves from previous SSB transfers, which have been consumed.

4. Actuarial Systems

The EI scheme operates on a pay-as-you-go basis, with income based on GOB contributions equivalent to expected expenditure, and a margin for a contingency reserve. The



same system would be applied if the financing model were expanded to include additional sources of revenue.

5. NHI Financial Trends

Table 39 shows the income expenditure and reserves of the NHI scheme. GOB transfers increased substantially in 2009 and 2010, as the SSB residual reserves have been consumed, reaching \$14.2 million in 2010 as compared to \$4.88 million in 2008. Benefit expenditure increased by 20% in 2010 (18% in 2009), and operating expenses rose by 13%, still lower than the amount spent in 2007 and 2008, which included consultancies and non-recurring items. Overall, NHI expenses in 2010 increased by 20% and “gross” reserves are estimated at \$2.15 million. No assessment is available of outstanding benefits claims; these would reduce the amount of gross reserves.

Table 39
Financial Trends of the National Health Insurance Fund

	2010	2009	2008	2007
Social Security Board (EI transfer)	-	-	-	5,000,000
Government of Belize	14,245,864	12,754,140	4,885,260	5,046,405
Total contributions	14,245,864	12,754,140	4,885,260	10,046,405
Benefits	13,355,728	11,085,853	9,386,111	8,624,409
Operating expenses	792,005	691,644	893,570	931,105
Total expenditure	14,147,733	11,777,497	10,279,681	9,555,514
Excess of income over expenditure	98,131	976,643	(5,394,421)	\$490,891
NHI Reserves	2,142,113	2,043,982	1,067,339	6,461,760

6. Financial Ratios

Key financial ratios have evolved as shown in Table 40.

	2010	2009
Benefits as % of contributions	93.7	86.9
Total expenses as % of contributions	99.2	92.3
Operating expenses as % of benefit	5.8%	6.2
Fund ratio (reserves ÷ total expenditure)	0.15	0.17

The analysis shows a level of reserves equivalent to about two months of expenditure, below international accepted benchmarks. The ratio would decline further if outstanding were are deducted from the reserves. Therefore, a key task of the NHI is to strengthen the Fund Ratio with contingency reserves equivalent to six months average expenditure, to cover potential increases in claims and/or delays in GOB transfers.



7. Summary of Financial Operations by Region

Table 41 shows a summary of the financial operations by region, according to the NHI activity reports, with a non-material difference with the amounts reported in the audited financial statements. Expenses in Southside Belize increased by 30% and by 10% in the Southern Region.

Table 41
Financial Operations by Region
(Amounts in thousands of B\$)

	2010		2009		
	Amount	Distribution	Amount	Distribution	
South Side Belize City	8,964	62%	6,89	58%	Marginal difference
Southern Region	4,587	32	4,18	36	
Total purchasing expenses	13,551	94%	11,0	94%	
Administrative expenses	812	6% ^{a/}	691	6	
Total expenses	14,363	100%	11,769	100%	

with SSB financial statements

8. Cost of Benefits by Type of Service

Table 42 shows the cost of benefits by type of service and region. Services in the Southern Region are limited to PCP, Ophthalmology and hospital deliveries. PCP continues to represent about 60% of total benefits expenditure but Lab tests increased by 80%.

Table 42
Benefit NHI Expenditure by Specific Service

	2010	2009	2008
PCP	7,823	3,392	3,213
Pharmacy	2,381	1,411	1,110
Imaging	678	524	523
Lab tests	1,887	1,051	630
Ophthalmology	217	88	36
Hospitalization ^{1/}	564	428	422
Total (both regions)	13,559	6,894	5,934

^{1/}Deliveries only

9. Membership Data

Table 43 shows membership data for the last four years, with a 5% increase in the number of beneficiaries in 2010, lower than the rate of increase in expenditure.



Table 43
NHI Membership Southside Belize and Southern Region (December)

	2010	2009	2008	2007
BELA	10,263	9,270	8,451	7,808
MBA	12,000	11,416	8,451	9,710
Integral	12,000	12,000	10,471	12,576
M. Roberts	12,000	12,000	12,000	12,130
Sub	46,263	44,686	42,922	42,224
Dangriga	12,856	11,558	9,912	5,940
Independence	12,647	12,280	11,413	9,452
Punta Gorda	10,752	9,995	8,944	6,457
San Antonio	9,106	8,673	7,938	6,353
Sub-total	45,361	42,506	38,207	28,202
Total	91,624	87,192	81,129	70,426
Average for the year	89,408	84,161	75,985	66,329

10. Actuarial Cost of the Pilot Project

Table 44 shows the actuarial costs as a percent of the wage-base, showing an actuarial cost of 6.28% of insurable earnings in 2010 as compared to 5.23% in 2009, due basically to higher unit costs in Southern Belize.

Table 44
Estimated Actuarial Cost of Benefits
(Amounts in thousands of BZ\$)

	2010	2009	2008
SSB wage base	751,000	749,000	720,000
NHI beneficiaries (average)	89,408	84,161	75,985
NHI wage-base (30%) ^{1/}	225,000	225,000	216,000
NHI benefit expenditure	13,356	\$11,084	9,386
Administrative expenditure	782	\$664	894
Total expenditure	14,138	\$11,749	10,280
Cost as % of wage-base	6.28%	5.23%	4.76%
Cost per member per year	\$158	\$140	\$135

^{1/}Estimated average wages of the low income and indigent segment of the NHI target population.

