



Belize Social Security Board

Actuarial Review of the Social Security Fund
as of December 31, 2024

March 2026

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Introduction

The Belize Social Security Board (SSB) began operations in June 1981. Workers are covered for three main types of social security benefits – short-term benefits, long-term benefits and employment injury benefits. Employed persons and self-employed persons are eligible to all benefits, while voluntary contributors are eligible for pensions and Funeral benefit only. A **non-contributory pension is paid to elderly Belizeans who have no or limited income.** The system is financed by contributions which are levied on employment earnings up to a wage ceiling and are paid by employers, employees, self-employed persons and voluntary contributors. Surplus funds that are not yet needed to pay benefits are invested locally in various types of securities and properties. The SSB also administers the National Health Insurance Scheme which is fully funded by the Government of Belize.

This is the report of the Actuarial Review of the Social Security Fund (SSF) conducted as of December 31, 2024. In accordance with Section 45 of the Social Security Act. It is prepared one year after the report on Actuarial Performance of the Social Security Scheme as of December 2023 by Consultores Actuarios. It also follows an actuarial review conducted as of December 2021 by the International Labour Office. This report is being prepared for the Board.

The main purpose of periodic actuarial reviews is to determine if the primary social security system in Belize operates on sound financial and actuarial bases and if it provides adequate and affordable levels of income protection. Where considered necessary, recommendations aimed at ensuring that these objectives can be achieved for current and future generations are made.

For this actuarial review, 60-year demographic and financial projections have been performed. It should be noted that these projections are dependent on the underlying data, methodology and assumptions concerning uncertain future events and that the outcomes and eventual experience will most likely differ, possibly materially, from that indicated in the projections. Therefore, in accordance with the Social Security Act, periodic actuarial reviews should be conducted. The next actuarial review of the Fund is due as of December 31, 2025.

We wish to thank Mr. Jerome Palma, CEO, Mrs. Leticia Vega, General Manager Research & Development Division, and all other members of the Social Security Board staff who provided data and otherwise assisted with this review.

All dollar amounts in this report are quoted in Belize dollars.

March 3, 2026

Executive Summary

The Belize Social Security Board (SSB) makes promises to former and current workers that extend beyond sixty years. It is therefore important that it is well designed, well governed, and properly administered. Periodic actuarial reviews provide a comprehensive assessment of the current and projected state of the Social Security Fund (SSF). They also provide policy recommendations for changes designed to ensure that a suitable balance between benefit adequacy, contribution affordability, and financial sustainability is achieved for both current and future periods. This is the report of the Actuarial Review of the Social Security Fund conducted as of December 31st, 2024. It covers the 3-year period 2022 to 2024.

Experience During the Review Period

The third wage ceiling adjustment in three years took effect in April 2022 - \$480 per week to \$520 per week. The sole amendment made to Regulations during the review period resulted in the eligibility conditions for Survivors' pension for widowers being made equal to those for widows.

With strong economic growth during 2022 to 2024 contribution income increased each year and the Social Security Fund experienced its three largest surpluses in its history. Other experience highlights during 2022 to 2024 review period include:

- The number of contributors increased from 108,000 to 126,000;
- The number of monthly pensioners increased from 15,000 to 17,650;
- The number of contributors for each pensioner remained at around 7.1;
- Total expenditure in 2024 was 8.7% of insurable wages compared to the 10% contribution rate;
- The average annual rate of return on reserves was 3.7%; and,
- Excluding the NHI and Social Development Account Funds, Social Security Fund reserves at the end of 2024 were \$727 million.

Main Findings

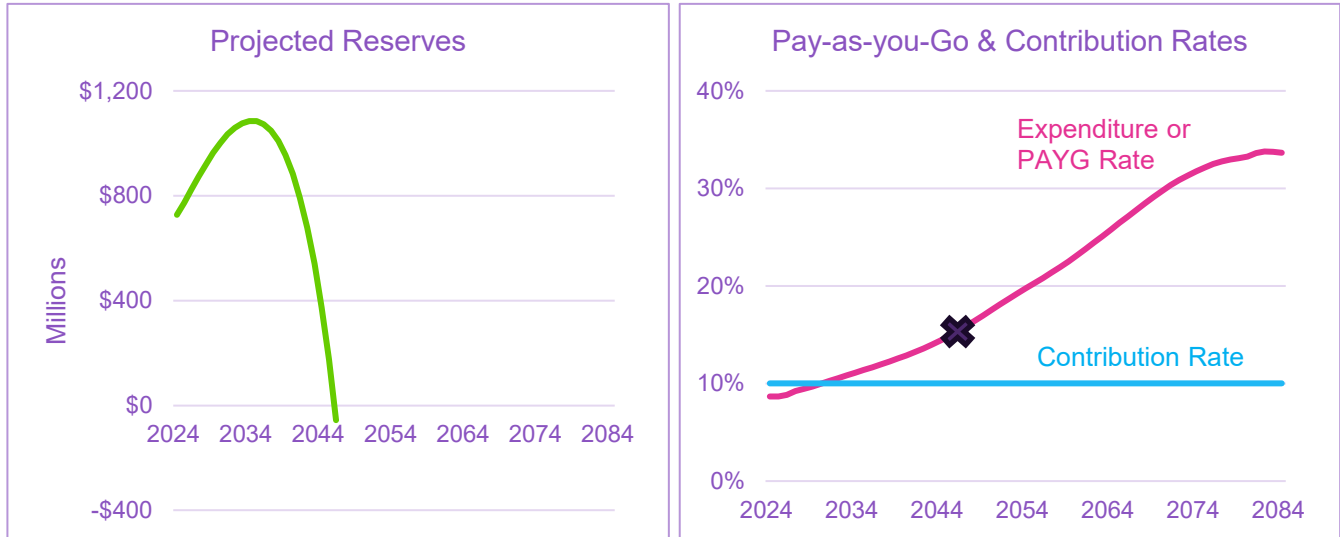
This actuarial review's assessment of SSB policy and design indicators suggests that current contribution and benefit provisions provide a good level of benefit adequacy and income protection to most workers and pensioners. However, both the wage ceiling and minimum pension are considered low and increases to pensions and grants have been few and unpredictable. As a result, highly paid workers are inadequately covered, and high inflation in recent years has eroded the value of pensions since the last increase in 2016. Unemployment and family benefits are the only ILO-recommended income replacement benefit not offered by the SSB.

Participation of self-employed persons and informal sector workers is low at less than 4%. Fund investments are poorly diversified with 100% in Belize and unnecessarily high allocations to short-term cash and deposits. Rates of return have been low. With the growth in contribution income and benefit expenditure, administrative cost ratios are trending downwards and are approaching acceptable levels.

Projection Results

60-year projections of SSB income, expenditure, and reserves are presented in this report. These projections assume periodic adjustments to the wage ceiling and pensions starting in 2027. As shown below, for the *Best Estimate* scenario under the assumptions that the contribution rate will remain at 10% and no benefit reforms will be made,

- reserves are projected to peak at around \$1.1 billion in 2035 and then be depleted in 2046, and
- the pay-as-you-go or expenditure rate will be around 15.5% in the year reserves are depleted (X in right chart) and then gradually increase to over 30% of insurable wages.



When reserves are exhausted, there will only be two possible sources of additional income to meet benefit payments:- (i) higher contributions, and (ii) special transfers from government.

Projections were also made under two different sets of distinct population and economic growth assumptions. These are referred to as *Optimistic* and *Pessimistic* Scenarios in this report. Following are key results, expressed in ranges, for the three projection sets:

1. Total expenditure will exceed contribution income for the first time between 2029 and 2033.
2. Total expenditure will exceed total income for the first time between 2032 and 2040 resulting in the need to liquidate investments to help meet expenditure.
3. The Fund will be depleted between 2043 and 2051.
4. The pay-as-you-go rate around the time the Fund is projected to be depleted in all three scenarios, will be around 15.5% of insurable wages.
5. The average long-term cost of benefits over the next 60 years, often referred to as the general average premium, is between 16.7% and 23.6% of insurable wages.

The Social Security Fund is not financially sustainable over the medium and long-terms at current benefit provisions and contribution rates.

These results are not readily comparable to those of the 2021 ILO Actuarial Review which projected the Short-term and Long-term Benefits branches separately.

Recommendations

The long-term sustainability of a social security fund is dependent on four key “ingredients”:

- (a) a growing economy,
- (b) a system design that balances adequate benefits that are consistent with socio-economic and labour market conditions with affordable contributions,
- (c) effective and efficient administration, and
- (d) good governance.

Although Fund depletion is not expected for around twenty years it would be prudent to make reforms that will reduce the generosity of future Retirement pensions relative to contribution rates. It is also important that after nearly 45 years, a comprehensive review of the SSB design, operational effectiveness and governance practices be made.

Many recommendations related to scheme design, benefit reforms, governance and administration effectiveness are presented throughout this report. Below is a summary of these recommendations.

1. **Retirement pension reforms:** Changes to the benefit formula such that pension amounts for those with shorter contribution histories are not overly generous when compared with the pensions to those with longer contribution histories. Also, pensions awarded prior to age 65 should be reduced and those awarded after age 65, increased. No increase in pensionable age is specifically recommended at this time but discussions around this should begin. (Chapter 6)
2. **Wage ceiling & pension adjustments:** Increase the wage ceiling to at least \$800 per week by 2029 and increase pensions and grants by varying amounts, some more than 50%, in 2026. (Tables 7.4 & 7.5)
3. **Automatic wage ceiling and pension adjustments:** These will ensure that the SSB maintains its relevance for higher paid workers and pensions maintain purchasing power over time. Automatic adjustments could be either each year or every two years in line with actual wage and price increases. (Section 7.1)
4. **Other benefits reforms:** (i) Survivors benefit, (ii) Invalidity benefit and (iii) add an Unemployment benefit. (Chapter 7 and 10)
5. **Self-employed Persons:** Make SSB participation mandatory and introduce a new flexible approach for self-employed persons to contribute and benefit from the SSB. (Chapter 8)
6. **Compliance:** Strictly enforce current laws and introduce new ways of collecting past due contributions such as garnishing. (Section 7.7)
7. **Contributions:** Adopt a schedule of contribution rate adjustments to at least 12% by 2030 and 15% by 2040. This schedule should be placed in regulations. The use of wage bands for contributions should be discontinued. (Sections 6.1.3 and 7.6)
8. **Investments:** Invest up to 20% of Social Security Fund investments outside of Belize by 2030. (Section 2.5)
9. **New Governance Policies:** Create Funding, Benefits, Investment, and Risk policies along with a set of Good Governance Guidelines that will guide future SSB decision making. (Chapter 11)
10. **Legislative Review** The creation of the above policies along with a review of all operational policies and procedures should culminate with a new Social Security Act and Regulations. (Chapter 12)

A list of all specific recommendations made in this report is presented on the following page.

Recommendations of the 2024 Actuarial Review

1. Contributions
 - a. Increase the wage ceiling to \$800 per week by 2029.
 - b. Discontinue the use of wage bands and instead calculate contributions on actual insurable wages.
 - c. Discontinue the use of different contribution rate sharing that vary by income to a single 4.5%/5.5% employee/employer.
 - d. Allow employed persons who are also self-employed to make dual contributions.
 - e. Unpaid SSB contributions should never be statute barred.
2. Retirement pension & grant
 - a. Change accrual rates to 1.5% for each set of 50 weeks (60% after 40 years of contributions).
 - b. Change from 3 to at least 7, the number of years over which wages are averaged.
 - c. Reduce the pension amount if awarded prior to age 65 and increase if awarded after 65.
 - d. Change the earliest age for Retirement grants from 60 to 65.
 - e. Change the Retirement grant factor from 6 to 4.
3. Invalidity benefit
 - a. Revise the eligibility requirements so that a pension is awarded if more than 500 paid weeks of contributions are made.
 - b. Allow widow(er)s to receive both Invalidity and Survivors pensions if all eligibility conditions are met.
 - c. Consider a partial Invalidity pension where the insured person can work for minimal wages.
4. Survivors benefit
 - a. Allowed to keep pension if remarried.
 - b. If receiving both Retirement / Invalidity pension and Survivors pension, pay 100% of Retirement / Invalidity pension and 50% of Survivors instead of 100% of both.
 - c. A legal marriage should not negate immediately preceding years of common-law relationship.
5. Minimum pensions – introduce explicit fixed dollar minimum pensions for each pension type. (not linked to lowest wage band)
6. Non-Contributory Pension
 - a. Equalize the age of eligibility for females & males. (now 65 & 67)
 - b. Government of Belize to fund all future awards and pension increases.
 - c. Review the criteria for awards and apply them consistently
7. Wage Ceiling & Pension Adjustments
 - a. Increase pensions in payment and grants by up to 15% with smaller adjustments to pensions awarded between 2020 and 2025.
 - b. Adjust the wage ceiling, pensions in payment and grants automatically each year or every two years in line with inflation.
8. Self-employed Persons
 - a. Make coverage & contributions mandatory.
 - b. New flexible approach to contributing and possibly a new structure for benefits.
 - c. Create links with Government departments that issue licenses & permits to enhance compliance.
9. Add Unemployment benefit
10. Investments - Invest up to 20% of funds overseas over 5 years
11. Governance
 - a. Create 4 policies – Funding, Benefits, Investments and Risk, and Good Governance Guidelines.
 - b. Comprehensive legislative review leading to a repeal & replacement of the Act & Regulations.
12. Eliminate the use of benefit branches

Chapter 1 Historical Experience

With 100% of contribution and investment income generated locally, Social Security Fund financial performance is intrinsically linked to Belize’s population and economic changes. Through charts, this Chapter illustrates the evolution of Belize’ population and economy, and SSB demographic and financial experience factors.

1.1 Population & Economy

The 2022 Population Census placed the population at 397,484, up from 351,461 in 2010. The following charts show the growth of the population since 1901 and the changes in the number of births and deaths between 1995 and 2024. Even though the population continues to increase, the gap between births and deaths is narrowing.

Figure 1.1. Belize Resident Population, Births & Deaths

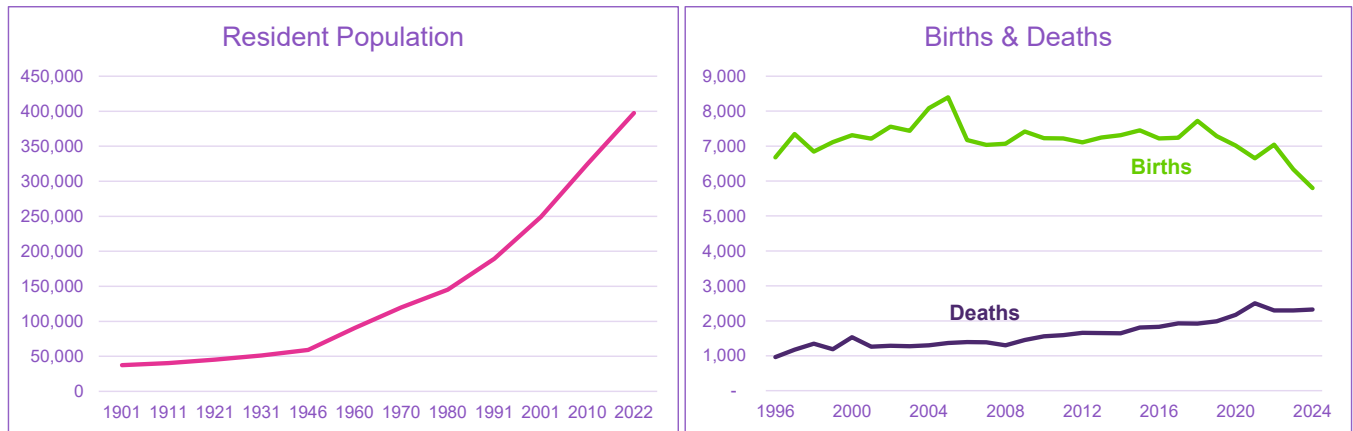
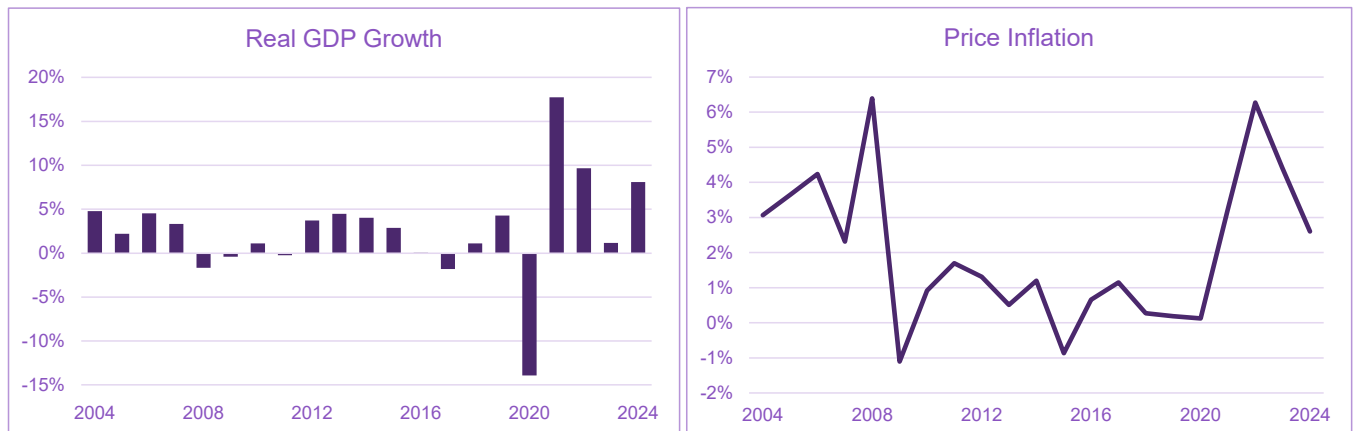


Figure 1.2. GDP Growth & Inflation, 2004 to 2024



Except in 2020 due to Covid, real GDP growth rates have been positive in all but four years since 2004.

- 20-year average: 2.2%
- 10-year average: 2.2%
- 5-year average: 3.2%

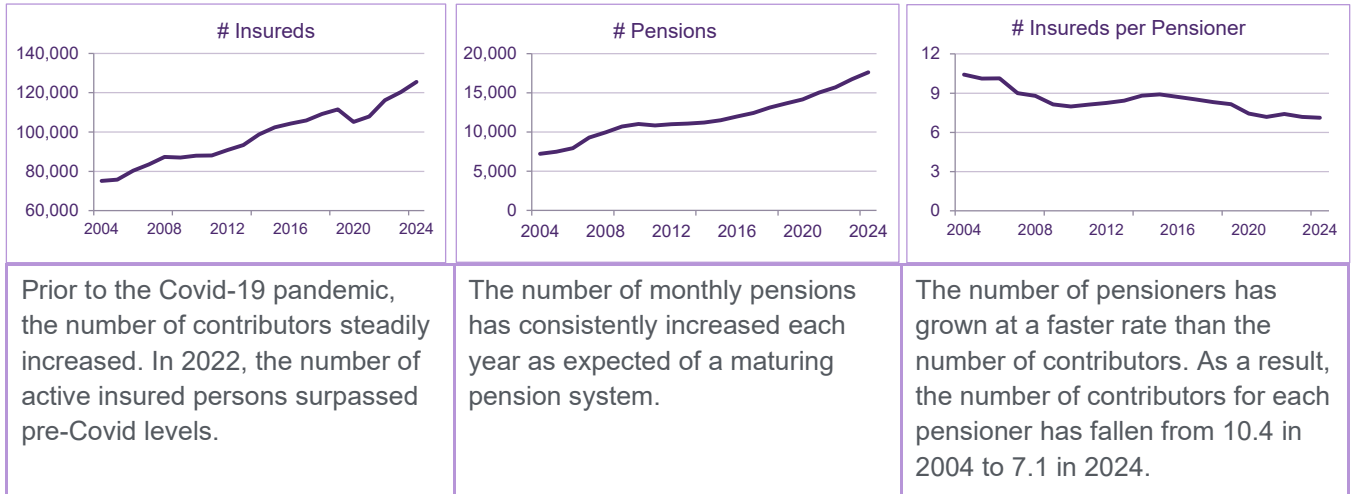
After an extended period of relatively low inflation, price increases were high in each of 2021 to 2023.

- 20-year average: 1.9%
- 10-year average: 1.8%
- 5-year average: 3.3%

1.2 Social Security

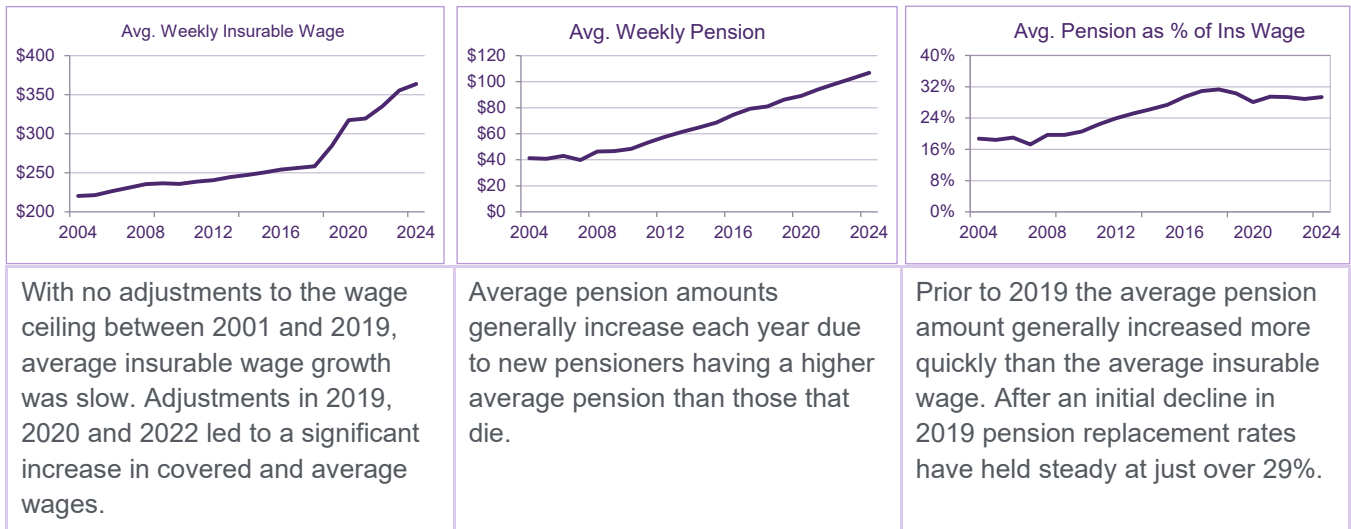
The following charts show the number of persons contributing to, and receiving pensions from, SSB each year.

Figure 1.3. Insured Persons (Contributors) & Pensions in Payment, 2004 to 2024



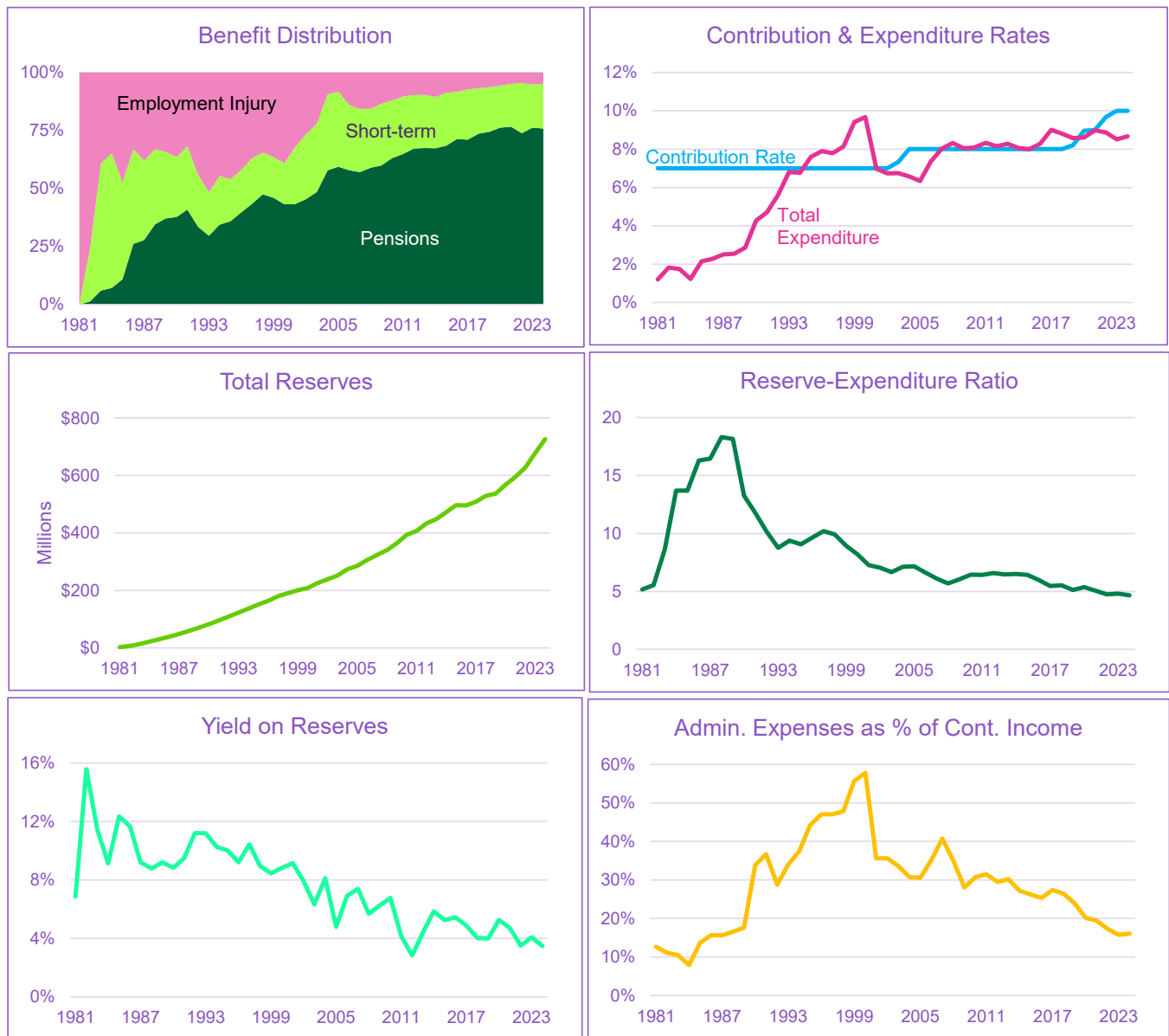
The following charts show the average insurable wages and pension amounts for those contributing and drawing pensions, respectively.

Figure 1.4. Average Insurable Wages & Average Pensions, 2004 to 2024



The following six charts provide a near-complete picture of Social Security Fund experience since inception.

Figure 1.5. Social Security Fund Financial Experience, 1981 to 2024



While pension payments were low in the SSB's early years, they have grown to 76% of benefit expenditure in 2024, while Employment Injury benefits now account for less than 5% (top left chart). Between 1981 and 2000, total expenditure relative to wages increased quickly mainly because the wage ceiling was not increased (top right chart). Total expenditure exceeded contribution income in most years from 2007 to 2019.

While total reserves continue to increase (middle left chart), the reserve-expenditure ratio (middle right chart) has generally decreased since 1997 as expenditure increased faster than reserves. This is typical of a maturing partially funded social security system.

Yields on reserves (lower left chart) have steadily declined over the last thirty years, averaging less than 4% in 2022 to 2024. Administrative costs as a percentage of contribution income (lower right chart) have declined since 2000 due to increases in the wage ceiling, economic growth and more recently, contribution rate increases.

Chapter 2 SSB Experience in Review Period

2.1 Amendments to Act & Regulations

The sole amendment made during the three-year review period (2022 to 2024) was related to the eligibility requirements for Survivors & Death benefits to widowers. The requirements that the widower must have been permanently incapable of self-support and wholly dependent on his wife were removed. This change brought equity for the eligibility requirements for widows and widowers.

2.2 Financial Experience

Following are summary Social Security Fund (SSF) assets, liabilities, reserves, income and expenditure amounts for the three years under review. A more detailed version of SSF income and expenditure may be found in Appendix D

Table 2.1. SS Fund Assets, Liabilities & Reserves, 2022 – 2024 (millions of \$'s)

	2022	2023	2024
Assets			
Cash & Equivalents	146.8	154.9	204.8
Accounts Receivable (incl. contributions)	20.0	21.3	6.7
Investments	466.4	517.2	527.6
Other	33.0	34.2	33.8
Total Assets	666.2	727.6	773.0
Liabilities			
Accounts & Benefits Payable	18.0	19.5	8.9
Pension & Severance Liability	5.9	6.6	7.6
Total Liabilities	23.9	26.1	16.6
Net Reserves – End of Year	642.3	701.4	756.4

Totals may be off due to rounding

Table 2.2. SS Fund Income & Expenditure, 2022 – 2024 (millions of \$'s)

	2022	2023	2024
Income			
Contributions	143.9	166.0	179.4
Investment	21.1	26.1	23.9
Other	2.4	2.2	3.1
GOB Contribution to NHI	21.2	27.3	33.7
Total Income	188.5	221.6	240.2
Expenditure			
SSB Benefits	107.4	115.3	127.3
NHI Benefits	15.1	17.7	26.2
Administrative - SSB	24.8	26.1	28.8
Administrative - NHI	1.5	1.7	1.9
Total Expenditure	148.8	160.9	184.2
Excess of Income over Expenditure	39.7	60.7	56.0

Totals may be off due to rounding

The SSF experienced its three largest annual surpluses in its history in 2022, 2023 and 2024. Other financial highlights from Fund finances over the 3-year review period are:

- Contribution income increased each year due to increasing contribution rate and more SSB contributors.
- Investment income was higher in 2023 than in 2022 and 2024.
- SSB and NHI benefit expenditure increased each year.
- Administrative expenses increased each year.
- The amount held in low or non-interest-bearing cash and cash equivalents increased each year.
- The significant reduction in account receivable was due to investment income receivable.
- The value of investments increased each year.
- The reduction in accounts payable was due to the settlement of an outstanding amount due from the GOB.

2.3 Benefit Branches & Other Reserves

While the summary of SSF finances presented above shows total income and expenditure, internal accounting procedures separate SSF finances into three benefit branches representing the three major types of social security benefits – long-term, short-term and employment injury benefits. Each benefit is allocated to one of the three benefit branches, and each benefit branch is allocated a certain percentage of contribution income, investment income and administrative costs. There is also a Disablement and Death benefit reserves representing the present value of future employment injury related pensions, and a pensions reserve equal to the unfunded status of the staff pension plan.

The existence of branches does not affect the overall financing or sustainability of the Fund.

Financial experience of each branch and detailed benefit experience for 2022 to 2024 are shown in Appendix E.

Also segregated within the SSF is the National Health Insurance Fund, the Natural Disaster Fund and the Social Development Account. Shown below is a description of each fund, how it is financed, and reserves as of December 31, 2024.

Table 2.3. Non-Benefit Reserves

Reserve	General Description	How Financed	Dec. 2024 (millions)
National Health Insurance Fund	Financing essential healthcare services for residents of Belize	100% from Government of Belize	\$25.41
Natural Disaster Fund	Support for the Department of Disaster Management & Emergency in the event of an emergency	\$250,000 each year from the Employment Injury Benefits Branch	\$1.05
Social Development Account	Supports individuals and non-government organizations by providing grants to improve the quality of life for Belizeans	0.15% of the funds assessed from total insurance earnings from the Employment Injury Benefits Branch.	\$3.01
Total			\$29.47

Since these funds are not available for the payment of SSB benefits, the analysis and projections of this actuarial review exclude amounts in the above funds. Total reserves as of December 2024, considered available for meeting future SSB benefit and administrative expenditure, is therefore \$727 million [\$756.45 – \$29.47 million].

Following is summary income, expenditure and reserves for the “core” SSF for 2022 to 2024.

Table 2.4. “Core” SS Fund Income & Expenditure, 2022 – 2024 (millions of \$’s)

	2022	2023	2024
Income			
Contributions	143.9	166.0	179.4
Investment	21.1	26.1	23.9
Other	2.4	2.2	3.1
Total Income	167.3	194.3	206.5
Expenditure			
SSB Benefits	107.4	115.3	127.3
Administrative	24.8	26.1	28.8
Total Expenditure	132.2	141.5	156.1
Excess of Income over Expenditure	35.0	52.8	50.4
Transfers to Other Funds	(1.9)	(2.3)	(2.4)
Net Reserves – End of Year	628.5	679.0	727.0

Totals may be off due to rounding

2.4 Experience Compared with Projections of the 2021 Actuarial Review

In the 2021 Actuarial Review conducted by the Internal Labour Office (ILO), financial projections were prepared for the Short-term and Long-term benefit branches separately. Shown below is a comparison of actual cumulative experience over the 3-year period for those two benefit branches with the baseline projections of the 2021 Actuarial Review.

Table 2.5. Projections from the 2021 (ILO) Actuarial Review Compared with Actual Experience (\$'s in millions)

	Projected	Actual	Difference
Contribution Income	\$453 m	\$445 m	2% below projected
Investment Income	\$98 m	\$57 m	42% below projected
Other Income	\$-	\$5 m	Above projected
Benefit Expenditure	\$337 m	\$333 m	1% below projected
Administrative Expenditure	\$59 m	\$71 m	20% above projected
Year-end 2024 Benefit Reserves	\$638 m	\$582 m	9% below projected

2.5 Investments

At the end of 2024, Social Security investments totaled \$527.6 million. This represents 70% of total reserves. During the 3-year review period, the average yield on reserves was 3.7%.

The following table provides a summary of Fund investments in December 2021 and December 2024. Included below are amounts held in non-interest-bearing cash.

Table 2.6. Summary of SSF Cash & Investments, December 2024 and 2021 (millions of \$'s)

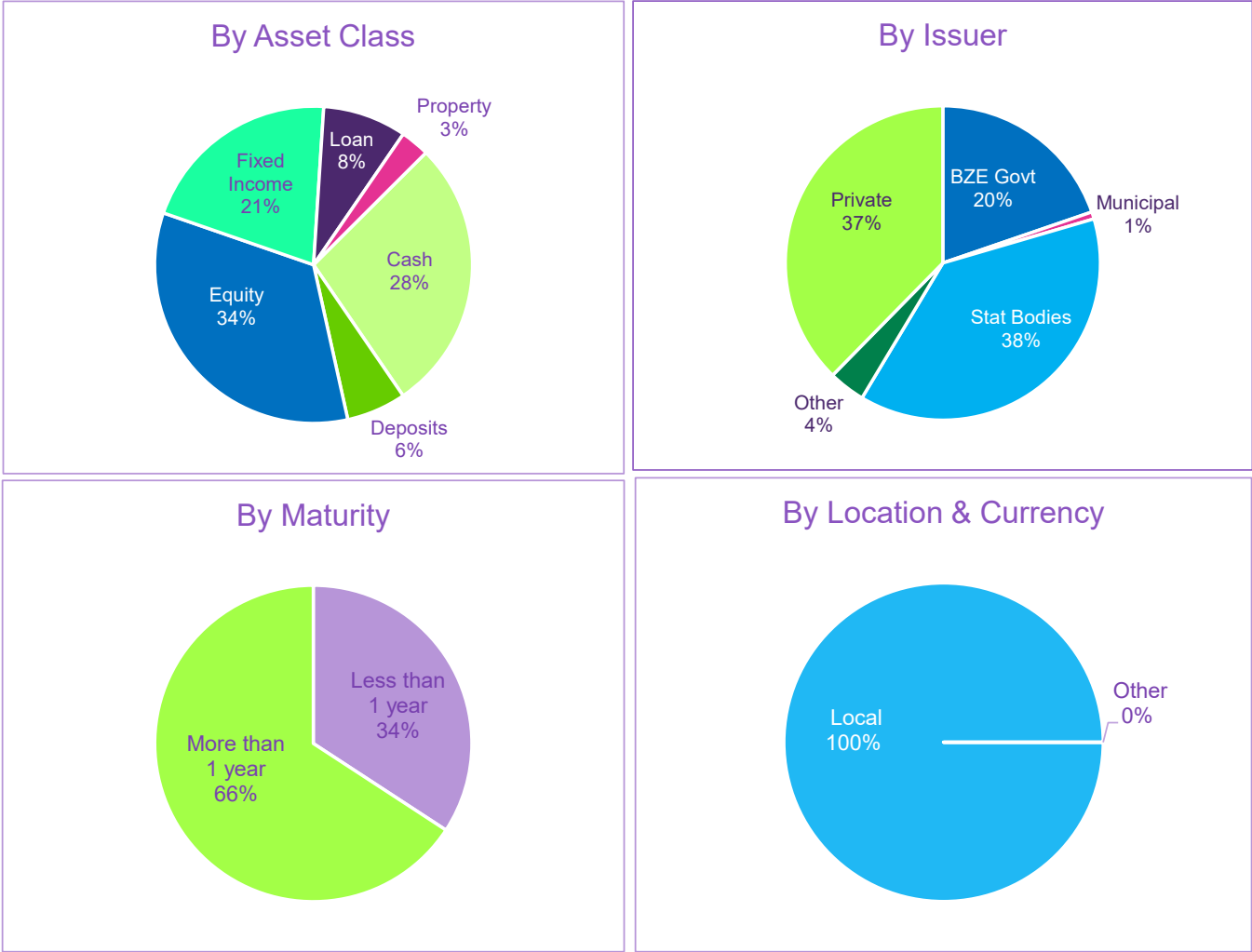
Investment Category	2024		2021	
	\$	%	\$	%
Cash & Cash Equivalents	\$204.8	28.0%	\$106.0	18.7%
Certificates of Deposit	\$44.5	6.1%	\$40.5	7.1%
Fixed Income Securities	\$151.8	20.7%	\$91.7	16.2%
Loans	\$62.5	8.5%	\$78.5	13.9%
Equities	\$247.3	33.8%	\$230.7	40.7%
Properties	\$21.6	2.9%	\$18.9	3.3%
Total	\$732.5	100.0%	\$566.3	100.0%

Totals may be off due to rounding

As shown above the large portion of Fund assets held in cash and deposit almost doubled over the three-year period.

Diversification is a critical component in the investment of social security funds. How well investments are diversified can be assessed using several criteria:- across various asset classes, maturity dates, different locations and currencies, and by issuer of the underlying securities. The following charts illustrate the diversification of SSB investments as of December 2024.