NHI has been covering a rather limited range of benefits, excluding key services such as general hospitalization, surgery, drugs to out-patients, etc. Adding this to the package of benefits would entail additional costs to be borne by the GOB.



11. Conclusions and Recommendations

The actuarial cost of the NHI project has been increasing steadily, as shown by a 5% increase in the number of beneficiaries and a 20% increase in benefit expenditure, particularly lab tests, with 2010 expenses 80% higher than in 2009. The reserve ratio also declined in 2010, and represents only 1.8 months of expenditure as at 31 December 2010, a ratio which falls below accepted benchmarks of six months' average expenditure.

The estimated actuarial cost is assessed at 6.28% the notional wage base of the targeted population, as compared to 5.28% the preceding year. Further, the unit cost per member increased from \$140 to \$158 per year, but remained static in the Southern Region and increased by 25.7% in Southern Belize.

Primary health services account for about 60% of total benefit expenditure, and closer coordination of services with the Ministry of Health might improve the cost ratios.

The actuarial cost of coverage of additional geographical areas under alternative financing scenarios was assessed in an actuarial report submitted by the actuary in June 2008 (NHI Assessment of Actuarial Costs and Financing Options), which should be updated based on emerging trends.

The authorities have not yet adopted a decision on the roll-out strategy or the financing of the scheme. More comprehensive actuarial assessments should be carried out once policy decisions in this respect are adopted.



VII

ACTUARIAL ASSESSMENT OF THE INVESTMENTS

(Third Schedule of the Act)

Pursuant to the legal provisions, an analysis is presented below of the investment framework, the strategic assets allocation, and related technical issues, from an actuarial standpoint, as required by the Third Schedule of the Social Security Act on an annual basis, as a supplement to the statutory actuarial valuation.

1. Performance Analysis

The actuarial valuation report shows a satisfactory consolidated performance of the investment portfolio in 2010, as shown below, despite a reduction in the market rates of interest:

	2010	2009	2008
Nominal return	5.74%	6.21%	5.60%
Real return ^u	4.80%	7.39%	(0.01)%
Amount (in thousands \$)	20,977	21,315	18,298

^uAfter inflation

The nominal returns have been close to the 6% rate assumption utilized in the actuarial valuation, and the triennial average of 5.8% also exceeds the expected performance, which in the future will weigh more heavily on dividends than in the past, which are subject to higher variability than interest on fixed income deposits.

2. Distribution of Investment Income

The SSB investments are made on a “pooled-fund” basis, rather than by branch, and then distributed by branch in accordance with the assets of each branch, as an interpretation of the provision of Section 14(2) of the Financial Regulations. In the last fiscal year the Board increased the allocation in Associates and reduced the proportion in short-term loans. **The focus on term deposits is in accordance with the actuarial recommendation to increase the liquidity of the portfolio, due to the maturity of the scheme.**

Below is the distribution of the investment portfolio by duration. Further, as at 31 December 2010, no single investment exceeded 20% the ceiling stipulated by the Board, with the allocation to BEL equal to 18% of the total portfolio.



Table 45

Balance of the Investment Portfolio (at 31 December)

	2010	2009	2008
	(Millions of BZ\$) ^{al}		
Short-term	136.0 (38.9)	139.8 (46.0)	113.7 (39.9)
Long-term	101.3 (29.0)	103.3 (33.9)	112.4 (39.4)
Associates ^{bl}	112.2 (32.1)	61.2 (20.1)	58.9 (20.7)
Total	349.5 (100)	304.3 (100)	285.0 (100)

^{al}In parenthesis: Percent distribution

^{bl}BEL (\$62.6 million) and BTL (\$50 million)

3. Availability of Funds for Investments (2011)

In 2011 the reserve of the EI branch should increase by about \$9.5 million, and the long-term branch reserves should increase by an additional \$10 million per year, for a consolidated amount of \$19.5 million. However, the short-term branch is expected to experience a \$2.5 million loss, for a 2011 **net increase of reserves of \$16 to \$17 million, according to legal provisions in force, as compared to \$20 million in 2010, due to the joint incidence of lower interest rates and the gradual actuarial maturity of the scheme.**

4. Level of Sufficiency and Trend of Reserves

As at 31 December 2010 the reserves of each branch exceeded the statutory minimum stipulated in the financial regulations. The trend of each branch reserve is shown in the statutory actuarial valuation, under alternative scenarios of financing and benefit provisions. However, it is anticipated that early in 2012 the reserve of the short-term branch will fall below the minimum statutory provisions.

5. Short-Term Investments

In 2010 the portfolio of short-term investments declined by \$3.8 million, after an increase in 2009. The Board decided to reduce the allocation in the Central Bank, due to the unilateral reduction in interest rates, thus safeguarding the rate of return on investments.

The short-term position was as follows, in millions of BZ\$:

	2010	2009
Term deposits	\$117.0	\$121.7
Citrus Growers Association crop loan	7.7	7.0
GOB treasury notes	10.5	10.5
Total	\$136.0	\$140.0



6. Long-Term Investments

Long-term investments decreased from \$112.4 to \$103.3 million, with mortgages accounting for most of the decline, as shown below. It is noted that 5% of the portfolio is in non-performing issues.