Figure 2.1. SSF Investments, December 2024



Note: National Bank of Belize is classified as a Statutory Body.

A summary of the asset mix, with specific emphasis on diversity, shows that:

- By asset class:- good mixture of different types of investments although not all suitable for the SSB as described below.
- By issuer:- good mix of private and public Belize and Municipal government debt although all ultimately are backed by the Government of Belize.
- By maturity:- poorly diversified since with the Fund currently enjoys large surpluses and there is no need for liquid cash.
- By location:- poorly diversified with 100% of investments domiciled in Belize.
- By currency:- poorly diversified with 100% of investments held in Belizean dollars.

The SSB does not have a current Statement of Investment Policy & Guidelines (SIPG). Such a policy would include:

- (a) investment objectives and constraints,
- (b) general investment policies for the Fund,
- (c) benchmarks to monitor and measure performance, and
- (d) asset allocation targets for a variety of asset classes.

The Board should take steps leading to the approval of a Statement of Investment Policy & Guidelines with target asset allocations consistent and clearly stated objectives regarding future cash needs, diversification, and returns.

Chapter 3 Design & Performance Assessment

Social security systems must balance benefit adequacy with contribution affordability and long-term sustainability. There is an obvious trade-off between these concepts:- higher benefits provide larger incomes to beneficiaries but cost more. On the other hand, inadequate pensions result in pressures to increase benefits or add new ones. This Chapter contains a review of current design parameters and examines how well key policy objectives are being met.

3.1 Meeting Policy Objectives

SSB has a defined benefit structure where the rules governing eligibility, and the amounts payable are defined in statute. It is expected to be perpetual. Together, the rules and the amounts at which key parameters are set determine benefit adequacy. How well certain rules are enforced, and how well the system is managed, also impact how well policy objectives are met.

Following is a brief assessment of four of SSB's primary objectives:- coverage, pension adequacy, financial sustainability, and administrative efficiency.

- Coverage looks at how well workers of all sectors are covered for income security in old age;
- Pension adequacy relates to the ability of pensions to provide a decent standard of living in old age;
- Financial sustainability ultimately relates to the affordability of the system to future contributors; and
- Administrative efficiency relates to effectively collecting contributions and paying benefits, keeping administrative costs low while delivering quality service and fulfilling statutory reporting obligations.

To determine how well these objectives are now being met, and how likely they are to be met in the future, an analysis of current contribution and benefit provisions, key rates and parameters as well as actual performance indicators have been reviewed. While some mention is made of short-term benefits, this analysis focuses primarily on pensions which account for over 75% of SSB benefit expenditure.

3.1.1 Coverage

With SSB participation mandatory for all employed persons and voluntary for self-employed persons (SEPs), coverage concerns relate to actual participation rates by formal and informal sector workers and the proportion of elderly residents receiving a SSB pension. The following five metrics provide a good analysis of current coverage levels:

Table 3.1. Assessment of Current Coverage Levels

Metric	Result	Comment
1. % of employed persons contributing to the SSB	Approx. 90%	Contributions are being made for most formally employed persons
2. % of Self-employed persons (SEPs) making contributions	< 4%	Very low
3. % of contributors that have their wages fully covered by SSB. (i.e. earn average of \$520 per week or less in 2024)	85%	Low. In a given month more than 20% of insureds could have earnings above \$520 per week
4. # of SSB pensioners over age 65 as % elderly resident population	39%	Low after more than 40 years
5. % of deaths resulting in Funeral grants (2022 to 2024)	54%	Low, especially given the minimal contribution requirement.
6. % of births resulting in maternity grants (2022 to 2024)	41%	Low even though females make up just over 40% of the workforce.

3.1.2 Adequacy

Benefit adequacy can be broken down into two components:

- Current adequacy: Are pensions adequate today?
- Future adequacy: Under current provisions, will the pension be adequate in the future?

Current Adequacy

The 2025 minimum Retirement pension of \$47 per week is 24% of the minimum wage and 13% of average insurable wages. This is considered low.

For pensioners receiving more than the minimum, their pension replacement rates are initially between 30% and 60% of their final average insurable wage, lower for highly paid persons who earn more than the wage ceiling. This replacement level is considered adequate.

Future Adequacy

SSB provides a relatively generous benefits package for a modest contribution rate. A worker who has steady earnings below the wage ceiling and contributes to SSB for a full career, sustaining him/herself predominantly from his employment earnings, can expect a pension of close to 60% of pre-retirement earnings. By ILO and other international standards this is adequate and thus meets the reasonable test of benefit adequacy for a social security pension. The challenge quite often, especially for the self-employed, is that many workers do not have steady wages and do not consistently work and contribute for 40 years.

Pensions in payment have only been adjusted once, in 2016, during SSB's first 44 years. As a result, inflation eroded the value of SSB pensions for extended periods. Without any policy on pension adjustments, there is significant uncertainty regarding SSB's pensions maintaining purchasing power. Wage ceiling adjustments have also been infrequent – prior to 2019, only once in 38 years. As a result, the level of insurance coverage prior to

2019 was extremely low for many workers. The current ceiling of \$520 per week is still low. For the SSB to remain relevant for higher paid workers, regular wage ceiling adjustments are required.

Social security pensions are not intended to provide all the income required to support oneself in old age. While current contribution and benefit provisions provide pensions in old age that reasonably meet adequacy tests of SSB insureds, there are deficiencies for lower income pensioners and higher income workers.

When non-pension benefits are considered, the various short-term and employment injury benefits provide almost full income protection for the contingencies that could lead to involuntary loss of employment income. The sole benefit not currently provided is one that covers loss of income due to involuntary unemployment.

3.1.3 Financial Sustainability

National social security systems are expected to be perpetual. Therefore, financial sustainability should focus on whether the system is able to meet the needs of current generations without compromising the needs of future generations.

As highlighted in this report, SSB is not financially sustainable over the medium and long-term at current contribution rates and benefit provisions:— reserves are projected to be exhausted in the mid-2040s and the cost of benefits at that time will be around 16% of insurable wages. It is not possible to determine today the highest contribution rate that future workers and employers will be able to afford, or willing to pay. However, even if pension reforms are made soon, a rate increase to at least 15% will be required within the next twenty years.

Since contribution rate increases and pension reforms are inevitable, the key challenge for current and future Boards and governments regarding financial sustainability is determining how extreme pension reforms and contribution rate increases will be.

3.1.4 Administrative Efficiency

An average of 16.4% of contribution income, 9.5% of contributions plus benefits, or 1.6% of insurable wages, was spent on operating expenses over the period 2022 to 2024. Given that both the wage ceiling and contribution rate are low, the above expense ratios which are all trending downwards, are considered acceptable.

Regarding operational effectiveness, SSB's main challenge is contribution compliance among very small employers. Active employers pay over 95% of expected contributions. Recent investments in administrative systems have improved claims processing times and overall service to stakeholders. Audited financial statements and actuarial reviews have been conducted and tabled in Parliament as required and then published on the SSB's website.

3.2 Comparisons with Caribbean Countries

It is difficult to compare social security schemes given the special peculiarities of each country’s system, history and economy. For example, the age of the scheme affects its current financial state as does the level of the initial contribution rate and pensionable age, and reforms made since inception. The following table highlights the similarities and differences of the Belize SSB with Caribbean national insurance and social security schemes in several key areas.

Table 3.2. SSB Compared with Other Social Security Systems in the Caribbean

Contribution rate	At 10% Belize has one of the lowest rates in the region. Most countries in the Eastern Caribbean are moving to 15% or 16%. Barbados has the highest rate at 19.75%. (See Appendix F)
Benefits package	The standard package in most countries is similar to Belize - short-term, long-term and employment injury benefits. Only The Bahamas, Barbados, Grenada and the Turks & Caicos Islands offer an unemployment benefit.
Pensionable age	<p>Belize and Trinidad & Tobago are the only country that do not reduce a pension awarded prior to pensionable age (65). However, the Retirement pension is not paid between age 60 and 65 if the person has employment income which is different from some others that still have an Age pension.</p> <p>Like Belize, most countries already have age 65 with others gradually moving to 65. Barbados will be increasing its pensionable age from 67 to 68 in 2034 and it’s first age for early pensions from 60 to 63.</p>
Pension accrual rates	Belize and St. Kitts-Nevis offer the most generous set of accrual rates - 30% after 500 weeks (10 years) and 60% after 1,750 weeks, 35 years. Most have reduced this heavy weighting to the first 10 years to 20% or 25% while in some it takes 45 years of contributions to earn the maximum 60%.
Adjustment of wage ceilings and pensions	Like Belize, most still depend on ad hoc adjustments. The Bahamas, Barbados and the BVI are the only ones with automatic adjustments to both wage ceiling and pensions. Dominica has automatic pension adjustments every 3 years.

Chapter 4 Best-Estimate Projections

Many demographic and economic factors, such as changes in the size and age structure of the population, economic growth, employment and wage levels, and inflation, influence Social Security Fund finances. Therefore, to best assess the Fund's long-term costs and sustainability, projections of Belize's total population and the economy are required. For this review 60-year projections have been performed.

In developing the assumptions used for the projections, historical trends and reasonable future expectations, as well as the interrelationships between the various assumptions, have been considered. Core projections have been performed using assumptions that reflect best estimates. The demographic and financial projection results based on this assumption set are referred to throughout this report as "*Best Estimate*."

4.1 Population Projections

Belize has experienced net inward migration for the last twenty-five years. Fertility rates are now below replacement rate and life expectancy continues to increase. The population increased by 73,000 between the 2010 and the 2022 censuses, around 8,500 of which was due to net immigration. Although births continue to exceed deaths, the gap is narrowing as the number of births each year declines and the number of deaths increases.

4.1.1 Projection Assumptions

Projections of Belize' population begin with the results of the 2022 census. In each projection year thereafter, fertility, mortality and migration assumptions are applied. Fertility rates are used to estimate the number of births each year, while mortality rates determine how many, and at what ages, people are expected to die. Net migration represents the difference between the number of persons who permanently enter and leave Belize and is the most volatile of the three factors.

The total fertility rate (TFR) represents the average number of live births per female of childbearing age in a particular year. If there is no migration, a TFR of 2.1 is required for each generation to replace itself. Belize's TFR in recent years is estimated at around 1.85. For the *Best Estimate* projections in this report, it is assumed that the TFR will decline to 1.6 in 2030.

The United Nations Latin America life table and the number of deaths in the past few years suggest life expectancy at birth in 2023 of around 70 for males and 74 for females. Improvements in life expectancy are assumed to occur at a "slow" pace in accordance with UN estimates.

The third factor that affects population size is migration. The change in resident population between 2010 and 2022 suggests average levels of net inward migration during that period of around 700 persons per annum. For this report, net inward migration is assumed to continue throughout the projection period.

For the medium and longer terms, the economic assumptions used assume stable and positive economic growth and labour productivity in all years. Although simplistic, they approximate usual economic cycles and volatility that encompass periods of expansion and recession. They also account for projected changes in the population and labour force that will provide the capacity for additional output through more workers and increased productivity (real wages).

The following table indicates the principal demographic and economic best-estimate assumptions for this and the previous review. Further details may be found in Appendix B.

Table 4.1. Principal Demographic & Economic Assumptions

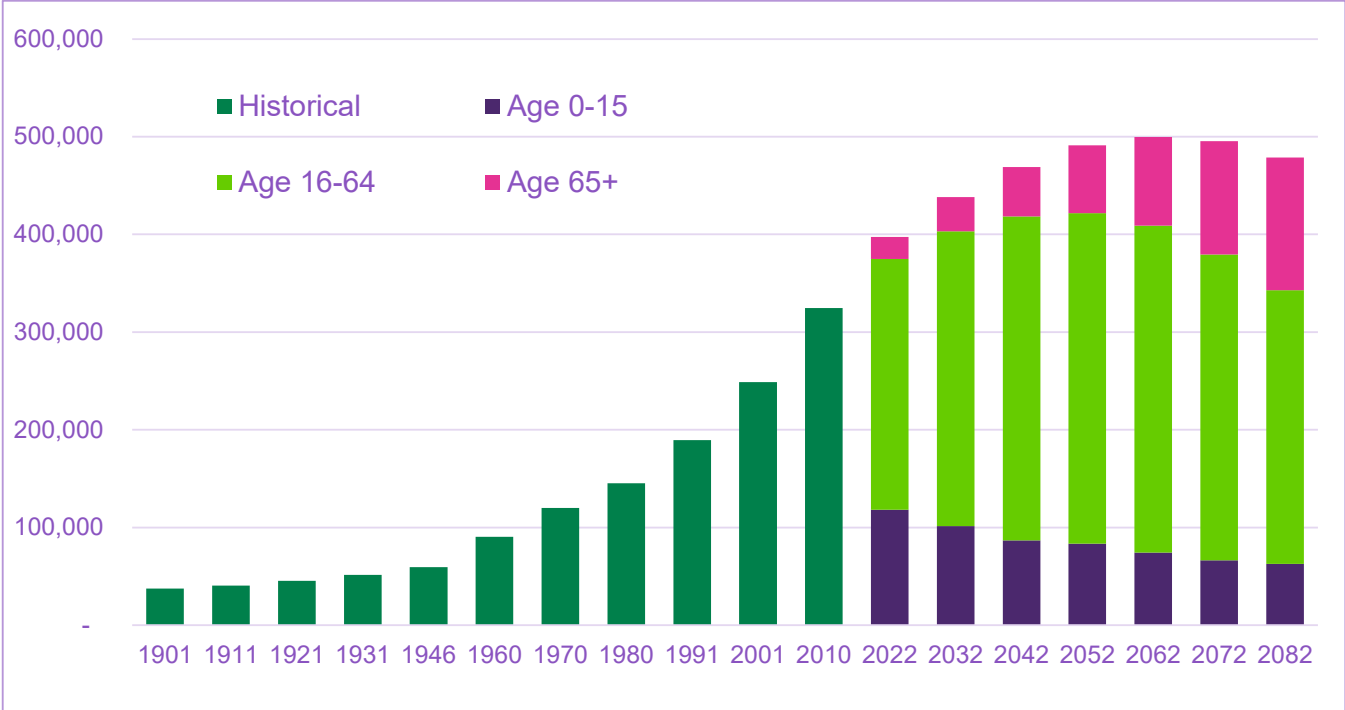
	2024 Actuarial Review	2021 ILO Actuarial Review
Total Fertility Rate	From 1.8 in 2023 to 1.4 in 2030, constant thereafter	From 2.0 in 2021 to 1.79 in 2046 to 1.71 in 2071 and to 1.69 in 2096
Life Expectancy at birth (M / F):	70.3 / 74.2 (2024) 76.5 / 81.1 (2084)	67.1 / 74.4 (2021) 82.1 / 85.9 (2081)
Life Expectancy at age 65 M / F:	15.6 / 17.9 (2024) 17.5 / 20.9 (2084)	14.3 / 16.8 (2021) 20.8 / 23.2 (2081)
Net In-Migration Per Annum	500 pa between 2022 and 2040 increasing to 750 pa in 2050 then to 1,000 pa in 2060, constant thereafter	From 1.48 per 1,000 in 2022 to 1.15 per 1,000 in 2046, to 1.03 per 1,000 in 2071 then to 1.05 per 1,000 in 2100
Real GDP Growth Rates [^]	2025 to 2029: 1.9%, 1.7%, 1.6%, 1.5%, 1.5%, 1.5% 1.0% pa between 2030 & 2034, decreasing linearly to 0.5% pa in 2050, 0.5% pa thereafter	3.5% in 2022, 2.2% in 2023, 2.0% pa from 2024 to 2035, decreasing linearly to 0.5% pa in 2056, constant thereafter
Real Increase in Wages	0.5% per annum	Not stated
Inflation [^]	1.4% in 2025, 1.9% in 2026, 1.3% in 2027 to 2030, 2.0% thereafter	6.6% in 2022, 4.7% in 2023, 2.2% in 2024, 2.0% pa thereafter

[^] IMF projections for 2025 to 2030

4.1.2 Projection Results

Figure 4.1 illustrates Belize's population from 1901 to 2022 and the projected population under the assumptions presented above up to 2084. From just under 400,000 in 2022, Belize' population is projected to reach 500,000 in the early 2060's before declining slowly.

Figure 4.1. Historical & Projected Belize Population



Numerical details of these projections may be found in Table C.1.

The above estimates are significantly less optimistic than those of the 2021 ILO Actuarial Review which projected the population to increase to over 580,000 in the mid-2070's.

It should be noted that the projections presented in this report have been prepared for the sole purpose of determining the implications for Social Security finances.

For the SSF, while projected future population size is important, the age distribution is more critical, as pensions to the elderly represent the bulk of expenditure and contributions will be paid by those of working-age. As shown above, while the number of children (purple section) is projected to decrease over time, the elderly population (pink section) is expected to increase significantly.

4.2 Social Security Fund Projections

Best Estimate Social Security Fund demographic and financial projections have been modeled using the best-estimate population results, best estimate SSB-specific assumptions and the benefit and contribution provisions that were in place as of January 1, 2025.

4.2.1 Assumptions

Key Social Security assumptions for this and the previous review are shown in Table 4.2. For the 2021 ILO Actuarial Review, long-term projections were made for the Long-term and Short-term Benefit branches only while for this review, projections are made for the entire Fund.