	2009	2008
	(Millions of \$)	
Shares	\$ 6,152,490	\$ 6,152,490
Private sector loans	52,626,212	54,059,563
Mortgages	19,597,416	23,522,651
Restricted mortgages	7,405,036	10,082,873
Real estate	12,575,338	12,938,751
Government of Belize loan	4,753,927	5,474,718
Debentures	200,000	200,000
	\$103,310,419	\$112,431,046

7. Investment in Associates

The balance of the investment in BEL rose by \$2.4 million reaching \$62.178 million at 31 December 2010. A new investment of 50 million in BTL shares increased the allocation to 32% of the portfolio. The financial situation of BEL should be reviewed periodically, as the payment of dividends in compliance with a loan covenant was suspended in 2009. **The allocation of such a large amount of reserves to a single investment in a regulated public utility entails a latent investment risk.** The situation of BTL seems to be different, having yielded substantial capital gain in past investments by the SSB.

8. Investment Policy and Future Commitments

The SSB manages risks in accordance with the provisions of the Social Security Act. The investment policy is determined by the Board, based on recommendations by the Investment Committee. At present, the investment policy complies with the ISSA investment guidelines, by limiting a single investment to a ceiling of 20% of the reserves.

Despite the allocation of \$50 million in BTL shares, short-term investments still represent 38.9% of the portfolio (46% in 2009).

The Board is planning to allocate additional liquid funds to specific ventures in 2011, that will reduce further the proportion of short-term investments and the liquidity of the Fund. **Therefore, as a general guideline, the actuary advises to keep the allocation of short-term investments above 33% of the investment portfolio, in order to ensure an adequate liquidity position for the period 2011/12, and to restore the cash position to a minimum of three months' of average total expenditure.**



9. Investment Income Receivable

The balance declined to \$6.25 million at year end (\$8.8 million in 2009), basically due to liquid CD's and receivables from a loan to a private company, as shown below.

	2010	2009	2008
Sunshine Holdings Limited	\$503,581	\$3,639,863	\$2,789,863
Other loans and mortgage portfolios	812,454	726,320	930,765
Certificates of deposit	4,933,970	4,384,726	1,864,283
Savings account	-	15,530	10,435
	\$6,250,005	\$8,766,439	\$5,595,346

10. Cash and Bank Balance

The cash position declined significantly at the close of the 2010 fiscal year, from \$30 million to \$10.4 million, due to the reduction of the Central Bank deposits from \$25.7 million to only \$827,090, as interest rates payable by the Bank fell below an acceptable threshold

The balance at year-end is equivalent to less than two months total expenditure, below an acceptable benchmark of three months of current expenditure. However, an operational surplus of approximately \$1.4 million per month should arise in 2011, allowing the Board to restore an adequate current cash ratio. **A consistent cash management programme should be implemented, allowing the CEO and the Director of Finance to maximize returns by allocation of excess cash in short-term (1 to 3 month) CD's.**

11. Benchmarks

Benchmarks for pension and investment funds in industrialized economies have been developed to measure the actuarial performance of an investment portfolio. A common index for equities could be the SP500, and for bonds (fixed income) 30-year Treasury Bills or a similar indicator developed for a diversified portfolio of bonds on a national or regional basis.

No similar benchmarks are available in Belize, where no established stock market is in operation, although the SSB has periodically purchased shares of private companies or statutory bodies.

To assess the performance of the Fund, benchmarks to measure the performance of asset classes is advisable, and the most representative comparator in Belize at present are a combined ratio of the rate payable in Treasury Bill and Term Deposits in private sector financial institutions. The average rates payable by the Central Bank do not seem to be suitable, as the rates are dependant on monetary policy rather than market trends.



12. Distribution of Investment Income

The financial statements (Note 12) shows that in 2010, 95% of the investment income was originated in long and short-term investments. Income from Associates in 2010 and income from the mortgage securitization programme increased moderately. Investment expenses declined from \$909,048 in 2009 to \$823,858 in 2010, and the provision for investment losses declined from \$859,851 to \$11,259.

13. Financial Risks Factors and Actuarial Guidelines

The financial statements (Note 3) outline the financial risk factors the Board is exposed to: Price, Credit, Liquidity, Operational, Foreign Exchange, Cash flow and Interest Rate Risks, without specifying any qualifications. Of special concern from an actuarial standpoint are the Price risk, to be reduced by diversification of the portfolio; the Credit risk, arising from the inability to pay of debtors (mortgages, loans, derivatives products), and the Liquidity Risk, which is becoming important as the maturity of the scheme increases.

Thanks to the positive financial performance in 2010 and additional safety factors adopted by the Board, the portfolio at the close of 2010 is adequately diversified. The same is applied to the Credit Risk, which seems to have diminished in 2010 as highlighted by the reduction in the provision for investment losses (Note 12 of the Financial Statements). As to the Liquidity Risk, based on legal provision in force (contribution rates, ceiling on contributions and benefit provisions), this category will increase over time.

14. Conclusions and Recommendations

In 2010 the investment performance was adequate, despite a gradual decline in the passive rates of investment payable by financial institutions and the Central Bank; with nominal returns close to the 6% actuarial assumptions. The allocation to short-term investments declined from 46% to 38.9%, due to an increase in the allocation to Associates, including \$50 million in BTL shares. However, the portfolio complies with the investment guidelines, setting a 20% ceiling an individual investment.