Table 4.2. SSB Best Estimate Assumptions

	2024 Actuarial Review (Entire Fund)	2021 Actuarial Review (LTB Branch only)
Contribution Rate	10%	7.2%
Insurable Wage Ceiling	To \$700 per week in 2027, then annually in line with change in average wages thereafter	Not explicitly stated
Other Income	1.5% of contribution income	N/A
Short-term Benefits (% of Insurable Wages)	1.15% of insurable wages	N/A
Employment Injury Benefits (excluding pensions)	0.2% of insurable wages	N/A
Pension Increases	15% in 2027, every year by inflation thereafter	Annually in line with inflation
Nominal Yield on Reserves	2.5% in 2025, 3.0% in 2026, 3.5% per annum thereafter	7% in 2022 & 2023, 4.54% in 2024, 4.31% thereafter
Admin. Expenses as a % of Insurable Wages	Decreasing from 1.5% to 1.2% of insurable wages over 20 years	Decreasing from 18% to around 1% of LTB benefits in 2080
Allocation to other Funds	0.12% of insurable wages	N/A

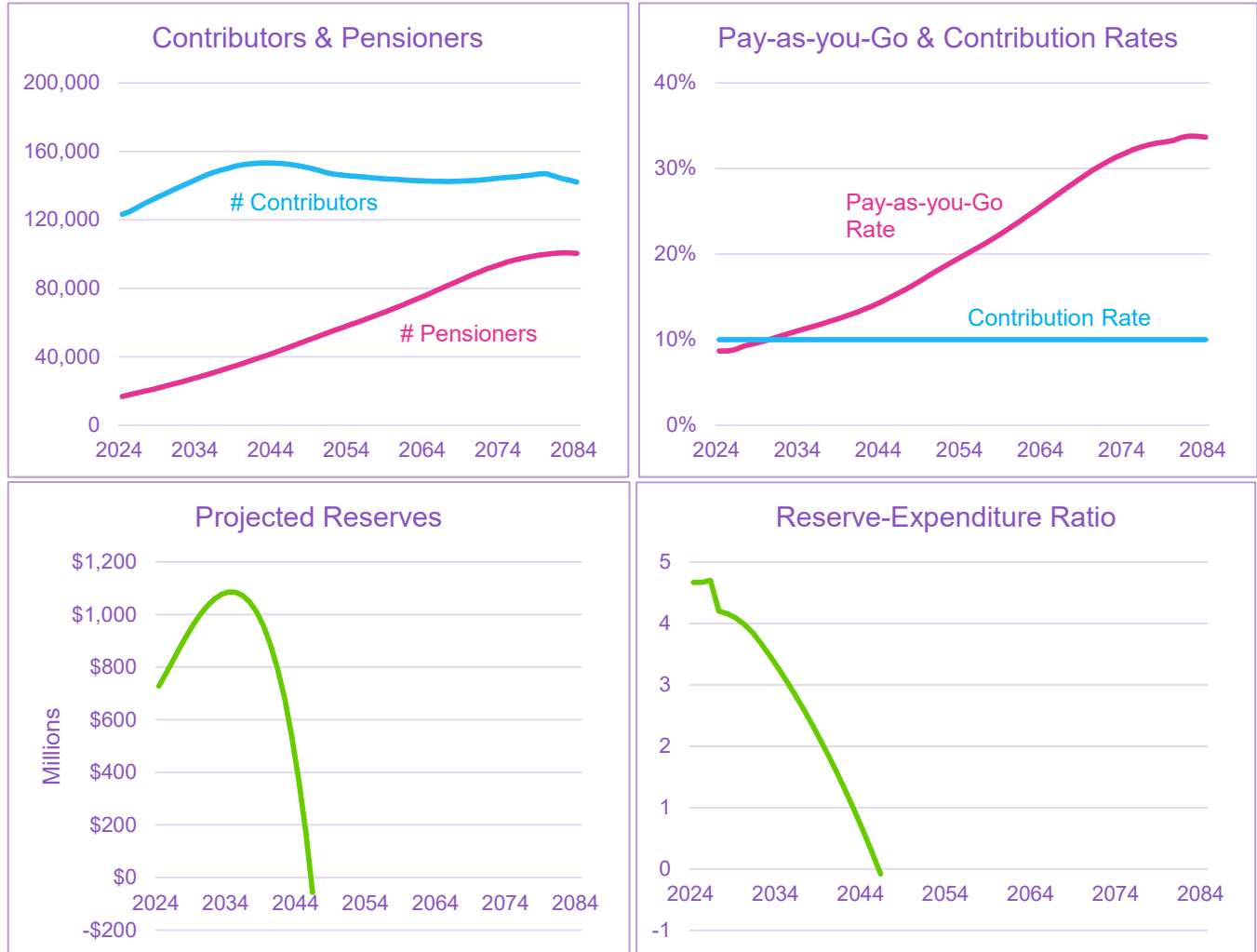
It should be noted that the assumptions and rates in the above table are not targets which the SSB should aim to achieve but instead are the assumptions on which the projections are based.

By assuming that the wage ceiling and pensions will increase annually in line with wage and price inflation after significant adjustments in 2027, it is being assumed that the prevailing level of coverage will be generally maintained throughout the remainder of the projection period.

4.2.2 Projection Results

For this report, the projections for the three benefit branches are combined. Reserves as of December 2024 were \$727 million. The charts in Figure 4.2. highlight key projection results of the *Best Estimate* scenario if the contribution rate remains at 10% and that there are no changes to benefit provisions throughout the projection period.

Figure 4.2. SS Fund Projections – Best Estimate Scenario

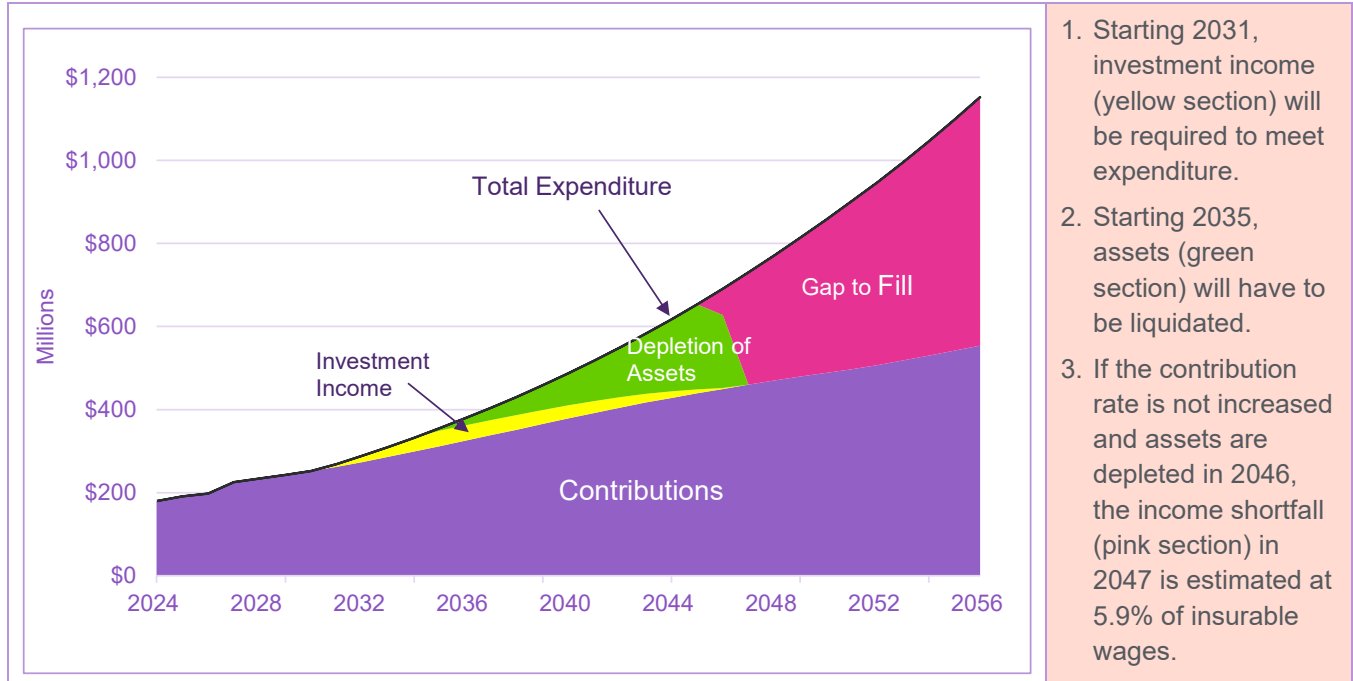


The key results of these projections are summarised as follows:

1. Total expenditure will exceed contribution income for the first time in 2032.
2. Total expenditure will exceed total income (cash flow deficits) for the first time in 2035.
3. Reserves are projected to be exhausted in 2046.
4. When reserves are exhausted, annual expenditure relative to total insurable wages (pay-as-you-go rate) will be approximately 15.4%. The contribution rate will therefore have to be increased to this level to meet total expenditure.
5. The pay-as-you-go rate is projected to exceed 30% starting in the early 2070's.
6. The number of contributors for each pensioner in payment is expected to fall from 7.1 in 2024 to 1.4 in 2084.

The following chart illustrates how the sources of financing SSF expenditure will change as expenditure increases from 88% contribution income in 2024 to over 150% of contribution income in 2046 when reserves are projected to be depleted.

Figure 4.3. Sources of Financing Expenditure, 2024 to 2056



1. Starting 2031, investment income (yellow section) will be required to meet expenditure.
2. Starting 2035, assets (green section) will have to be liquidated.
3. If the contribution rate is not increased and assets are depleted in 2046, the income shortfall (pink section) in 2047 is estimated at 5.9% of insurable wages.

Numerical details of the financial and demographic projections are provided in Tables 4.3 to 4.5.

Table 4.3. Projected Income & Expenditure - Best Estimate (millions of \$'s)

Year	Inflows				Outflows				Reserves		
	Contribution Income	Investment Income	Other Income	Total	Benefits	Admin. Expenses	Transfer to Funds	Total	Surplus/ (Deficit)	End of Year	# of times current year's expenditure
2022	143.9	21.1	2.4	167.3	107.4	24.8	1.9	134.1	33.2	629	4.8
2023	166.0	26.1	2.2	194.3	115.3	26.1	2.3	143.8	50.5	679	4.8
2024	179.4	23.9	3.1	206.5	127.3	28.8	2.4	158.5	48.0	727	4.7
2025	191.3	18.5	2.9	212.7	134.8	28.7	2.3	165.8	47.0	774	4.7
2026	198.1	23.6	3.0	224.7	143.3	29.4	2.4	175.1	49.6	824	4.7
2027	225.4	29.2	3.4	257.9	172.1	33.1	2.7	208.0	50.0	873	4.2
2028	233.9	30.9	3.5	268.3	184.5	34.0	2.8	221.3	47.0	921	4.2
2029	243.0	32.4	3.6	279.1	197.7	35.0	2.9	235.6	43.4	964	4.1
2030	252.4	33.8	3.8	290.0	212.7	36.0	3.0	251.7	38.3	1,002	4.0
2031	262.2	35.0	3.9	301.1	228.9	37.0	3.1	269.0	32.1	1,034	3.8
2032	273.9	36.0	4.1	314.0	247.5	38.2	3.3	289.0	25.0	1,059	3.7
2033	286.3	36.7	4.3	327.3	267.1	39.5	3.4	310.1	17.3	1,077	3.5
2034	299.1	37.2	4.5	340.8	287.8	40.8	3.6	332.2	8.6	1,085	3.3
2039	365.3	33.8	5.5	404.6	407.1	47.1	4.4	458.6	(54.1)	955	2.1
2044	428.2	15.8	6.4	450.4	559.8	52.0	5.1	617.0	(166.6)	374	0.6
2049	479.3	0.0	7.2	486.5	753.1	54.6	5.8	813.5	(327.0)	(941)	(1.2)
2054	529.7	0.0	7.9	537.7	983.0	56.4	6.4	1,045.7	(508.1)	(3,109)	(3.0)
2064	662.8	0.0	9.9	672.7	1,640.4	60.6	8.0	1,709.0	(1,036.2)	(10,836)	(6.3)
2074	853.8	0.0	12.8	866.6	2,634.8	65.3	10.2	2,710.4	(1,843.8)	(25,499)	(9.4)
2084	1,097.3	0.0	16.5	1,113.8	3,614.1	67.5	13.2	3,694.7	(2,580.9)	(48,239)	(13.1)

Table 4.4. Projected Benefit Expenditure - Best Estimate (millions of \$'s)

Year	Pensions				Grants	Short-Term	Employment Injury	Admin. Expenses & Transfers	Expenditure as a % of Ins. Wages
	Retirement	Invalidity	Survivors	NCOAP					
2022	59.8	4.4	8.8	1.1	5.2	23.2	4.8	28.2	8.9%
2023	66.9	4.8	9.4	0.9	5.9	21.5	5.9	30.1	8.5%
2024	73.8	5.3	10.3	0.9	6.3	24.7	6.0	33.1	8.7%
2025	82.4	5.8	11.6	0.8	5.7	22.0	6.3	28.7	8.7%
2026	88.8	6.3	12.0	0.8	5.9	22.8	6.6	29.4	8.8%
2027	109.1	7.8	14.2	0.9	6.8	25.9	7.4	33.1	9.2%
2028	118.1	8.5	14.9	0.8	7.0	26.9	8.2	34.0	9.5%
2029	128.2	9.2	15.6	0.8	7.3	27.9	8.7	35.0	9.7%
2030	139.8	10.0	16.4	0.7	7.6	29.0	9.2	36.0	10.0%
2031	152.5	10.8	17.2	0.7	7.9	30.1	9.7	37.0	10.3%
2032	166.9	11.8	18.2	0.7	8.2	31.5	10.2	38.2	10.6%
2033	182.2	12.8	19.2	0.6	8.6	32.9	10.9	39.5	10.8%
2034	198.2	13.8	20.2	0.6	9.0	34.4	11.5	40.8	11.1%
2039	291.9	19.8	26.7	0.5	11.0	42.0	15.2	47.1	12.6%
2044	414.7	27.5	35.5	0.4	12.8	49.2	19.5	52.0	14.4%
2049	574.6	37.3	46.7	0.4	14.4	55.1	24.5	54.6	17.0%
2054	765.3	49.6	60.4	0.5	15.9	60.9	30.4	56.4	19.7%
2064	1,320.0	82.1	95.5	0.5	19.9	76.2	46.1	60.6	25.8%
2074	2,185.1	118.3	141.7	0.6	25.6	98.2	65.3	65.3	31.7%
2084	3,024.5	148.0	197.8	0.8	32.9	126.2	83.8	67.5	33.7%

Table 4.5. Projected Contributors & Pensioners at Year-end - Best Estimate

Year	# of Contributors	# of Pensioners					Total # of Pensioners	Ratio of Contributors to Pensioners
		Retirement	Invalidity	Survivors	Death & Disablement	NCOAP		
2022	116,129	9,832	645	3,443	726	1,051	15,697	7.4
2023	120,316	10,818	681	3,579	722	937	16,737	7.2
2024	125,512	11,658	738	3,716	722	820	17,654	7.1
2025	124,836	12,524	801	3,829	721	758	18,633	6.7
2026	127,331	13,309	864	3,902	766	712	19,553	6.5
2027	129,621	14,103	927	3,978	812	661	20,481	6.3
2028	131,820	14,986	992	4,048	859	615	21,500	6.1
2029	133,894	15,902	1,057	4,109	906	571	22,545	5.9
2030	135,967	16,877	1,122	4,173	952	531	23,655	5.7
2031	138,028	17,904	1,188	4,230	999	494	24,813	5.6
2032	140,072	18,961	1,253	4,286	1,045	460	26,004	5.4
2033	142,091	20,048	1,318	4,338	1,091	427	27,222	5.2
2034	144,081	21,156	1,383	4,386	1,137	397	28,459	5.1
2039	151,436	26,962	1,713	4,738	1,375	294	35,082	4.3
2044	153,122	33,306	2,050	5,291	1,628	243	42,518	3.6
2049	149,932	40,269	2,399	5,939	1,892	219	50,718	3.0
2054	145,638	47,008	2,763	6,594	2,168	208	58,740	2.5
2064	142,676	61,884	3,475	7,762	2,701	202	76,024	1.9
2074	144,523	78,580	3,890	8,676	3,023	201	94,371	1.5
2084	142,043	84,158	3,881	9,295	3,047	201	100,582	1.4

Note: The # of contributors after 2024 excludes those receiving Retirement benefit and contributing towards Employment Injury benefits only.

4.2.3 General Average Premium

For social security systems that are partially funded and designed to be perpetual, costs are usually presented in terms of the pay-as-you-go-rates, which represent annual expenditure as a percentage of insurable wages. For private pension plans, where full funding is the financing objective, there are other measures of the system's cost that may be useful for policy makers to be aware of.

The general average premium is the average level contribution rate required over the next 60 years to fully cover total expenditure during that period. This rate may be looked at as the average long-term cost of the complete SSB benefits package. For the *Best Estimate* projections, the general average premium is 19.8%.

4.2.4 Actuarial Balance

Another measure of the financial sustainability of a social security system is called “actuarial balance.” For a given period, the actuarial balance can be defined as the difference between:

1. the sum of the beginning reserves and the present value of future contributions (money available to meet expenditure), and
2. the present value of future expenditure,

divided by the present value of future insurable wages. This formula produces a rate that indicates the adequacy or insufficiency of the present contribution rate for a given period. For the Social Security Fund, the deficiency expressed in dollars and as a percentage of insurable wages is shown in Table 4.6.

Table 4.6. Actuarial Balance 2025 – 2084 (\$'s are in millions)

	2024 Year-end Reserves	727
Plus	PV of Future Contributions	11,366
Minus	PV of Future Expenditure	(22,448)
Equal	PV of Surplus/(Shortfall)	(10,355)
Actuarial Balance (% of Insurable Wages)		(9.1%)

Consistent with previous discussions, the negative actuarial balance indicates that together with reserves, the current contribution rate is insufficient to meet future expenditure for the next 60 years. The shortfall of 9.1% indicates that the contribution rate would have to be immediately increased to 19.1% for reserves to last up to 2084.

4.3 Comparison with Results of the 2021 ILO Actuarial Review

Following are key projection results of the 2024 and 2021 ILO Actuarial Reviews. Since long-term projections in the 2021 Review were made for the Long-term Benefit branch only, a straightforward comparison is not possible.

Table 4.7. Summary Results of 2024 Actuarial Review Compared With 2021 Actuarial Review

	2021 Actuarial Review (LTB Branch only)	2024 Actuarial Review (Full Fund)
Reserves Depleted	2040	2046
General Average Premium^	20.8%	19.8%
Pay-as-you-go rate in 2041	11.8%	13.2%
Pay-as-you-rate in 2071	30.6%	30.3%

4.4 Sensitivity Analysis – SSB Factors

Given the extensive set of assumptions required for projecting SSB finances and the length of the projection period, future experience will certainly differ from that projected under best estimate assumptions. To illustrate a reasonable range for the Fund’s outlook, projections using two different sets of population, economic and Social Security assumptions are presented in the following chapter. However, certain SSB factors such as yield on reserves, pension increases, and contribution collection rates will also impact the Fund’s outlook. The changes in expenditure and reserve depletion for small differences in several assumptions are shown in the following table. 2040 has been selected to compare pay-as-you-go rates and reserve-expenditure ratios as it is a few years before projected Fund depletion.

Table 4.8. Sensitivity Tests – SSB Factors

Assumption	Differs from Best Estimate	General Average Premium	PAYG Rate in 2040	Reserve Ratio in 2040	Reserves Depleted
Best Estimate		19.8%	12.9%	1.8	2046
Long-term Yield on Reserves (4.5%)	+1%	18.5%	12.9%	2.2	2047
	-1%	21.1%	12.9%	1.5	2045
Contribution Collections (no effect on benefits)	+2%	19.8%	12.6%	2.1	2047
	-2%	19.8%	13.1%	1.6	2045
Pension Increases	50% of Inflation	18.3%	12.2%	2.3	2048
	75% of Inflation	19.0%	12.5%	2.0	2047

Changes in General Average Premium provide an indication of the impact of the assumption change on long-term benefit costs while the 2040 PAYG rate is the estimated expenditure cost as a percent of insurable wages that year.

As shown above, improvements in investment returns and contribution compliance, or smaller pension increases, do not individually have a material impact on the medium-term outlook for Fund sustainability. They do, however, result in material changes to PAYG rates and general average premiums. Since PAYG rates and general average premiums represent the costs to be borne by contributors more emphasis should be placed on the impact on these rates than on the year reserves are projected to be depleted.

The projections presented above assume significant ceiling and pension adjustments in 2027 and smaller increases each year, thereafter. If neither the wage ceiling nor pensions were increased in the next 15 years total expenditure would exceed total income in 2037 instead of 2035 as projected under the Best Estimate scenario. This suggests that increasing the ceiling to \$700 per week and pensions by an average of 15% in 2027 is more costly than no adjustments. However, it must be noted that adjustments to both the wage ceiling and pensions in payment are intended to enhance Social Security’s relevance.

Chapter 5 Alternative Projection Scenarios

Best Estimate projections up to 2084 presented in the previous chapter provide estimates of future Social Security Fund demographics and finances under best-estimate assumptions. Given the uncertainty in forecasting such a long period, two alternative scenarios that highlight the sensitivity of the results to differences in assumptions regarding outlook have been performed. These alternative projection sets encompass assumptions that are generally more optimistic and more pessimistic than those of the *Best Estimate* projections. However, since long-term sustainability will likely be more sensitive to future population growth and economic development than SSB-specific factors such as compliance rates and operating costs, the basis for the alternative scenarios also focus on differences in population and economic outlooks.

The *Optimistic* scenario represents a larger economy with more contributors, higher wages, better contribution compliance and higher investment returns while the *Pessimistic* scenario represents a smaller population with fewer contributors, lower wages and larger pensions, lower contribution compliance and lower investment returns.

Following is a summary of the main assumptions for the three scenarios. Other assumptions are similar across scenarios. Values shown for the *Pessimistic* and *Optimistic* scenarios are relative to the *Best Estimate* assumption.

Table 5.1. Principal Demographic, Economic & SSB Assumptions

Assumption	<i>Pessimistic</i>	<i>Best Estimate</i>	<i>Optimistic</i>
Ultimate Total Fertility Rate	1.2	1.4	1.6
Mortality Improvements	Medium	Slow	Slow
Net In-Migration	70% of <i>Best Estimate</i>	500 pa from 2022 to 2040 increasing to 750 pa in 2050 then to 1,000 pa in 2060, constant thereafter	130% of <i>Best Estimate</i>
Real GDP Growth	-0.5%	2025 to 2029: 1.9%, 1.7%, 1.6%, 1.5%, 1.5%, 1.5% (IMF) 1.0% pa between 2030 & 2034, decreasing linearly to 0.5% pa in 2050, 0.5% pa thereafter	+0.5%
Annual Inflation	1.8% from 2030	1.3% from 2025 to 2030, 2.0% pa thereafter	2.2% from 2030
Collection of Contributions	-2%		+2%
Yield on Reserves	-1%	2.5% in 2025, 3.0% in 2026, 3.5% thereafter	+1%
Ultimate Administrative Expense as % of IW	1.4%	1.2%	1.0%

SSB demographic and financial results of the three projection sets are presented in Figure 5.1. As expected, the outlook for SSF finances is closely linked to the size and age distribution of the general population and SSB performance indicators such as contribution collection rates and yield on investments. Fund depletion is projected to occur between 2043 to 2051 and pay-as-you-go rates in 20 years could be more than 3% higher in the *Pessimistic* scenario than in the *Optimistic* scenario.

Figure 5.1. Projection Results – All Scenarios

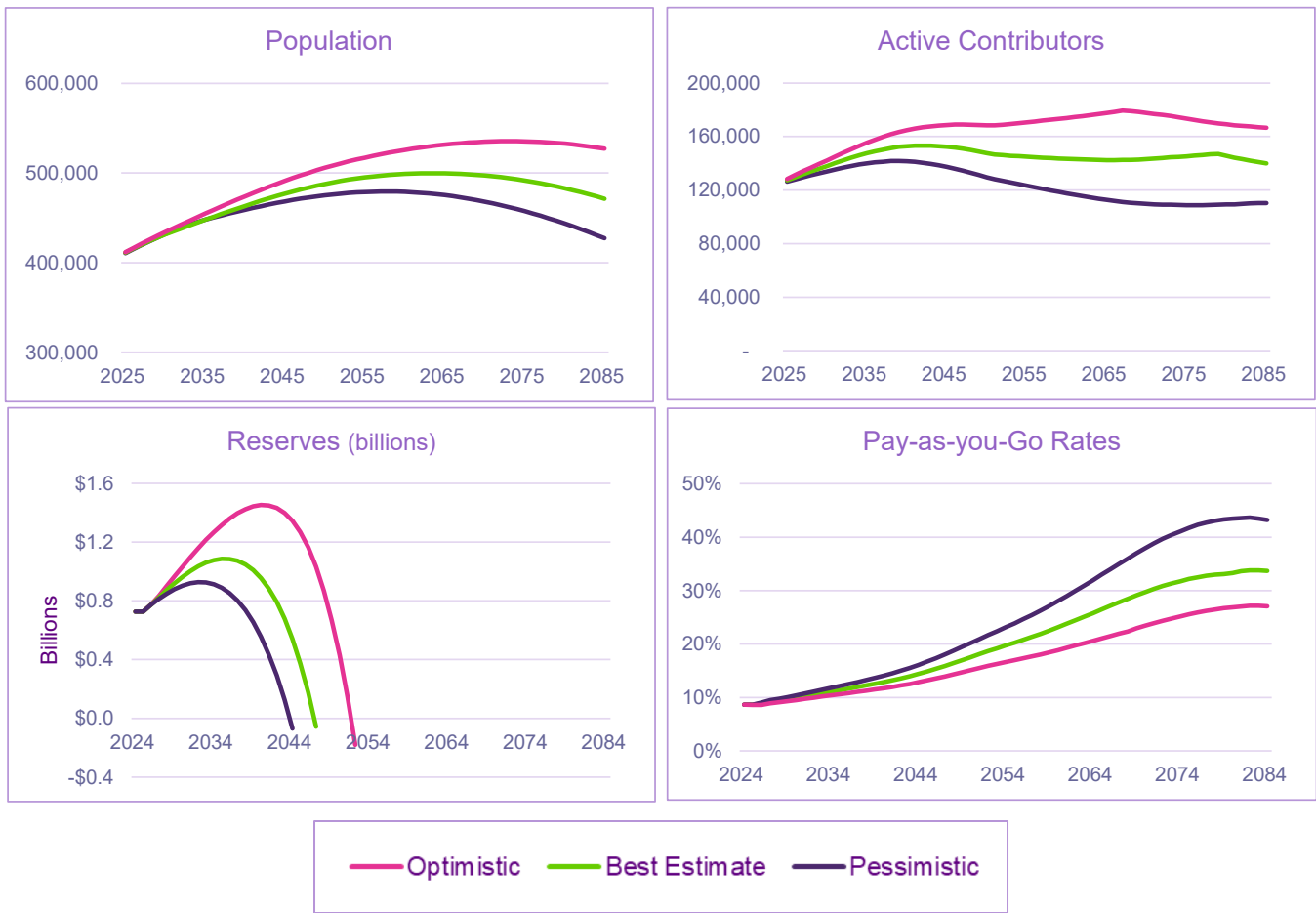


Table 5.2. Summary Results – All Scenarios

		Pessimistic	Best Estimate	Optimistic
General Average Premium		23.6%	19.8%	16.7%
Total Expenditure Exceeds Contributions		2029	2031	2033
Total Expenditure Exceeds Total Income		2032	2035	2040
Reserves Depleted		2043	2046	2051
Pay-as-you-go rate in:	2044	16.1%	14.4%	12.9%
	2064	31.9%	25.8%	20.6%
	2084	43.2%	33.7%	27.1%
# of Contributors per pensioner in 2084 (60 years)		1.1	1.4	1.6

Population projection results for all three scenarios may be found in Table C.1. Projection results for the *Best Estimate* scenario are in Chapter 4 and in Appendix C for the *Pessimistic* and *Optimistic* scenarios.

Chapter 6 Towards a Sustainable SSB

The Social Security Fund is not sustainable at current contribution rates and benefit provisions. Projections presented in earlier chapters show that:

- Benefit costs will increase much faster than wages,
- Expenditure will surpass contribution income between 2029 and 2033,
- Reserves will be depleted between 2043 and 2051,
- Total expenditure when reserves are projected to be exhausted (in all three scenarios) will be between 15% and 16%, and
- Expenditure will exceed 20% of insurable wages in the 2050's under the *Best Estimate* and *Pessimistic* scenarios.

With contribution income and investment returns entirely linked to the local economy, a “good economy” is considered the first of the four ingredients necessary for long-term sustainability of the Social Security Fund. The other three ingredients, over which the government and SSB have greater control are:

1. Good design – a system that provides relevant, equitable and affordable benefits that are consistent with prevailing socio-economic and labour market conditions, other employment linked benefits and available technology. Contribution rates must be consistent with the benefit promise.
2. Efficient & effective administrative systems – collecting all contributions, timely claims processing, efficient investment of surplus assets, and great customer service all at a reasonable cost.
3. Honest & responsible governance – transparent, accountable, proactive and prudent decision making, along with timely reporting at all governance levels for the best long-term interest of residents.

The ability of any social security system to remain meaningful to insured persons, yet affordable to future generations, is dependent on these four ingredients. This and the next chapter focus on “Good Design” with reform recommendations aimed at ensuring that promised pensions are affordable to future generations.

6.1 Parametric Reforms

Social security schemes can be reformed in two main ways:

- (a) Structural reforms – a change in the system’s structure such as from a defined benefit, pooled fund approach to one with individual accounts.
- (b) Parametric reforms – core design structure is maintained but several parameters such as contribution rates, eligibility requirements and pension formula are changed.

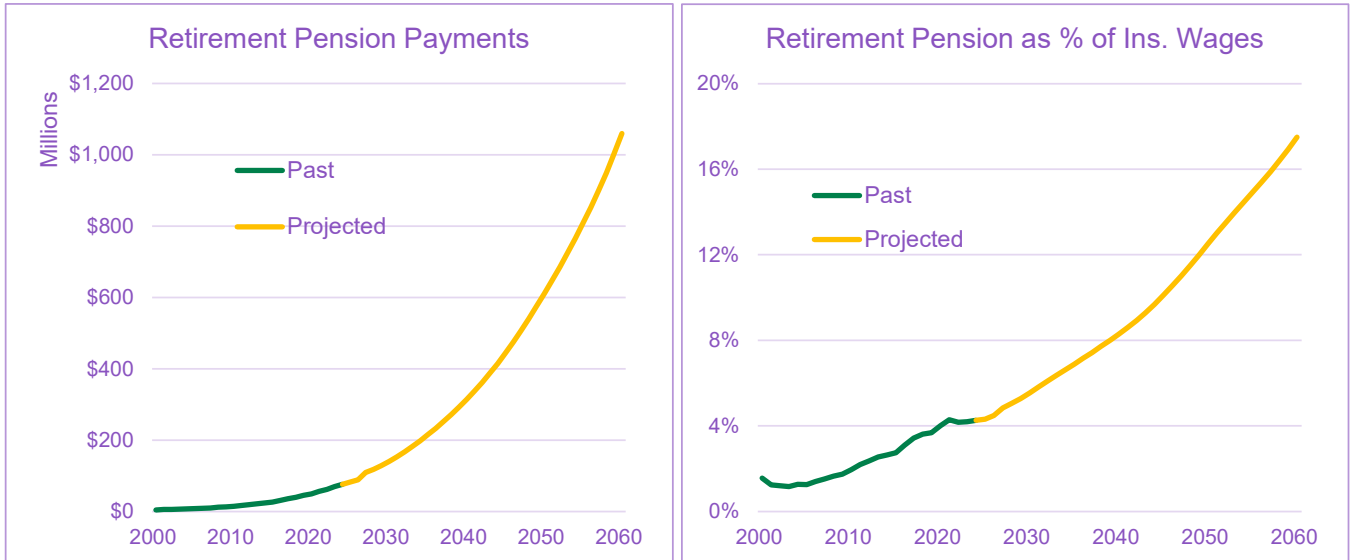
Changes to how future benefits are financed could also be revised under either structural or parametric reforms.

Structural reforms to Caribbean social security systems have not been extensively studied, and the current defined benefit and partially funded structure is still considered appropriate for Belize. Other countries in the region have demonstrated that well designed reforms that balance benefit adequacy with contribution affordability could result in a more sustainable system

6.1.1 Retirement Pension

As shown below, Retirement pension costs are projected to exceed 12% of insurable wages in 2050 and exceed 17% in 2060. This is due primarily to the generosity of the Retirement pension with its 30% replacement rate after only 10 years of contributions.

Figure 6.1. Past and Projected Retirement Benefit Costs



There are four basic means by which future Retirement pension costs can be reduced:

- (i) Fewer persons qualifying each year - eligibility requirements
- (ii) Shorter payment period - start pensions at an older age
- (iii) Smaller average new pension amount - formula adjustments
- (iv) Smaller or no pension increases

Following is a list of specific reforms that could be made to Retirement pensions that will slow the growth in the number of pensioners and average pension amount. Unlike contribution rate increases, however, the financial impact of these changes, most of which will have to be phased in over several years, takes many years to realise material cost reductions.

Table 6.1. Options for Reducing Long-term Retirement Pension Costs

Reform Measures	Current Provisions	Possible Changes	Rationale
Award pensions at a later age	<ul style="list-style-type: none"> Normal Pensionable Age is 65 with unreduced pensions first available from age 60 	<ul style="list-style-type: none"> Eliminate the early pension at age 60 Increase the first age for reduced pensions to 62 or 63 Increase pensionable age to 66 or 67 	<ul style="list-style-type: none"> Some 65-year-olds continue to work Starting later reduces the number of years pension is paid
Early pension not reduced	<ul style="list-style-type: none"> Age 60 pension paid if no longer working but at same rate 	<ul style="list-style-type: none"> Reductions of at least ½% for each month below age 65 	<ul style="list-style-type: none"> All pensions awarded prior to age 65 should be reduced to provide equity between insureds.
Pension accrual rates	<ul style="list-style-type: none"> 30% after 10 years, 40% after 15 years, 60% after 35 years (unchanged since inception) 	<ul style="list-style-type: none"> 20% or 25% after 10 years increasing to 60% after 40 or 45 years 1.5% for each year – 60% after 40 years 	<ul style="list-style-type: none"> Heavy weighting for first 10 years was useful in SSB’s early years but is no longer required.
Longer reference period for wages used in pension calculations	<ul style="list-style-type: none"> Best 3 years 	<ul style="list-style-type: none"> Best 5 years Best 7 years Best 10 years 	<ul style="list-style-type: none"> A longer average period achieves (1) closer relationship between earnings and pension amount, (2) less potential for abuse
Increase required # of contributions	<ul style="list-style-type: none"> 500 weeks or 10 years (unchanged since inception) 	<ul style="list-style-type: none"> 600 weeks (12 years) 750 weeks (15 years) 	<ul style="list-style-type: none"> Contribute long enough to earn the pension awarded Fewer new awards

The Normal Retirement Age for Government of Belize employees is 55. This leaves a 5-year gap between mandatory retirement and the first age for SSB’s Retirement pension. Age 60 is typical at statutory bodies with both 60 and 65 observed in the private sector.

At a minimum, the Government of Belize should increase its normal retirement age for new hires to 65 and other employers should not be allowed to force workers to retire before age 65.

6.1.2 Impact of Retirement Pension Reforms

As shown above there are several ways of revising the pension formula. For each of those ways, there are many options for suitable parameters. Therefore, a simple way of estimating the financial impact of Retirement pension reforms is to model future costs for a gradual reduction in the average new pension amount.

The following table provides details of the projected impact of smaller average new pensions of 5% and 10% phased in over 10 years starting in 2027.

Table 6.2. Projected Impact of Smaller Average Retirement Pension Amount

	Best Estimate Status Quo	Average New Pension	
		5% Lower	10% Lower
Fund Depletion	2046	2047	2048
General Average Premium	19.8%	19.1%	18.5%
PAYG in 2035	11.4%	11.3%	11.2%
PAYG in 2045	14.9%	14.5%	14.1%
PAYG in 2055	20.3%	19.5%	18.8%

Two key take aways from the above are:

- (i) Reducing the average new pension amount does not have a significant material impact in the short-term:
 - a. only a slight change in 2035 pay-as-you-go rates, and
 - b. the projected year of Fund depletion only changes by one year for each level of average new pension reduction,
- (ii) Over the long-term however, cost reductions are greater as shown by the significantly lower general average premium and pay-as-you-rates in 2055.

From the above list of Retirement pension reform options, following are specific reform recommendations:

1. Change the schedule of accrual rates to 1.5% for each set of 50 weeks of contributions (phase in over 10 years).
2. Increase the number of years over which wages are averaged from 3 to 7 (phase in over 5 years).
3. Reduce pensions awarded prior to age 65 by ½% per month below age 65, and increase pensions awarded after age 65 by ½% per month above 65 for those who elect to keep working and not receive their pension at age 65.

While increasing the number of contributions required to qualify for a pension and increasing pensionable ages above 60 (early) and 65 (normal) are not recommended at this time, stakeholders should begin discussions on these options.

6.1.3 Contribution Rate Increases

Even with reforms to Retirement pension that will reduce long-term costs, contribution rates above 10% are inevitable. Increasing the contribution rate produces an immediate increase in contribution income as well as an increase in funds available for investments.

Given that expenditure will exceed the current 10% contribution rate within the next 5 years and investment income is low relative to annual expenditure, stakeholders should plan for contribution rate increases to at least 12% by 2030 and 15% by 2040.

Reforms to Retirement pension are considered both urgent and important. An increase in the wage ceiling is also considered necessary. While a contribution rate increase can be deferred so that benefit reforms and the wage

ceiling adjustment can be made first, the timing and magnitude of the next rate increase should be decided together with the above reforms.

6.2 Funding Policy

SSB does not have any explicit funding targets. As a result, there is no requirement for specific actions such as increasing the contribution rate or amending benefit formulas when a certain funding level is either reached or projected by the actuary. Funding targets and prescribed actions will help ensure that future benefit reforms and/or contribution rate increases are gradual and predictable.

Following is a set of high-level funding objectives, separated into goals to be achieved and outcomes to be avoided:

Table 6.3. Sample Funding Objectives

Wish to Achieve	Wish to Avoid
<ol style="list-style-type: none"> 1. Sufficient liquid assets to meet expenditure during typical economic cycles. 2. Contribution rate that is generally stable and predictable over time. 3. Only having to borrow from Government or elsewhere in extreme circumstances. 	<ol style="list-style-type: none"> 1. Delaying the payment of any benefits. 2. Liquid assets being exhausted during typical economic downturns. 3. Increasing the contribution rate during a recession. 4. Future contribution rate above 20%

A Funding policy will help policymakers assess whether the Fund remains on a desirable path towards long-term sustainability. It will therefore also help determine the level of benefits that can be offered. A Funding policy for the SSB should include:

- (a) a list of beliefs (policy positions) that will guide future SSB decision making,
- (b) specific funding targets such as minimum Reserve-Expenditure ratios in a specific year and maximum contribution rate,
- (c) a list of reforms to be considered if projections suggest that targets will not be met,
- (d) automatic adjustment mechanisms should experience suggest that stated targets will not be met, and
- (e) specific requirements to be included in the SSB Act that will mandate governments to implement changes intended to maintain long-term sustainability.

Once the policy is approved, it will provide guidance for reform recommendations of future actuarial reviews.

Chapter 7 Towards a Modern Social Security

Belize Social Security is similar in design to others in the Caribbean that were introduced in the 1960's. Since then, social conditions, labour markets and technology have changed significantly. However, there have been very few material design changes to the SSB.

Below is a brief discussion of the following issues for which design changes should be considered as part of the reform discussions.

- (i) Wage ceiling & pension adjustments
- (ii) Survivors' pension
- (iii) Invalidity pension
- (iv) Non-contributory pension
- (v) Retirement grant
- (vi) Wage bands and contribution sharing
- (vii) Compliance
- (viii) Statute barred contributions
- (ix) Administrative expenses
- (x) Actuarial review frequency
- (xi) Branch accounting

7.1 Adjustments to Wage Ceiling, Pensions and Grants

The Social Security Act & Regulations is silent regarding the adjustment of the wage ceiling, pensions in payment and fixed dollar rates. Since inception all fixed dollar parameters have been increased on an ad hoc basis, as shown in Table 7.1 below.