The cash position declined significantly from \$30 million to only \$10.4 million at year-end, an amount equivalent to less than two months total expenditure, below accepted benchmarks. A positive cash flow in 2011 should allow the Board to restore a minimum cash balance of three months average monthly expenditure; a ratio that should increase to a higher level in 2012/13, as the actuarial maturity of the scheme increases, thus restricting the flexibility of the Board for alternative investments.



APPENDIX A

ASSESSMENT OF THE NON-CONTRIBUTORY PENSION SCHEME

1. Background

The payment of Non-Contributory Pensions (NCP) were transferred from the Ministry of Social Services to the SSB in July 2003, without a compensatory transfer of funds, therefore impacting negatively on the actuarial situation of the long-term branch. Although the contribution rate was increased by 1% of insurable earnings and assigned in its entirety to the long-term branch, which henceforth has been allocated 4.5% of insurable earnings, such an increase has been recommended in previous actuarial valuations as part of the scaled-premium system of finance, to guarantee the long-term solvency of the long-term branch, and not specifically to finance the NCP scheme.

In December 2007 the Government decided to add eligible males as beneficiaries of NCP and increased the payment to \$100 per month, allowing the NCP Committee to approve almost 900 additional NCP within six weeks.

Directives by the new SSB authorities as from March 2008 to address unwarranted NCP, and to introduce proper evaluation procedures has resulted in a steady reduction in the number of NCP, as shown below.

2. Trend of Pensions in Payment

The 2009 actuarial valuation projected 4,000 NCP in 2010, according to the “low” utilization scenario, but a large proportion of revoked pensions and high disallowance rates in 2009 and 2010 contributed to reduce the number of pensions in payment even further. The total number of NCP declined from a peak of 4,934 to 3,872 in 2009 and declined even further in 2010, with only 3,361 pensions in payment in December 2010, confirming that the high mortality of pensioners and more thorough evaluation procedures contributed to offset the abnormal surge of pensions awarded during the initial phase of operations.

The data confirms that a large number of NCP were approved without a proper investigation, allowing non-indigent pensioners to obtain a life pension financed by the SSB long-term branch, which impacted negatively on the actuarial situation of the branch, a process that was aggravated by the adjustment of pensions and the addition of NCP to males. Many of the non-contributory pensioners had also claimed the Retirement Grant, despite the incompatibility of both benefits, as stipulated in Section 18 of the NCP Regulations. This is an issue the Board is presently dealing with and that requires an amendment to the regulations.



3. Financial Trends

The following table shows the recent trend of benefit expenditure on non-contributory pensions. Total benefit expenditure amounts to **\$23.8** million which, at 6% interest and adding a modest 5% to cover operational expenses (Committee, Benefit Department, Inspectors, etc.), would yield a total expenditure of **\$29.8** million during the first eight years operation, with a significant impact on the actuarial situation of the scheme.

NCP Benefit Payments
(Amounts in millions of BZ\$)

	Amounts ^{a/}
2003	1.246
2004	2.010
2005	2.132
2006	2.211
2007	2.392
2008	4.934 ^{b/}
2009	4.702
2010	4.201 ^{c/}
Total	23.828

^{a/} At year end

^{b/} Males added as from December 2007

^{c/} 67% females

4. Actuarial Cost of NIP

The actuarial cost of benefits has evolved as follows, excluding management expenses:

Year	Percent of insurable earnings
2007	0.36%
2008	0.69%
2009	0.63%
2010	0.56%

For the actuarial valuation, the PAYG cost of NCP is assessed medium-term at 0.50% of insurable earnings, with mortality of pensioners offsetting the award of new pensions to a significant extent, and assuming no further revaluation of pensions in payment for the next three years.

5. Projected Benefit Expenditure and Extension of the Period of Equilibrium

Assuming the SSB is able to control the cost of NCP with no pension adjustments the next two years and modest adjustment thereafter, capitalized expenses over the next 10 years would amount to almost **\$50 million** approximately.



The actuarial projections indicate a maximum level of reserves of long-term branch of \$352 million at the end of the next ten years. Therefore, it is estimated that the transfer of NCP to the Government as from 1 January 2012 **would allow the LT branch to extend the period of equilibrium by an additional 3.5 years, thus postponing the need to increase the contribution rate of employees and employers by a similar period.**

In the event that the SSB is unable to transfer the payment of NCP to the Government, cost curtailment strategies are advisable to ameliorate the financial incidence of the scheme.

6. Amendments to the Non-Contributory Pension Legal Provisions

Jointly with the re-allocation of contributions between the Short-term branch and the EI branch, and amendments to the Self-Employed scheme, these proposals would constitute the initial set of legal amendments required by the SSB in the first phase. The basic option (transfer to the Government) would simply require deleting the NCP Regulations. The alternative option would require amendments to the respective sections of the regulations, as shown in the attachment declining with the Matrix of Legal Amendments.

Section 18 of the regulations stipulates an **option** between the Grant and the NCP. As insured persons are allowed to claim the grant of ages of **60 to 65 years**, a male person might come two years later and claim a NCP. Therefore, the SSB should check if claimants have previously received the grant, and if so, to disallow the NCP.