Table 7.1 SSB Fixed Dollar Parameters, 1980 to 2025

Effective Date	Wage Ceiling (per week)	Minimum/Maximum Retirement & Invalidation pension (per week)	Non-Contributory Pension (per month)	Maternity Grant	Funeral Grant (insured/spouse/child)
December 1980	\$130	\$15/\$78		\$50	\$300
July 1991		\$25/\$78			\$950
July 1997				\$100	\$1,500/\$1,000 /\$500
August 1998		\$35/\$78			
January 2001	\$320	\$47/\$192		\$300	
January 2003			\$75 (females 65+)		
December 2007			\$100 (Males 67+ & Females 65+)		
July 2019	\$440	\$47/\$264			
January 2020	\$480	\$47/\$288			
April 2022	\$520	\$47/\$312			

As shown above, adjustments have occurred at irregular intervals, and not all benefits/grants are adjusted at the same time. Across-the-board pension increases have only occurred once, in 2016. The Funeral grant has not been increased since 1997, the Maternity grant not since 2001, and non-contributory pensions not since 2007.

Regular adjustments to the wage ceiling, pensions in payment and fixed-dollar parameters ensure that the SSB does not lose relevance to insured persons and pensioners. Since the decision on when and by how much to adjust these amounts ultimately rests with the government, regular future adjustments in line with price and wage inflation are not guaranteed.

There are three general approaches to adjusting pensions and the many fixed dollar rates such as the earnings ceiling, minimum pension rates, Funeral and Maternity grants. These are described below.

Table 7.2. Ceiling & Pension Adjustment Approaches

Adjustment Type	Description
1) Ad Hoc Adjustments	Law does not contain any provisions for periodic review.
2) Adjustment in Principle	Law provides for periodic review without specifying procedure, mechanism or degree of adjustment.
3) Systematic or Automatic Adjustment	Law prescribes the procedure, mechanism and degree of adjustment

It is recommended that the Act be amended to provide for an automatic approach to adjustments that sets out the timing and procedure for increasing all fixed-dollar rates and pensions. While such automatic adjustments occur in all OECD countries, wage ceilings and/or pensions in payment are now adjusted automatically in social security schemes in Barbados, The Bahamas, Dominica, and The British Virgin Islands.

Specific guidelines for increasing the wage ceiling, pensions and all other fixed-dollar rates are described below.

7.1.1 Automatic Wage Ceiling Increases

With only one adjustment between 1980 and 2018, the wage ceiling was increased from \$320 to \$520 per week in 3 steps in 2019, 2020 and 2022. Approximately 15% to 20% of contributors earn more than \$520 per week or \$2,250 per month. If these higher paid persons get sick or have a baby, their weekly benefit will be substantially less than 80% of their regular wage. Similarly, upon retirement, their pension replacement rate will be lower than that of an insured person who earned less than \$520 per week.

An increase in the wage ceiling to at least \$800 per week, \$3,466 per month, followed by automatic annual or biennial adjustments are recommended. The increase from \$520 to \$800 per week could be made in two or three steps over three to four years.

Subsequent automatic adjustments should be in line with the estimated change in wages. For example, if the ceiling is adjusted every 2 years and the estimated average national wage increased by 5% since the last ceiling adjustment, then the ceiling should be increased by 5%.

Given that Belize does not have a national wage index, the use of price inflation would be acceptable for the purpose of adjusting the wage ceiling. However, since wages tend to increase at a higher rate than inflation, it is recommended that until a reliable national wage index is established, ceiling adjustments be made at a rate of at least ½% per year above the three-year average increase in the consumer price index. Alternatively, the Statistical Institute of Belize can create a national wage index using SSB data or PAYE data from the Belize Tax Service.

7.1.2 Automatic Pension & Grant Increases

Ideally, SSB pensions should be adjusted annually in line with increases in the cost of living. However, such a commitment could be very costly and inflexible as a few Caribbean social security funds have realised. Following are details of the automatic adjustments legislated in four Caribbean countries.

Table 7.3. Automatic Social Security Pension Adjustment in Other Caribbean Countries

Country	Adjustment Frequency	Basis for Each Adjustment
The Bahamas	Every 2 years	100% of price inflation
Barbados	Every year	Price inflation up to 1.5%
British Virgin Islands	Every year	Price inflation
Dominica	Every 3 years	Average inflation over 3 years (1/3 of cumulative inflation)

The last SSB pension increase in Belize took effect in 2016. With cumulative inflation from 2017 to 2024 of almost 20%, a pension increase is justified.

Periodic adjustments for pensions in payment, which would take place in the same month each year or same month every other year, should be based on the average of the most recent three years' price inflation (as determined from the Consumer Price Index). The use of an average will produce a smoother pattern of adjustments and avoid both a large increase following a year of high inflation and/or no increase after a year of negative inflation.

There should be a limit on any single pension adjustment that can be made without written certification from an actuary that the Fund can support the prescribed increase.

It is recommended that the SSB consider annual increases of between 50% and 100% of cumulative inflation with the final adjustment rate being contingent on Fund performance where Fund performance considers contributions, investment income and benefit expenditure.

If pensions will be automatically adjusted annually or biennially, pensions awarded within the last year prior to the adjustment should not be adjusted.

The same rate at which pensions are increased should be applied to Maternity and Funeral grants. Rounding up or down to the nearest five dollars or ten dollars could be adopted as a way of keeping these fixed rates at amounts that can be easily recalled.

7.1.3 Recommended Increases for 2026 or 2027

Following are specific recommendations for pensions in payment as of December 2025.

Table 7.4. Recommended Pension Adjustments, 2026 or 2027

Year Pension Awarded	Recommended Increase
Before 2021	20%
2021	15%
2022	10%
2023	7%
2024	3%

Following are specific recommendations for adjustments to fixed-dollar rates.

Table 7.5. Recommended Fixed-Dollar Automatic Rate Adjustments, 2026 or 2027

Parameter	Current Rate	Recommended Rate
Wage Ceiling (in 2 or 3 steps)	\$520 pw	\$800 pw
Maternity Grant	\$300	\$500
Funeral Grant (insured/spouse/child)	\$1,500/\$1,000/\$500	\$2,500/\$2,000/\$1,000
Minimum Retirement/Invalidity Pension	\$47 pw	\$60 pw
Minimum Survivors - Adult	\$47 pw	\$60 pw
Minimum Survivors – Child	-	\$30 pw
Non-Contributory Pension	\$100 pm	\$35 pw or \$150 pm

The above increases to pensions and grants should only occur if material reforms are made to Retirement benefit.

7.2 Survivors’ Pensions

Other than allowing widowers to qualify on the same basis as widows and the receipt of both Retirement and Survivors pensions together, eligibility rules for Survivors benefit have remained mostly unchanged since inception. The relevance and appropriateness of some of these provisions are being reviewed around the region. These are presented below.

- (a) Eligibility to a Survivors’ pension, if there are no dependent children, depends on the age of the spouse at the date of death of the insured person – no pension if under age 50 but a lifetime pension if over 50. No pension is awarded if the couple had been married or cohabiting for less than three (3) years or five (5) years, respectively. With the fixed age of 50 and 3/5 years of marriage/cohabitation, a difference in date of death of just a few days could determine whether one gets a pension for a lifetime or not at all. This approach based on presumed need being greater for an older spouse and a longer living relationship does not consider the actual circumstances of the family.
- (b) There is no explicit minimum rate for children and no more than 100% of the insured deceased’s pension is paid if there are a spouse and two or more children, or more than four children. It is recommended that a minimum pension rate be set for Survivor children and that the 100% cap be removed allowing a reasonable payment to be made for each eligible survivor. The minimum rate for a child can be linked to the minimum rate for an adult.
- (c) The 3-year period of marriage and 5-year period for common-law is arbitrary and perhaps was intended to ensure that the marriage was “firm” or “legitimate”. Given the potential difficulty in determining when a common-law arrangement started, the 3-year requirement could be eliminated for legally married couples but maintained for common law relationships.
- (d) SSB practice where a legal marriage is immediately preceded by a common-law relationship is to require 3 years of legal marriage prior to death. This practice ignores the fact that the survivor would have qualified had the couple chosen not to get married. It is recommended, that a legal marriage not eliminate the years of common-law when considering whether the marriage, legal or common-law, existed for a sufficient period.

- (e) Living together or being dependant on the deceased spouse is not a requirement for a Survivors pension. As a result, where spouses have been separated for many years a widow or widower could receive Survivors pension even if the deceased was in a living relationship with another person.
- (f) Pension suspended upon remarriage or co-habitation: Not only is this difficult to administer, but it presumes that the new spouse is financially able to provide for the pensioner. Consideration could be given to allowing spouses to continue receiving their pension after remarriage with the restriction that only one Survivors pension is payable should there be more than one deceased spouse.
- (g) A 2011 amendment provided the payment of 100% of Retirement pension with the full Survivors pension. However, no provision was made for the payment of Survivors benefit with Invalidation benefit. This may have been an oversight which should be corrected. In providing for the duplication of Invalidation and Survivors benefit, consideration could be given to reducing the portion of the Survivors benefit payable from 100% to 50%. This would result in the survivor receiving 100% of his/her pension and 50% of the Survivors pension.

All the above changes except (g) will slightly increase benefit costs. Given the projected state of the Fund, changes that result in additional benefit payouts should be offset by either contribution rate increases or changes in Retirement pensions that serve to reduce future benefit costs.

7.3 Invalidation Pension

7.3.1 Revised Eligibility Requirements

The contribution requirement for Invalidation benefit is:

- 150 weekly contributions plus either of:
 - (a) 250 weekly contributions in the previous 5 contribution years,
 - (b) 5 contributions in the previous 13 weeks

The amendment made in 2019 to add (a) above appears to have been intended to ensure that the claimant had steady employment for several years prior to becoming invalid. As a result of the amendment, however, insured persons with more than 30 years of contributions who have not recently worked are qualifying for a lump sum Invalidation grant instead of a lifetime pension. This is not consistent with social security best practice.

One way of controlling Invalidation pension costs is to introduce a recent contribution requirement if the claimant has paid fewer than 500 contributions, the threshold used for Retirement benefit. A recent contribution requirement for someone with few contributions is consistent with social security principles which are intended to replace lost income.

It is recommended that the contribution requirement for Invalidation pension be changed such that the claimant must meet at least one of the following:

- (a) 500 paid weeks of contributions, or
- (b) At least 150 paid weeks of contributions in the 5 years prior to being deemed invalid.

If neither of these are met but the applicant has at least 50 contributions, a one-time Invalidation grant should be awarded.

7.3.2 Partial Invalidity Pension

SSB regulations define an invalid as a person who is “incapable of work due to a specific disease or bodily or mental disablement which is likely to be permanent.” This is a very strict definition of “invalid” in which one is unable to perform any work and/or receive any wages. A more liberal definition could permit someone to work in a different occupation or for reduced or limited hours and/or wages.

Insured persons assessed as invalid who can perform limited work duties now have to make a choice between:

- (a) keeping their full Invalidity pension and not working, or
- (b) accepting any level of employment and foregoing the pension even if the wage offered is low.

For an invalid, performing minimal tasks and earning a small wage would be beneficial to their personal wellbeing. While allowing persons receiving Invalidity benefit to also receive employment income may appear reasonable, it could easily be abused, especially by new applicants who only have a partial disability. Employers could also collude with their employed Invalidity pensioners to not declare their true income to ensure continued payment of the pension. If the Board wishes to consider the payment of Invalidity benefit to persons with limited employment income several new evaluation and monitoring mechanisms will need to be put in place.

It is not possible to provide a reasonable estimate of the financial effect of this change at this time but, if well managed, extra costs should be immaterial. Following are ways in which income and expenditure could be affected:

- Increased benefit expenditure if under current rules, the pension would have been suspended once employment started. If very few suspensions occur now, then additional pension costs will be minimal.
- Reduced benefit expenditure if the person starts earning more than the threshold and the pension is suspended.
- Additional contribution income from the wages earned.

7.4 Non-Contributory Pensions

Since 2003, SSB pays a Non-contributory Pension (NCP). To qualify, women 65 and over and men 67 and over must (a) have no source of income or adequate support and (b) be born Belizean or Naturalized Belizean. Further, no other resident in the home should be in receipt of a SSB pension. In 2024, NCP payments to just over 820 persons totalled \$859,000. The \$100 monthly pension amount has not been increased since 2007.

Decisions on NCP claims are made by a Non-Contributory Pension Committee comprising representatives of the SSB Board, Belize Council of Churches, the National Council on Aging, the Ministry of Human Development and one other SSB representative. During 2022 to 2024, a total of 97 NCPs were awarded.

NCP is the only remaining SSB benefit that has different eligibility conditions for men and women – minimum age being 65 for females and 67 for males. It is recommended that the ages be made the same.

Ideally, Assistance pensions should be financed by the Government of Belize (GOB). Even though the financial impact of the savings will not be significant, it is recommended that the GOB meet 100% of the cost of future NCP pensions. Alternatively, GOB could consider slightly lower cost options such as:

- Meeting the full cost of any new NCP awards starting in 2026, and/or
- Meeting the cost of any increase in the NCP pension above \$100 per month for all NCP pensioners.

It is also recommended that steps be taken to improve SSB contribution compliance (Section 7.7) and improve the means test assessments both at the time of award and every 6 months during the pension verification process. These will help reduce the number of new NCP awards.

7.5 Retirement Grant

7.5.1 Eligibility Age

The SSB has 2 pension ages

- 60 if the insured person is no longer employed, and
- 65 regardless of whether the insured person is employed or not

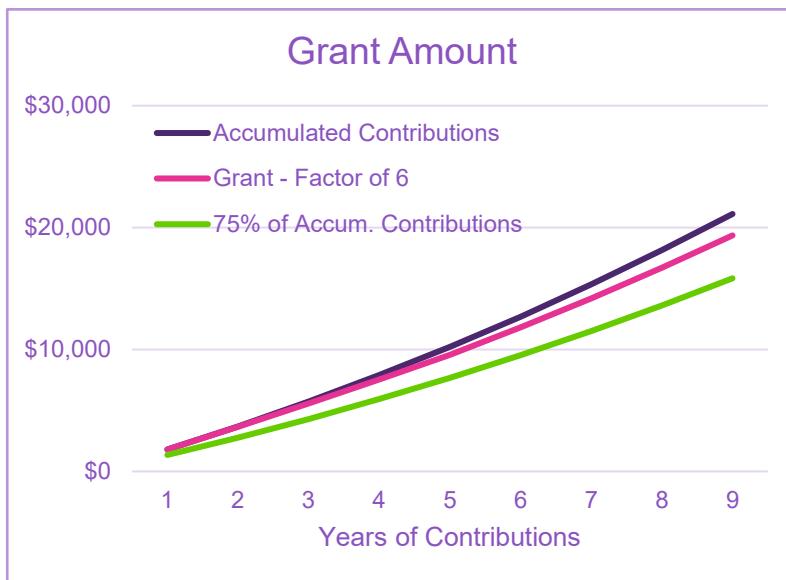
SSB currently allows the Retirement grant to be paid at age 60 even though the person has 5 more years of potential work and contributions to be eligible for a lifetime Retirement pension.

It is recommended that Retirement grants not be payable before age 65.

7.5.2 Grant Formula – Factor of “6”

A review of the formula used to calculate Retirement grants suggests that the grant amount likely exceeds the accumulated contributions made by and on behalf of the contributor when administrative expenses are considered. This is illustrated in the following chart that shows the one-time grant amount payable (pink line) for contribution periods up to 9 years (or 9 sets of 50 weeks). Also shown are the value of accumulated contributions for someone with a starting salary of \$300 per week, with (green line) and without (purple line) a deduction of 25% for administrative expenses and short-term benefits, assuming the grant is paid when employment ceases.

Figure 7.1. Retirement Grant vs Accumulated Contributions



The grant amount is calculated as 6 times the average weekly insurable earnings for each set of 50 weekly contributions paid. If the payment of the grant is many years after payment of the grant is many years after employment ceases, the accumulated value of contributions may exceed the grant amount which remains unchanged if there are no additional contributions.

Retirement, Invalidation and Survivors grants averaged \$4.0 million per year during 2022 to 2024.

A more appropriate factor for the Retirement grant is 4.

When the accumulated value of actual contributions is compared with the grant amount using a reduced factor of 4, there will likely be a net contribution to the Fund. That is, the amount paid out will be less than the value of

accumulated contributions. This difference can be viewed as meeting operating expenses and possible short-term and Employment Injury benefits that may have been paid during employment years.

Any change in formula should also apply to Invalidity and Survivors grants.

While this change will not have a material impact on Fund sustainability, it would bring greater equity to insured persons with varying contribution histories.

7.6 Wage Bands & Contribution Sharing

The Belize SSB is one of only two Caribbean social security schemes that uses wage bands and the only one that has contribution rates that vary by income level.

The use of wage bands, which are regressive to those with lowest incomes within each wage band, were introduced at a time when there were no computers. With advanced technology now available, there is no longer a need for wage bands and thus they should be eliminated.

Current contribution rates at the lowest income levels are shared 1.88%/8.12% and 4.5%/5.5% at the highest income band, respectively, by employee and employers. This progressive approach results in lower income workers having a smaller SSB deduction.

Stakeholders should determine whether this approach to contribution sharing is still desirable. Options to be considered include:

- (a) Keep the current 11 sets of shared rates,
- (b) Reduce to no more than 5 sets of shared rates,
- (c) Have all income levels contribute at the 4.5%/5.5% employee/employer rates.

If a decision is made to keep more than one shared rate, it is recommended that the 1% spread between employer and employee rates apply to all wages above \$500 per week when the wage ceiling is increased in the future.

7.7 Compliance

All employed persons in Belize are required to make contributions to the SSB. Contributions by self-employed persons are voluntary. As the following table of rounded estimates from the 2025 Statistical Institute’s Labour Force survey and SSB data highlights, almost 25% of workers (employed and self-employed) do not currently contribute to the SSB.

Table 7.6. # of Employed Persons & SSB Contributors

Labour Force	182,000
Employed	179,000
Self-employed	50,000
SSB Insured Persons (2024)	125,000
Insureds as % of Employed	76%

A review of contribution payments for 2022, 2023 and 2024 shows the following:

- While larger employers contribute every month, the average number of contributions made by smaller employers is less than 9 per year
- approximately 5% of expected contributions for those three years, around \$21.7 million, were not collected up to mid-August 2025

There are several financial implications to the SSF of compliance levels being below 100%:

- (a) A larger portion of contribution income is required to meet administrative expenses.
- (b) Even though no contributions are received by SSB, the worker will get credit for that month if the Contribution Statement is submitted. These credits could result in the insured person qualifying for a short-term benefit and/or eventually obtaining a larger pension.
- (c) Self-employed persons who do not contribute are not covered for short-term and Employment Injury benefits and may fail to make the minimum 500 weekly contributions (10 years) required to qualify for a Retirement pension.
- (d) By not contributing and thus failing to qualify for a contributory pension, that individual could become a financial burden to their family, neighbourhood and/or the government.
- (e) The number of NCP pensions will be higher as many of those who did not contribute are still able to receive a pension for which they made no contributions.
- (f) SSB administrative costs would not increase materially if compliance were higher and so a larger portion of contribution income would be available for the payment of benefits.

To avoid increasing levels of non-participation among both businesses, self-employed persons and informal sector workers, new approaches to mandating compliance, as well as strengthening existing approaches, are required. Severe consequences for those who do not comply should be enforced. Garnishee proceedings which would allow the SSB to demand payment from a third party that is liable to make a payment to the person or business that is indebted to the Board, should be considered.

7.8 Statute Barred Contributions

Current legislation suggests that the period for instituting proceedings for summary recovery of contributions due to the Fund is six years. This period is too short, especially when such contributions owed may have been deducted from employees' wages.

Employers should not be able to use the law as a means of not paying contributions, especially when deductions have been made from employees' wages/salary. On the other hand, the Social Security Board should not be allowed to ignore and/or not use all measures available to collect outstanding contributions. The value of statute barred contributions was not available at the time of preparing this report, but it should be calculated and continuously monitored.

Amendments to relevant sections in the Act that allow the SSB to collect outstanding contributions after any period should be made.

7.9 Administrative Expenses

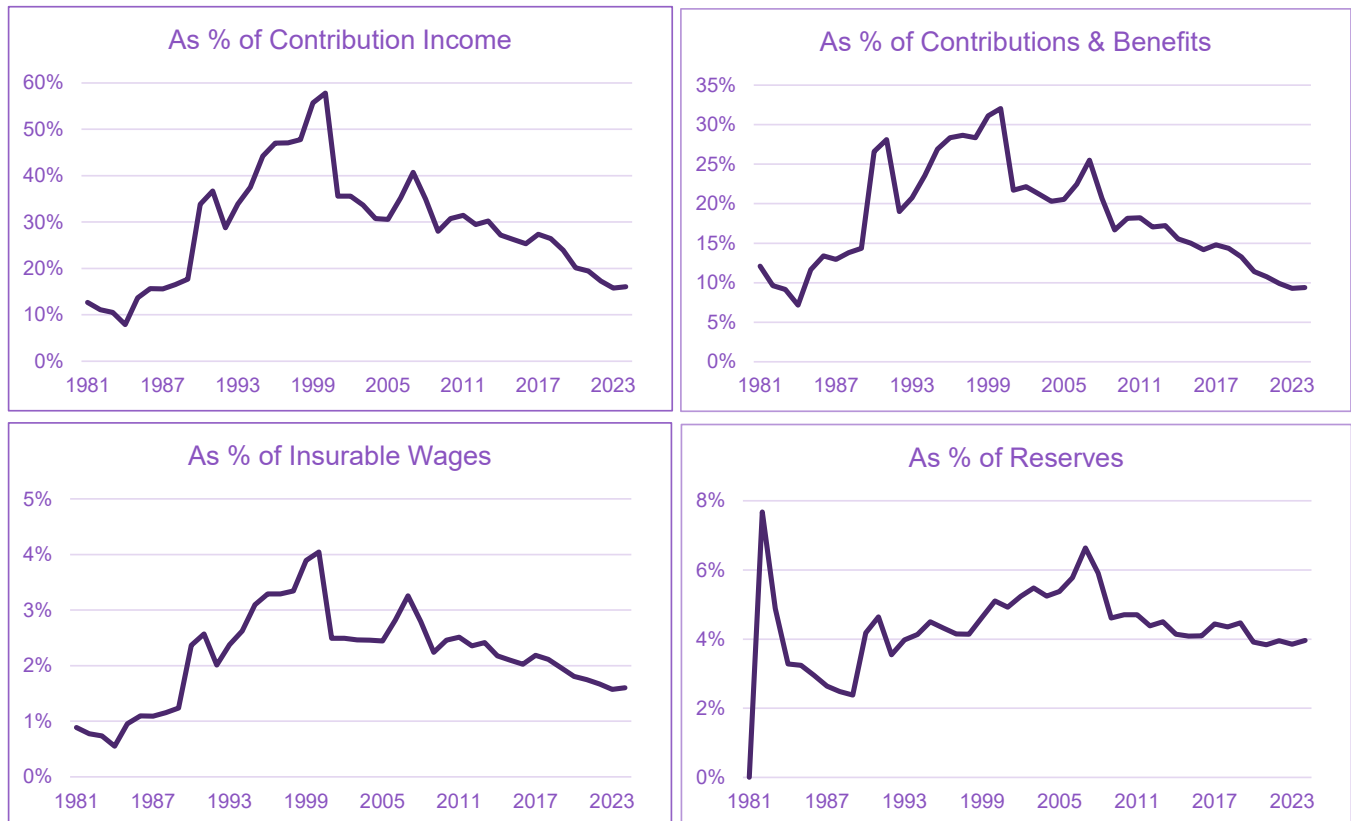
The SSB currently operates with a target expenditure rate of 15% of contribution income or 1.5% of insurable wages. Staff related expenses account for almost 60% of administrative costs.

Shown below are four (4) ratios that can be used to assess SSB administrative cost levels. Historical ratios for each are shown in Figure 7.2. NHI-related administrative expenses have been excluded from this analysis.

Table 7.7. SSB Administrative Expense Ratios

	2024	2022 to 2024
% of Contributions	16.0%	16.4%
% of Contributions + Benefits	9.4%	9.5%
% of Insurable Wages	1.6%	1.6%
% of Reserves	4.0%	3.9%

Figure 7.2 SSB Administrative Cost Ratios, 1981 to 2024



Each of these measures has pros and cons as described below and none is a perfect metric for a single expense target that can be used over an extended period.

Table 7.8 Pros & Cons of Various Administrative Costs Metrics

Metric	Pros	Cons
% of Contributions	<ul style="list-style-type: none"> • Simple • Considers the size of the contributing population which is directly related to work-effort and operating costs 	<ul style="list-style-type: none"> • Increases in contribution rate or wage ceiling will increase the level of acceptable expenses
% of Contributions + Benefits	<ul style="list-style-type: none"> • Considers most of the activity performed by the SSB 	<ul style="list-style-type: none"> • Increases in contribution rate, wage ceiling or pensions increases the level of acceptable expenses
% of Insurable Wages	<ul style="list-style-type: none"> • Factors in economic activity, wage levels and compliance levels • Not affected by contributed rate changes 	<ul style="list-style-type: none"> • Increases to the wage ceiling increases the level of acceptable expenses
% of Reserves	<ul style="list-style-type: none"> • Links operating costs to size of assets 	<ul style="list-style-type: none"> • No relation to operational activity • More appropriate for investment managers • Reserves have no link to operational activity

Assuming no changes to the contribution rate and/or wage ceiling, this report recommends that the target administrative expense ratio of 15% of contributions or 1.5% of insurable wages is appropriate through 2027. Should there be changes to the contribution rate and/or wage ceiling before then, these targets should be revised.

When setting a target for operating costs, special projects or specific significant expenses that are not annually recurring, should be considered.

7.10 Frequency of Actuarial Reviews

Belize SSB is the only social security scheme in the Caribbean that requires annual actuarial reviews. Most conduct reviews at 3-year intervals with two countries using a 5-year cycle. A 3-year cycle is considered acceptable since the long-term outlook for social security funds hardly ever changes significantly in one year. Therefore, unless the Fund is less than five years away from depletion, comprehensive actuarial reviews are not required more often than every three years.

This recommendation does not however negate the usefulness of high-level annual actuarial assessments and ongoing actuarial advice on policy issues and the implementation of previously recommended reforms and amendments.

7.11 Benefit Branch Accounting

Since inception, internal accounting procedures separate Fund finances into three benefit branches representing the three major types of social security benefits offered – long-term, short-term and employment injury. Each branch is expected to be financially autonomous. (Sections 3 and 4 of the Financial & Accounting Regulations)

Regulations provide for the allocation of contribution income, investment income and administrative expenditure to each branch as well as minimum level of reserves for each branch. The transfer of reserves from one branch to another and changes in allocation of contribution income between branches are permitted upon actuarial advice.

It is extremely unlikely that benefits in a branch that has run out of reserves will not be paid on time. Either before or after that point is reached, reserves will be transferred from another branch and an increase in the portion of contribution income will be made. Some SSB funds in the region have, and are still paying benefits from, branches with negative reserves.

The use of benefit branches has little, if any, practical application for SSB decision making and adds no significant value to the users of SSB's financial statements. Its use, however, increases the complication of internal accounting tasks and audited financial statements. Branch accounting should therefore be discontinued.

Chapter 8 Self-employed Scheme

There are several material differences between coverage offered to self-employed persons (SEPs) and coverage offered to employed persons. These differences are shown below.

Table 8.1. SSB Participation for Employed and Self-employed Persons Compared.

	Employed Persons	Self-employed Persons
SS Participation	Mandatory	Voluntary
Available Benefits	All	All
Contribution Rate	10%	7%
Wage Ceiling	\$520 per week	\$320 per week
Income on which contributions based	Wage band that applies to actual earnings that month	Must select and declare a weekly income

For the Self-employed Scheme, the wage ceiling was not increase from \$320 per week to \$520 per week in 2020. As a result, coverage is almost irrelevant for higher paid persons such as doctors, lawyers and other professionals.

Further, there are several restrictions on how the selected income can be changed as follows:

- (a) At the time of registration if one is between 18 and 50, they may select an income between \$55.00 and \$320.00 weekly and if between 51 and 60 they may select an income between \$55.00 and \$200.00 weekly.
- (b) The weekly declared income cannot be changed after age 50.
- (c) The weekly declared income for the next year can be changed only in January. Failure to select and declare a wage in January will result in the same income being used for that year.
- (d) Any change of declared earnings cannot exceed \$50 per week above or below the previously declared wage.
- (e) Contributions must be paid each month by the 14th day of the subsequent month. Failure to make contribution payments on time may result in the loss of short-term and injury benefits,

As a result of some of the above issues, some interested SEPs fail to register and contribute

The restrictive nature of the Self-employed Scheme is likely the main reason that so few self-employed persons register and contribute.

Also, literal interpretations of poorly worded provisions in the Self-employed Regulations, have led to the disallowance of claims for which the benefit should have been awarded, further dissuading voluntary participation.

Following are high-level statistics related to SEP participation in the workforce and in SSB taken from the April 2025 Labour Force Survey and SSB data.

Table 8.2. SEP Participation in Labour Force & SSB

Labour Force (April 2025)	183,368
Employed Labour Force (April 2025)	179,505
# of SEPs in the Labour Force (April 2025)	50,441
SEPs as % of employed Labour Force	28%
# of SS SEP contributors (average 2021 to 2023)	1,582
% of SEPs making SSB contributions	< 4%
% Contribution income from SEPs	< 1%

As shown above self-employed participation in the SSB is very low and contributions are even lower clearly showing that those SEPs that contribute understate their incomes.

The first step to increasing SEP coverage is to make participation mandatory. Self-employed persons who are also employed should be allowed to make additional self-employed contributions. However, as other Caribbean social security schemes will attest, this alone will not make a huge difference unless the SSB is prepared to enforce participation and have severe consequences for failure to register and contribute.

The second step to increasing SEP participation is a change in the structure of the SEP scheme given the significant restrictions of the current scheme.

8.1 A New Approach to SEP Contributing

The relatively low level of participation among the growing self-employed and informal sector in Belize is common across the Caribbean. The primary effect of low coverage among these groups is a growing number of elderly persons who will not have a secure pension in old age. COVID-19 related lockdowns and restrictions showed how vulnerable uncovered self-employed persons are to reduced or lost earnings.

SEPs earn differently from employed persons. The current structure was designed primarily for employed persons and as shown above SEP participation in the SSB is low and SEPs understate their wage and/or contribute less frequently than they should.

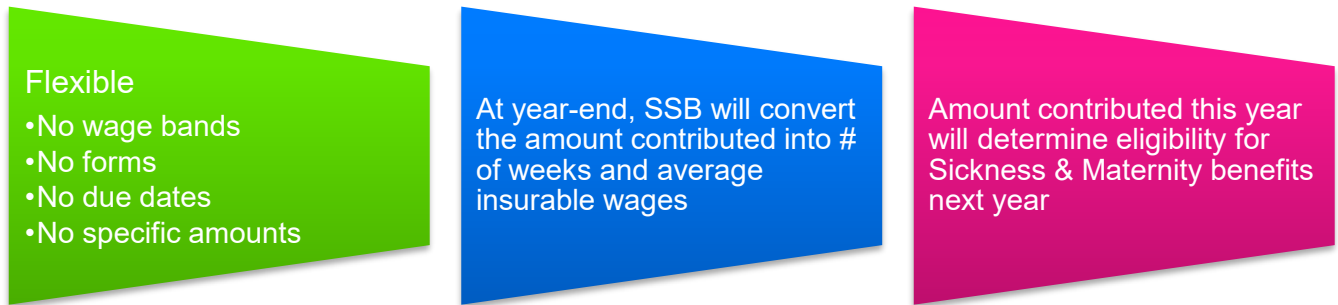
A new approach to SEPs contributing that is consistent with the nature of their work and earnings should be considered. High-level design features of two options for a new Self-Employed Scheme with different approaches are presented for consideration:

1. Maintain the traditional pooling and solidarity benefit structure of the SSB but make contributing flexible and consistent with the nature of their earning patterns.
2. Create a separate program of individual accounts for SEPs with provisions for being always covered for short-term and employment injury benefits.

8.1.1 Maintain Traditional Pooled Structure for SEPs

Since SEPs do not always have steady wages like employed persons do, the following approach provides flexible contributing with SSB determining the number of weeks and average insurable wages at year-end.

Figure 8.1. A New Approach to SEP Contributions & Benefits – Current Benefit Structure

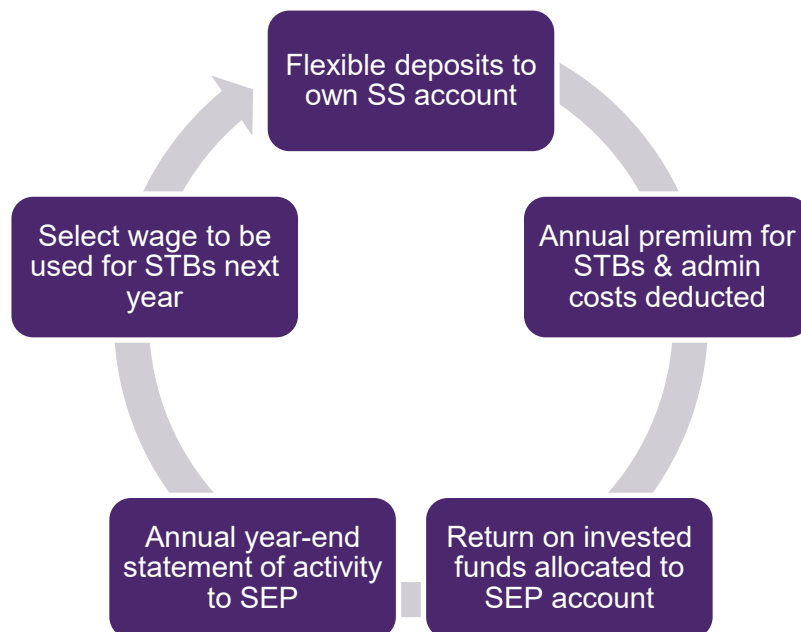


This recommended approach will allow the SSB to keep the current contribution approach that works well for employed persons and deal with those who move between both classes of employment. Special rules will be required for the first year and for years when the insured moves from being employed to self-employed or vice versa. Grenada recently adopted this approach with mixed results thus far.

8.1.2 Individual Account Approach

Under this second approach SEPs could also contribute as often and as much as they wish to their individual savings account into which investment income on their accumulated savings would be added, and benefit payments subtracted. Following is an illustration of how this approach could work.

Figure 8.2. A New Approach to SEP Contributions & Benefits – Individual Account Approach



To cover the cost of Sickness, Maternity, Funeral, Injury or Unemployment benefits, a premium of around 1.25% of the insurable wage selected would be deducted from their account balance each year. This will allow the SEP to receive those benefits in a manner similar to employed persons.

Following are brief details of how benefits would be determined and paid under the individual account approach.

Table 8.3. Individual Account Approach Benefit Determination

Life Event	Benefit Payable
1. Illness, confinement, injury, unemployment	80% of wage selected for the applicable duration. (same as under current system)
2. Retire (or reach a certain age)	Balance remaining in the individual account used to purchase an annuity from the SSB, or drawn down in accordance with specific guidelines that will ensure funds are not exhausted before a specific age.
3. Become Invalid	Balance remaining in the individual account available to the insured for draw down at his/her discretion.
4. Injury	Same as available to insured person under current system. (Disablement, Medical Care, Death)
5. Death	Remainder in individual account paid as lump sum to beneficiary or beneficiaries.

8.2. Pros & Cons of Two Approaches

Following is a summary of pros and cons of the two approaches presented above.

Table 8.4. Pros & Cons of Pooled and Individual Approach to Self-employed Contributions & Benefits

Pooled Fund Approach	
Pros	Cons
<ul style="list-style-type: none"> • Risk Sharing: Contributions are pooled, so risks (such as investment losses or longevity) are shared among all insureds. • Administration: Although some changes will be required, current basic structure will be maintained. • Benefits more Predictable: Especially for those with irregular income or contributions. • Solidarity: Promotes a sense of collective responsibility and support. 	<ul style="list-style-type: none"> • Less Transparency: Individuals may not see a direct link between their contributions and benefits. • Potential for Cross-Subsidization: Some may feel they are subsidizing others, especially since benefit formula is not fully tied to contributions. • Less Flexibility: Harder to tailor benefits to individual needs or circumstances.

Individual Account Approach	
Pros	Cons
<ul style="list-style-type: none"> • Transparency: Each person's contributions and entitlements are tracked separately, making it easy to understand how much has been saved and what benefits are due. • Ownership: Self-employed individuals may feel a greater sense of control over their own savings. • Consistency: Aligns with modern approach to private pensions which many self-employed persons are familiar with. 	<ul style="list-style-type: none"> • Risk of Inadequate Savings: If employment ceases or contributions are irregular, individuals may not accumulate enough for adequate benefits. • Administrative Complexity: New systems required • Limited Risk Pooling: Individuals bear more investment and longevity risk, as there's less sharing of risk across a group.

8.3. Links with Government Departments

Even with a new approach as discussed above, compliance among SEPs will likely remain low unless other initiatives are introduced. The most effective approach is likely to include:

- (a) Make SSB contributions a requirement to obtain government issued licenses and permits or authorization to carry on their respective trade, and
- (b) Have severe consequences if they do not have the required permit or license.

Together with various government departments, SSB should use available technology to share current compliance status to improve self-employed participation.

Chapter 9 National Health Insurance Scheme

The National Health Insurance Scheme (NHI) was established in 2000 through an amendment to the Social Security Act. NHI was initially launched as a pilot project in the South Side of Belize in August of 2001 as a purchaser of health services and has since expanded to cover most regions. The SSB administers the NHI Scheme.

Since 2006, NHI has been fully funded by the Government of Belize. NHI income and expenditure is held in a separate fund within the Social Security Fund. While the NHI Fund is not allocated any investment income, administrative expenditure is charged.

The NHI Scheme will soon be separated from the SBB and governed by a new Act and Regulations.

While a detailed analysis of NHI performance and projected outlook is beyond the scope of this Actuarial Review, the following are financial details for 2022 to 2024 and charts that illustrate financial experience since inception.