**APPENDIX B****PERFORMANCE ANALYSIS OF THE SELF-EMPLOYED SCHEME****1. Registered and Active Contributors**

Since the inception of the self-employed scheme and up to 31 December 2010, the total number of registrations exceeds 3,500 persons, although the number of active contributors decreased in 2010, from 972 to 932 persons, about 1% of the active insured persons. Total contribution of \$339, 48 in 2010, 0.56% the total contributions, shows that the average earnings of the self employed is lower than the insurable earnings of the active contributory scheme. Of the active self-employed insured persons in 2010, 52% are females as compared to 37% females in the general scheme. Table 1 show that the coverage rate has been decreasing steadily, from 63% of registered self-employed persons as active contributors in 2005 to only 26% in 2011. At present, there is no rational explanation of why three-quarters of registered self-employed persons are not in the active status in 2010.

Table 1
Self-Employed Registered and Active Contributors by Year

Year	Registered Persons	Cumulative Registrations	Active Insured Self-employed	Coverage Rate (Active / Registered) In percent
2005	445	1049	663	63%
2006	481	1530	822	54%
2007	574	2104	949	45%
2008	507	2611	930	36%
2009	517	3128	972	31%
2010	438	3566	932	26%

2. Distribution of the Self-Employed by Wage-Group

Table 2 shows the distribution of the active self-employed by wage-group, and the comparison with the distribution of employed persons. The data confirm that while only 4% of the employed persons have earnings under \$70 per week, 26% of the self-employed declare earnings in that range. Conversely, 21% of the self-employed declare earnings of \$180 per week and over, as compared to 63% employed persons.

The differences specified above confirms that a high proportion of active self-employed persons have opted to declare unrealistically low notional earnings, in the expectation of obtaining a minimum life pension of \$47 per week, plus short-term benefits, with contributions of only \$4 to \$6 per week, resulting in a negative incidence on the actuarial situation of the scheme.



Table 2
Distribution of Active Insured by Wage-Group (2010)

Median Wage-group (\$)	Percent Distribution	
	Self-employed	Employed
Under 70	26%	4%
70/179	53	33
180/299 ^{a/}	21	34
300 and over	-	29
Total	100%	100%

^{a/}\$256 for the self-employed

3. Distribution of the Self-employed by Age-Group

Table 3 shows that almost 15% of the active self-employed are 55 years and over, as compared to only 6% in the general scheme, an indicator of “adverse selection” by many self-employed persons in order to obtain a “financial gain” by participating in the self-employed scheme. If “registered” self-employed persons who have ceased to make contributions re-activate their participation before reaching the normal retirement age and qualify for a pension, the number of potential future self-employed age pensioners might be three times as large as the expected number based on the active contributions, with a significant increase in expenditure.

Table 3
Proportion of Active Insured by Sex and Age Group (2010)

Age-Group	Self-Employed	Employed
Under 34	23%	59%
35/44	29%	22%
45/54	33%	13%
55 and over	15%	6%
Total	100%	100%

4. Frequency of Claims by the Self-Employed

Table 4 shows the frequency of claims by the active self-employed persons, while table 5 shows the distribution of claims by type of benefit, based on 2009 data. The data shows that:

- One out of every 4 or 5 contributors submits a short-term claim per year, a ratio that might increase substantially.
- Maternity and sickness benefits account for almost 80% of all claims
- No age or invalidity pension has been awarded yet, but as from 2009 several self-employed should meet the qualifying conditions to claim invalidity pensions.



Table 4
Frequency of Claims by the Self-Employed

Year	Number of Claims	Number of Active SE	Incidence Rate
2005	123	664	18.5%
2006	161	829	19.4%
2007	183	898	20.4%
2008	209	767	27.2%
Average	169	790	21.4%

Table 5
Distribution of Expenditure by Type of Benefit

Benefit Type	Percent Distribution
Funeral grant	5%
Injury benefit	5
Maternity benefit	33
Maternity grant	11
Sickness benefit	46
Age pension	0
Invalidity pension	0
Survivor's pension	0
Total	100%

5. Cost of Benefits and Net Share for Pensions

Table 6 shows the balance of contributions and expenditure, while table 7 shows the active costs and the remaining share for future pension expenses. At present the margin for future pensions fluctuates between 3.54% and 3.88% of notional earnings. If the scheme were reformulated to eliminate most of EI branch and ST branch benefits, then the contribution rate could be reduced from 7% of notional earnings to 5.5%, including a margin for additional benefits in case of maternity.

Table 6
Cost of Benefits by the Self-Employed

Year	Contributions	Benefit payments	Administrative expenditure ^{al}	Net amount for pensions
2006	243,782	52,600	68,170	123,012
2007	291,501	53,988	79,450	158,113
2008	291,140	55,221	79,660	156,259
At June 2009	162,042	28,459	43,800	89,783

^{al}Derived from rates of the general scheme



Table 7
Actuarial Cost of Benefits and Net Share for Pensions

Year	Contributions	Expenditure	Net share for LT Benefits Branch
2006	7.00%	3.46%	3.54%
2007	7.00	3.20	3.80
2008	7.00	3.24	3.76
2009 *	7.00	3.12	3.88

* At 30 June 2009

6. Density of Contributions

Table 8 shows that the density of contributions of active self-employed persons averaged 54% (31 weeks of contributions per year), which is lower than the estimated 38% rate for the general scheme.

Table 8
Density Contribution (2010)

	2010 ^{al}	2009
Average contributors	932	972
Number of weekly payments	29,778	28,492
Average weekly payments	32 weeks	29 weeks

^{al} Provisional

7. Distribution by Sex and Industry

Data for 2009 shows:

- Females represent 49% of active contributors, a much higher ratio than in the general population.
- However 43% of female contributors are classified as “employed persons in private households”, or domestic workers, (as compared to less than 2% of male contributors in that category).
- Another 34% of females are “self-employed” in the hotel and restaurant areas and wholesale and retail activities.
- The SSB is advised to carry out a sample survey to assess to what extent these individuals are really self-employed.
- The distribution of males shows less concentration than for females, with a maximum concentration in the following sectors: wholesale and retail (19%), construction (15%), transportation (14%), agriculture (13%) and real estate (12%).



8. Distribution by Profession

In 2009 42% of females were registered as “housewife”, a category that is not strictly “self-employed” **and that has been already identified by management for exclusion as a category of self-employed person.**

9. Conclusions

The actuary reiterates again that the performance of the self-employed scheme has been deficient, **due to faulty design, including the voluntary feature of the scheme**, which is conducive to adverse selection of individuals with a higher risk for short-term benefits and who can qualify for a minimum age pension with a low number of contributions. This would impact adversely on the financial situation of the SSB and generate a transfer of funds from employed persons to the self-employed. The matrix of legal amendments, which includes several issues, would address some imbalances of the scheme, including the exclusion of “housewives”, as self-employed and a higher number of contributions to qualify for pensions.



Conclusions and Recommendations

The analysis shows that the present value of the stream of payments until the death of the beneficiaries, based on the minimum pension of \$47 per week, yields a higher cost than the lump-sum gratuity, which is payable at once, particularly for low and medium average pensionable remuneration.

After almost 30 years of SSB operations and the time elapsed between the age of SSB registration of an insured person and the retirement age (about 25 to 30 years), it would be expected that a rather small proportion of insured persons would not have attained 10 years of contributions to qualify for a retirement pension, particularly as the insured person can continue making contributions as a self-employed or on a voluntary basis.

The international comparison also shows that in most schemes in the region, either the grant has a lower value than in Belize or no Grant is payable, allowing the insured person to opt for non-contributory (assistance) pension.

In Belize, the Grant is equivalent to 2.67 times the joint contributions assigned to the Long-Term Branch of 4.5% of insurable earnings (see Section 6), generating a loss to the LT Branch, as interest income thereon would not reach the amount of the Grant. Indeed, **the Grant should entail a financial “penalty” for not having qualified to a pension**, which is not the case in Belize.



APPENDIX C
SUMMARY OF PENDING LEGAL AMENDMENTS TO
THE SOCIAL SECURITY ACT (Ch. 44) AND REGULATIONS
(First Tranche 2011/12)

A. Updated Amendments to the Financing Structure

The Board approved the proposed amendments, assigning to the Short-Term branch 25% of contributions and the EI branch 18.75% of contributions. However, the 2010 actuarial assessment shows that additional amendments are desirable, as follows:

Branch	Percent of Contributions
Short-term	27.50%
EI	12.50
Long-term	60.00
Total	100%

Rationale: Restore the long-term actuarial solvency of the short-term branch, strengthen the funding status of the long-term branch, and controlling the EI branch substantial actuarial surplus.

B. Non-Contributory Pensions

Retirement Age: The **initial** age to qualify for both males and females **should be** adjusted to 67 years (international standards set a retirement age for NCP **higher** than for contributions pension).

Residency Requirement: **Citizens** would qualify, provided a 15-year continuous residency requirement is met. A **permanent resident**, in order to qualify, should meet a 20-year continuous residency requirement.

Dual Payment: Payments to spouses in the same household not allowed

Grants Offset: Grants paid previously by the SSB would disqualify the claimant for a NCP.

Budget Limitations: New claims would be awarded subject to the budget allocation in the respective fiscal year.

C. Benefit Structure of the Short-Term Branch

- Establish a one-day waiting period in 2011 and a 2-day waiting period in 2012 (Section 5.1 of the Benefit Regs.)



- Establish the rate of benefit at 75% in 2011 and 70% in 2012, of the average weekly insurable earnings, for the first 156 days (Section 6.1 of the Benefit Regs.)

These amendments still provide a higher rate of benefits than in most social security schemes which have (3-day waiting periods and 2/3 rates of benefits), and would allow the ST branch, jointly with the assignment of 25% of contributions, to repay the \$15 million loan from the EI branch and to ensure the financial solvency and the minimum reserve requirements stipulated in the Regulations.

D. Band of Contributions

Delete de Band of contributions for earnings under \$70 per week and set the minimum level of contributions by insured pensions as follows (presently \$1.35 per week for a minimum pension of \$47 per week, equivalent to 34.8 times the contribution):

<u>Minimum payment by insured persons</u>
2010: \$2.40 per week
2011: \$3.60 per week
2012: \$4.80 per week

E. Submission of the Actuarial Report

Amend to “not later than 45 days after the submission of the audited financial statements”. (Section 45 of the Act.)

F. Amendments to the Self-Employed Scheme

The draft amendments below attempt to rationalize the eligibility provisions of the Self-Employed Scheme, in view of the low compliance rate by those who opted to register in the voluntary scheme, evidence of adverse selection and potential actuarial deficits arising from selective manipulation of loopholes in the regulations.

Draft Amendments to the Self-Employed Regulations (for discussion)

a) Add a Section 3 (4) stating:

“A self-employed person who ceases to make contributions for a continuous period of twenty six weeks, except as stipulated in Section 8 (2), shall be deemed to have terminated his employment as a self-employed person, regardless on whether he notifies the Board pursuant to the provisions of Section 14. To re-qualify for any benefit under the Act, not less than fifty-two weekly contributions shall be paid from the date additional contributions are made.



b) Amend Section 9 as follows:

Section 9.1: A self-employed person shall pay not less than **fifty-two** contributions as a self employed insured person before qualifying for any benefit stated in **these regulations**.

Section 9.2: Self-employed persons shall be entitled only to the benefits pertaining to the long-term branch and to **maternity benefits**.

Section 9.3: To qualify for an invalidity pension, not less than two hundred and fifty contributions shall be paid, of which at least fifty contributions have been paid on the 78 weeks preceding the onset of the invalidity.

Section 9.4: To qualify for an age pension the self-employed person should meet the qualifying conditions set forth in the benefit regulations, except that for registered persons after 1 January 2010 and those who ceased to pay contributions as set forth in Section 3.4, a minimum of 1000 weekly contributions shall be paid, and the attainment of 65 years of age.

Section 9.5: Self-employed persons who do not meet the requirements to qualify for invalidity or retirement pensions shall be entitled to grants as stated in the benefit regulations but limited to a maximum of **eighteen times the average weekly insurable earnings**.

c) **Section 11 (1):** **The basic contribution rate shall be 5.5%** of insurable earnings (rather than 7%)

d) **First Schedule:** Eliminate “housewives”

e) **Second Schedule:** Modify as follows (adapt the Schedule of the Contribution Regulations rather than 263 notional income rates).

	Weekly income	Average income	Contribution
1	Up to 109.99	109	6.00
2	110 to 139.99	130	7.15
3	140 to 179.99	160	8.80
4	180 to 219.99	200	11.00
5	220 to 259.99	240	13.20
6	260 to 299.99	280	15.40
7	300 and over	320	17.60

G. Potential Amendments: pension VS grant

After almost 30 years of operation and average entry ages of the majority of new insured persons between 20 and 30 years of age, there is no justification for a retired person at age 60 after more than 30 years of insurance to be disqualified for a retirement pension for not having accumulated 10 years (500) of weekly contributions. Therefore, **the qualification to a**



grant should: either be increased, and limited to a cap or amend the formula (eg. 1.5 times the joint contributions of 4.5% assigned to the long-term branch), or eliminated, allowing the insured person to opt for the NC Pension from age 65. In no case should the NCP be payable if a grant was paid previously.

As for invalidity pensions, if the worker opts for a grant, say at age 40, recovers at 45, and claims a pension at 60, the regulations seem to state that he would be entitled to both the grant (already paid several years ago), and the retirement grant or pension, a situation to be dealt with in the amendments.

**APPENDIX D****SUMMARY OF BENEFIT PROVISIONS****A. Sickness Benefit**

Eligibility:	Insured persons rendered temporarily incapable of work, over 14 years and not older than 65 years of age, and in insurable employment when becoming incapacitated for work.
Contribution Conditions:	Not less than 50 contributions paid, and in insurable employment on the day of the incapacity with 5 weeks of contributions in the preceding 13 weeks.
Duration of Payment:	From the first day of incapacity (as from 1 January 2003) and for a continuous period of sickness not exceeding 39 weeks or 234 days. (Paid from the third day in 2001 and from the second day in 2002). From the first day in 2001 and 2002 if the incapacity lasts for 14 days or more.
Rate of daily benefit:	80% of average weekly insurable earnings divided by 7 the first 156 days, and 60% the remaining 78 days (Sundays included).
Average weekly insurable earnings:	Total weekly insurable earnings on which contributions were paid in the preceding 13 weeks divided by the number of weeks for which contributions were paid.

B. Maternity Benefits**(a) Maternity Allowance**

Eligibility :	Payment to an insured woman in case of pregnancy and confinement.
Contribution conditions :	Not less than 50 contributions paid since the appointed day (1 June, 1981) and in the period of 39 consecutive weeks immediately preceding the sixth week before the expected date of confinement; not less than 30 contributions must have been paid or credited (of which 20 must have been actually paid).
Starting date of payments:	Not earlier than 7 weeks before the expected date of confinement.
Rate and duration of weekly benefits :	80% of average weekly insurable earnings, for a period of 14 weeks.
Average weekly insurable earnings:	Total weekly insurable earnings on which contributions were paid in the 39 weeks preceding the sixth week before the expected date of confinement, divided by the number of weeks for which contributions were paid.

(b) Maternity Grant

Payable to an insured woman or to an insured man on the occasion of his wife's confinement if his wife is not entitled to the grant.



Conditions for eligibility: Not less than 50 contributions paid since the appointed day and 25 contributions paid in the 50 weeks immediately preceding the week in which the confinement occurs.

Amount of grant: \$300 per child (payable only once in respect of any contribution year).

C. Retirement Benefit**(a) Retirement Pension**

Retirement age: As from 60 years of age, and retired from insurable employment (last condition not required if insured person has attained 65 years).

Contribution condition: 500 paid or credited weekly contributions of which 150 have been paid.

Rate of pension: 30% of average insurable earnings plus 2% for each 50 contributions (excluding special credits) in excess of 500 up to 750; and 1% for each 50 contributions in excess of 750.

Average insurable earnings : Sum of weekly insurable earnings during the best three years in the last 15 years (or lesser period of contribution years if contributions not made for 15 years) divided by 150.

Minimum pension: \$47 per week.

Maximum pension: 60% of average insurable earnings.

i.

Retirement Grant

Payable to insured persons retiring after the age of 60 years and not qualifying for a retirement pension.

Contribution conditions: Not less than 26 contributions paid.

Amount of grant: Six times the average insurable earnings for each 50 contributions paid or credited, or 2½ times the sum of such earnings divided by the number of weeks of contributions for each unit of 50 such contributions.

Minimum grant: \$800.

D. Invalidity Pension**(a) Invalidity Pension**

Invalidity: Insured person under the age of 60 years who is incapable of work due to a specific disease or bodily or mental disablement which is likely to be permanent, and who has been incapacitated for not less than 13 consecutive weeks immediately preceding the week in which the benefit is claimed.

Contributions conditions: Not less than 150 contributions paid and not less than 110 contributions paid or credited in the last five years and not less 5 contributions paid in the last 13 weeks.

Special credits: Claimant satisfying contribution conditions is awarded special credits equal to 25 contributions for each year between the age of the claimant and 60 years.



Rate of pension: If more than 500 contributions paid or credited, as for retirement pension; otherwise, 25% of average insurable earnings with 150 to 299 contributions plus 1% for each 50 contributions in excess of 299 up to 499.

Minimum pension: \$47 per week.

Maximum pension: 60% of average insurable earnings.

(b) Invalidity Grant

Payable to an invalid person not qualifying for an invalidity pension.

Contribution conditions: Not less than 26 contributions paid.

Amount of grant: As for retirement pension.

Minimum amount: \$800.

a) Funeral Grant

Qualifying conditions: Insured persons entitled to or in receipt of sickness or maternity benefit, or in receipt of, or satisfying the contribution for, a retirement or invalidity pension.

Contribution conditions: 50 contributions paid; 150 contributions paid in respect of Funeral Grant for deceased spouse and deceased dependent child.

Amount of grant: \$1,500 deceased
\$1,000 deceased spouse.
\$ 500 deceased dependent child.

b) Survivor's Benefit

Survivor's Pension

Qualifying conditions: Deceased was in receipt of retirement or invalidity pension or would have been entitled to invalidity or retirement pension if he had become incapacitated or retired at the time of his death.

Qualifying conditions of Beneficiaries:

(a) Widow: On the date of her husband's death she was pregnant by the deceased or had the care of a child of his under 16 years of age, or on the date of his death she had been married to the deceased for not less than 3 years and
i) she is over the age of 50 or,
ii) she is permanently incapable of self-support and was wholly dependent on her deceased husband.

Period of Pension

During the period while she has the care of a child, and if aged 50 or over when she no longer has care of a child, for her lifetime thereafter or until remarriage. For one year if widow does not qualify for a longer period.

(b) Widower: Married to the deceased not less than 3 years, permanently incapable of self-support and wholly dependent on his deceased wife.

(c) Unmarried Child: Until 16 years of age, (or until 21 years, if receiving full time education, whichever earlier.



(d) Invalid Child: Unmarried, permanently incapable of self-support and wholly dependent on the deceased.

Rate of Benefit: Widows and Widowers – 2/3; each child 25%, or 40% if invalid; parents – 40%.

Minimum pension: \$47 per week.

Maximum pension: 100% of the pension paid or payable to the deceased. Otherwise each share is reduced proportionately.

(b) Survivor's Grant

Payable to beneficiaries if they are not entitled to pensions on the death of an insured person who satisfied the contribution conditions for a retirement or invalidity grant. The grant is payable in the same proportion as the survivor's pensions and the total amount of the grant is the same as the retirement grant.

i. Employment Injury Benefits

The following benefits are included:

- Injury benefit (temporary incapacity for work), including accidents occurring "to and from work".
- Disablement benefit (permanent disability).
- Medical care required as a result of employment injury.
- Constant attendance allowance.
- Survivor's pension and funeral grant.

Average insurable earnings: earnings for which the last four contributions have been paid divided by four (or two or three as the case may be).

No contribution conditions are required and the rates (or the amounts) of benefit are as follows:

a) Injury benefit: 80% of the average insurable earnings from the first day of incapacity up to maximum of 26 weeks.

Minimum pension: \$47 per week.

Disablement benefit

- degree of disability 25% or more Periodical payment equal to 60% of the average weekly insurable earnings times the degree of disability.
- degree of disability less than 25% Lump-sum grant equals to 260 times the average weekly insurable earnings time the degree of disability.

Medical care: Provided free of charge in public or private facilities or abroad provided the Board gives prior approval.

Constant attendance allowance: 25% of the amount of the disablement benefit for 100% disability, as per Section 21 of the Act and Section 45 of the Benefit Regulations.

Funeral grant: \$1,500.

H. Non-Contributory Pensions

As from age 65 females, and age 67 males (as from December 2007), and meeting the conditions to qualify for pensions. Monthly amount of \$100 increased from \$75, as from November 2007.



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