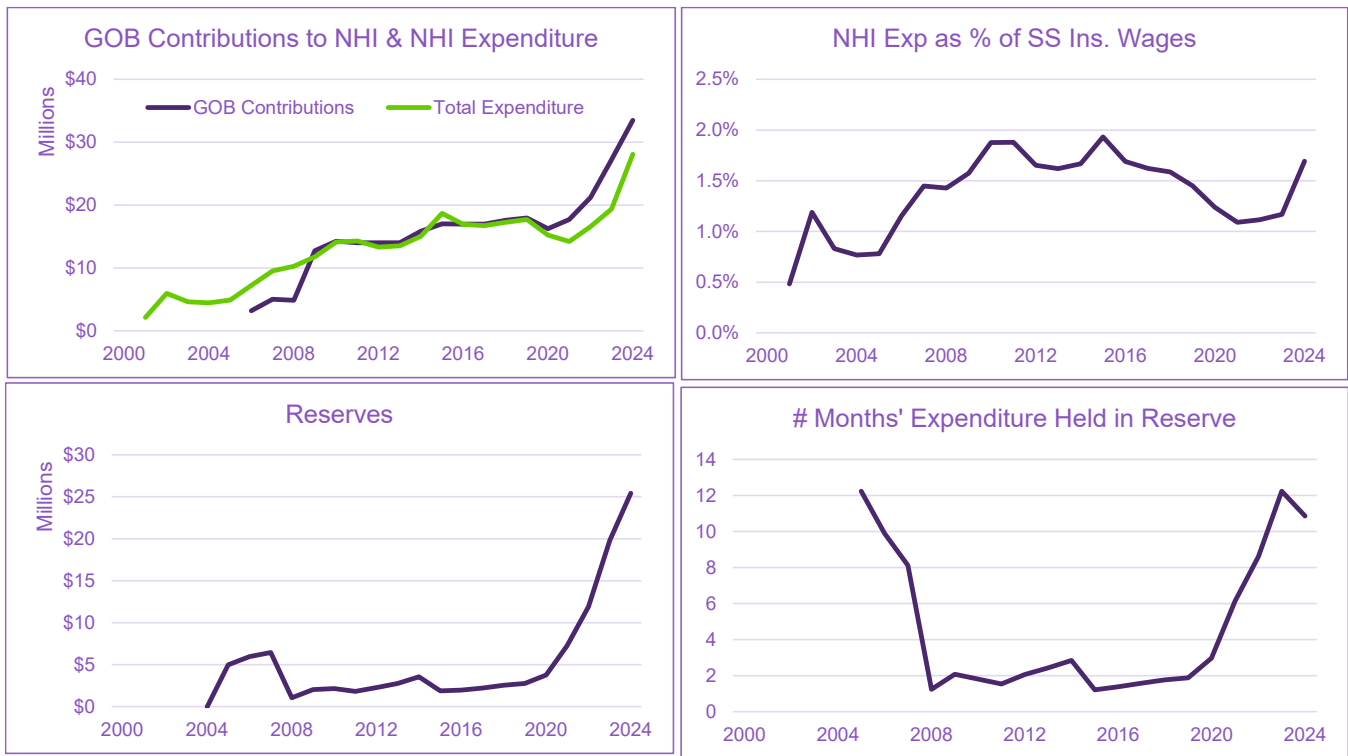
Table 9.1. NHI Income & Expenditure, 2022 – 2024 (millions of \$'s)

	2022	2023	2024
Income			
GOB Contribution	21.20	27.25	33.50
Other	-	0.03	0.23
Total Income	21.20	27.28	33.73
Expenditure			
NHI Benefits	15.09	17.74	26.22
Administrative	1.49	1.65	1.88
Total Expenditure	16.58	19.39	28.10
Excess of Income over Expenditure	4.62	7.88	5.64
End of Year Reserves	11.89	19.78	25.41

Totals may be off due to rounding

The following charts show NHI financial experience since its inception.

Figure 9.1. NHI Financial Experience, 2001 to 2024



Highlights of historical NHI financial experience noted from the above are:

- Since 2006, Government of Belize contributions to NHI have been adequate to cover NHI expenditure (top left chart)
- In recent years, these contributions exceeded expenditure resulting in year-end 2024 reserves being over \$25 million which equates to around 11 months of expenditure. (lower left and right charts)
- Although there is no link between SSB insurable wages and NHI expenditure, the top right chart shows that after declining when the wage ceiling was increased in 2019, 2020 and 2022, NHI expenditure in 2024 was just over 1.5% of insurable wages.

Chapter 10 Unemployment Benefit

While almost all industrialised countries have some form of unemployment insurance, Barbados, The Bahamas, Grenada and the Turks & Caicos Islands are the only Caribbean countries with a permanent unemployment benefit (UEB). This benefit provides partial income replacement to eligible covered workers for short periods following involuntary unemployment. Like other contributory social security benefits, unemployment benefits are paid as a matter of right with no demonstration of need required.

Labour Force Surveys conducted in September 2024 and April 2025 estimated the unemployment rate at 2.1%.

Although unemployment levels are very low, involuntary unemployment and temporary loss of income occurs. While a detailed assessment of whether the introduction of an unemployment benefit is viable is beyond the scope of this review, a brief discussion of the purpose and design issues to be considered prior to implementing such a programme is presented below.

Unemployment insurance programmes have both primary and secondary objectives. The primary objectives involve assisting individual workers during periods of involuntary unemployment, while the secondary objectives stress the promotion of economic efficiency and stability. Specifically, these objectives may be summarised as follows:

Table 10.1 Objectives of Unemployment Insurance Programmes

Primary Objectives	Secondary Objectives
<ul style="list-style-type: none"> (1) Provide cash payments during involuntary unemployment, (2) Maintain to a substantial degree the unemployed worker’s standard of living, (3) Provide time to find employment consistent with their skills and experience, (4) Help unemployed workers find jobs. 	<ul style="list-style-type: none"> (1) Stabilise economy during recessions by enabling unemployed workers to maintain their personal income & consumption, (2) Promote better utilisation of labour by encouraging unemployed workers to find appropriate jobs and, where necessary, helping them to improve their job skills, (3) Help employers maintain a skilled work force as skilled workers are not forced to seek other jobs and thus are free to return when they are called back.

When designing an unemployment benefit, the following issues should be considered:

Table 10.2 Unemployment Benefits Design Considerations

Design Element	Typical Provision	Issues for Added Consideration
Who should be covered	<ul style="list-style-type: none"> ▪ Employed persons - those most at risk of becoming involuntarily unemployed 	<ul style="list-style-type: none"> ▪ Should permanent civil servants be covered? (In Barbados they are not but in The Bahamas and Grenada they are) ▪ Self-employed persons are more difficult to cover but could be included with some differences
Definition of unemployment	<ul style="list-style-type: none"> ▪ Lost job through no fault of your own and are available for and able to work, but can't find a job 	<ul style="list-style-type: none"> ▪ Unemployed could also include “partial unemployment” – working for reduced hours/days/income

Design Element	Typical Provision	Issues for Added Consideration
		(Included in Barbados but not in The Bahamas)
Eligibility Requirements	<ul style="list-style-type: none"> Was employed in insurable employment Lost job through no fault of your own (a few exceptions may be allowed) Been without work and without pay for at least a certain # of days or weeks Worked and contributed to the SSB for the required # of weeks in one or more recent periods, or since the last UEB claim Ready, willing and capable of working Actively looking for work 	<ul style="list-style-type: none"> Could add an element of job-specific online training
Benefit Replacement rate	<ul style="list-style-type: none"> Will depend on initial design objectives (currently 60% in Barbados, 40% in The Bahamas) 	<ul style="list-style-type: none"> Start with a modest rate first (e.g., 40% or 50%) and increase as experience unfolds
Maximum benefit duration	<ul style="list-style-type: none"> Will depend on initial design (currently 26 weeks in Barbados, 13 weeks in The Bahamas) 	<ul style="list-style-type: none"> Start with say 13 weeks and increase as experience unfolds
Verified continued eligibility	<ul style="list-style-type: none"> Thorough checks required to verify ongoing eligibility status 	<ul style="list-style-type: none"> Verification could be conducted within the SSB or by a 3rd party
Efficient integration of UEB with labour law (Severance/Redundancy)	<ul style="list-style-type: none"> Avoid duplication and/or anomalies between UEB and benefits payable by employer if made redundant 	<ul style="list-style-type: none"> Amendments to the Labour law may be required
Contribution Rate	<ul style="list-style-type: none"> Rate required based on benefit rules and funding objectives 	<ul style="list-style-type: none"> Rate reviewed triennially as part of actuarial review
Sharing of contributions between workers and employer	<ul style="list-style-type: none"> 50%/50% employer/employee 	
Accounting for UEB	<ul style="list-style-type: none"> Separate Fund (Barbados) or part of the STB Branch (The Bahamas) 	<ul style="list-style-type: none"> Could also be a new branch within the SSF
Funding objectives (adequacy of reserves)	<ul style="list-style-type: none"> Build up enough reserves, even for times of “crisis” when a significant portion of workforce is unemployed for an extended period 	<ul style="list-style-type: none"> Addition of UEB should not compromise long-term sustainability of the SSF
Job-matching service (JMS)	<ul style="list-style-type: none"> Place for employers to post available jobs and unemployed persons to register 	<ul style="list-style-type: none"> Registration with a JMS should be a prerequisite for claiming UEB. Claimant must sign a “Job Seeker Agreement” This service could also be used to confirm whether unemployed persons meet the conditions for ongoing eligibility

The unemployment rate in Belize is around 2%. Based on the experience of Caribbean social security schemes that offer unemployment benefits, rough estimates of the incidence of unemployment claims and the likely average

duration suggest that a contribution rate of 0.25% to 0.5% of insurable earnings should be sufficient to meet expenditure for a scheme that replaces 50% of earnings for a maximum of 13 weeks.

The following matrix shows the contribution rates required for various combinations of unemployment incidence rates and average benefit durations for a 50% benefit rate.

Table 10.3 Estimated UEB Costs For 50% Benefit Rate

Avg. Benefit Duration (weeks)	% of Eligible Insureds That Claim in A Year		
	3%	5%	7%
6	0.20%	0.34%	0.48%
8	0.27%	0.45%	0.63%
10	0.34%	0.57%	0.79%
12	0.41%	0.68%	0.95%
14	0.48%	0.79%	1.11%
16	0.54%	0.90%	1.27%

An in-depth analysis of unemployment experience and how much a new UEB will cost is beyond the scope of this Review. Should Government consider adding an Unemployment benefit to the SSB benefits package, design features such as who is eligible, what conditions must be met, what benefit rate, and the maximum payment duration must all be suitable for Belize and the current labour market.

Chapter 11 Good Governance Guidelines & Policies

A very influential but often invisible contributor to the state of public sector agencies is political interference and the failure to adopt and follow good governance practices. For example, poor governance practices and political interference at many regional social security schemes have resulted in overstaffing, poor investment diversification, delays in implementing recommended reforms, and the failure to table in Parliament and publish key reports that outline the state of the fund's current and future finances.

To assist social security schemes like the Belize SSB, the International Social Security Association (ISSA) published *ISSA Good Governance Guidelines for Social Security Institutions*. These guidelines provide ISSA member organizations with guiding principles and practical guidelines on good governance. They also present a virtual checklist of essential elements that help engender and support good governance within the institution. It is strongly recommended that the Board adopt the principles and guidelines included in ISSA's *Good Governance Guidelines* and initiate steps to ensure that good governance practices are commonplace in all aspects of the Social Security's administration and operations.

ISSA Good Governance Guidelines

ISSA defines governance as:

“The manner in which the vested authority uses its powers to achieve the institution’s objectives, including its powers to design, implement and innovate the organisation’s policies, rules, systems and processes, and to engage and involve stakeholders.”

ISSA's *Good Governance Guidelines* further suggests that “good governance implies that the exercise of the vested authority is accountable, transparent, predictable, participative and dynamic.” It describes these five principles as follows:

Accountability is the ability to hold legally responsible the officials who are in charge of the institution for managing the program prudently, efficiently and equitably.

Transparency is the availability and accessibility of accurate, essential and timely information to stakeholders and in reference to the decision-making process, promotes honesty, integrity and competence, and discourages wrongdoing.

Predictability refers to the consistent application of the law, policies, rules and regulations. Surprises and sudden changes in contribution rates, benefit entitlements or other features could undermine the credibility of the programme.

Participation refers to the active education, engagement and effective involvement of stakeholders to ensure the protection of their interests.

The principle of *dynamism* is defined as the element of positive change in governance. While the first four principles of governance may well be applied in the context of maintaining the status quo, dynamism refers to changing and improving by doing things more efficiently and equitably, and by responding to the evolving needs of insured persons.

In addition to outlining in detail the five good governance principles as they specifically relate to Boards and Management, the *ISSA Good Governance Guidelines* include further guidelines in six specific areas that are of common concern to social security institutions. These guidelines, which support and promote the good governance principles listed above, are provided for the following areas:

- a) Actuarial soundness
- b) Enforcing the prudent person principle in investment management
- c) Prevention and control of corruption and fraud
- d) Service standards
- e) Staffing policies & performance appraisals
- f) Investments in Information and Communication Technology infrastructure

The third component of the ISSA Good Governance Guidelines is the “Questionnaire on Good Governance.” Through hundreds of specific multiple-choice questions on general governance practices of the Board and Management as it relates to the five principles and six specific areas of social security administration, institutions are able to determine the extent to which they practice good governance and where improvements are required. Completion of this document will be the ideal start to the Board’s adoption of ISSA’s recommended good governance principles and guidelines.

A Good Governance Guidelines manual that is localized for the SSB could include specific sections that deal with the following:

- a) Powers of the Minister
- b) Functions and duties of the Board
- c) Terms of reference for the Chair, CEO, and Committees of the Board
- d) Board Member orientation
- e) Board Member code of conduct
- f) Conflict of Interest
- g) Disclosure of information

ISSA is the world’s leading organization bringing together national social security administrations and agencies. It provides information, research, expert advice and platforms for members to build and promote dynamic social security systems. As a member organisation, the SSB should take full advantage of the extensive work of the ISSA and make full use of the Good Governance Guidelines, Investment Guidelines, along with other tools and research designed to strengthen various aspects of its administration.

Chapter 12 Legislative Review

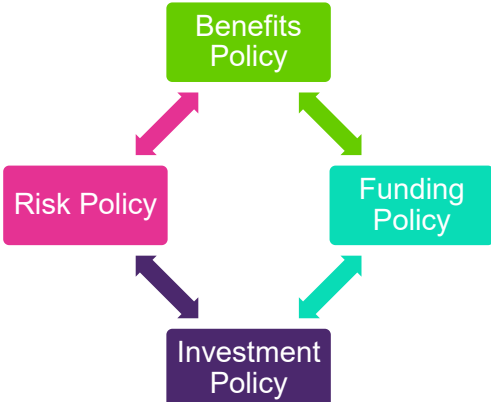
The Social Security Act & Regulations need a comprehensive review with the possibility of a complete repeal and replacement. After almost forty-five years, many rules are no longer relevant, the wording of many sections of the legislation could be revised to improve clarity, and the overall governance framework of the SSB could be improved with a more modern approach. Such a review and revision will be a huge undertaking and should be conducted with clear objectives and by a multi-skilled team with clear deliverables and deadlines.

Several of the issues with eligibility and benefit formulas have been discussed elsewhere in this report.

12.1 Four Interconnected Policies

The first step in the comprehensive review of the SSB should be the creation of four explicit policies as shown in Figure 12.1 below. These four policies, Benefits, Funding, Investments and Risk should then form a new Governance Policy for the SSB that contains best practices and rational responses to specific potential outcomes.

Figure 12.1. Interconnected Policies for a Relevant & Sustainable SSF

<p>Benefits Policy</p> <ul style="list-style-type: none"> • What is each benefit trying to accomplish? • What is each benefit trying to avoid? • Where objectives conflict, what are the priorities? 		<p>Funding Policy</p> <ul style="list-style-type: none"> • What are we trying to accomplish to avoid? • Funding targets • Requirement for government to act if targets not met • Where objectives conflict, what are our priorities?
<p>Risk Policy</p> <ul style="list-style-type: none"> • Potential risks • Likelihood of occurrence • Risk monitoring • “Treatment Plan” – how to avoid & how to handle • Track risk management successes & failures 	<p>With the above policies in place, the SSB would then be able to adopt an outcome-focused approach to decision making, where it is designed and managed around objectives, preferences and “what ifs”. Instead of hoping for positive results, leaders should prepare rational responses to specific potential outcomes such as severe economic downturns, natural disasters and the next pandemic.</p>	<p>Investment Policy</p> <ul style="list-style-type: none"> • Where to invest? • Specific investment guidelines • How will conflicting investment objectives (yield, liquidity, safety, social utility) be balanced? • Performance evaluation

See Section 6.3 for additional details on a recommended Funding Policy.

12.2 The Legislative Review Process

Should the Board decide to conduct a comprehensive review of the SSB Act & Regulations and all policies and procedures, following are suggested steps in that process.

1. Establish a multi-stakeholder Legislative Review Committee that is supported by a core SSB team comprising operational, legal, research and actuarial skillsets. External stakeholders for the Committee could include senior officials from the Ministries of Finance, Labour and Social Services along with representatives from labour unions, employers, and civil society. Representatives from major political parties should also be included as this process should not be politicised.
2. Review the recommendations of this and previous actuarial reviews, and other reports that highlighted the need for improvements and/or modernisation of SSB design and operations.
3. Benchmark against social security schemes in the region and elsewhere to identify best practices and gaps.
4. Initial agreement by the Committee on proposed principles and changes that are being considered.
5. Public consultation.
6. Draft of a new SSB Act & Regulations based on an updated list of proposed changes and approvals obtained from Government.
7. Implementation of reforms.

Statement of Actuarial Opinion

It is our opinion that for this report of the 2024 Actuarial Review of Belize Social Security Fund:

- the data on which the projections and analysis are based are sufficient and reliable;
- the assumptions used are, in the aggregate, reasonable and appropriate, and
- the methodology employed is appropriate and consistent with sound actuarial principles.

This report has been prepared in accordance with the Caribbean Actuarial Association Actuarial Practice Standard #3 for Social Security Programs.

TELUS Health



Derek Osborne, FSA
Partner



Simone Balkissoon, FIA
Principal

March 3, 2026

References

SSB Annual Reports, Financial Statements, Statistical Abstracts, 1981 to 2024

Report of previous Actuarial Reviews and specific studies by the ILO and Consultores Actuarios

Internal Research Social Security Act & Regulations

ISSA Good Governance Guidelines

2022 Census of Population & Housing, Belize National Statistical Institute

Various reports and publications by the Statistical Institute of Belize

Appendix A Contribution & Benefit Provisions

The Social Security Board (SSB) began operations in June 1981. Following is a general description of the coverage, contributions and benefits provisions as of December 31st, 2024.

A.1 Benefits, Insured Persons & Contribution Rates

- (a) Long-term contributory benefits: Retirement pension & grant, Invalidity pension & grant, Survivors' pension & grant and Funeral Grant.
- (b) Long-term assistance: Non-contributory pension.
- (c) Short-term benefits: Sickness benefit, Maternity allowance & grant
- (d) Employment Injury benefits: Injury benefit, Constant Attendance Allowance, Medicare benefit, Disablement pension & grant, Employment Injury Death benefit, and Employment Injury Funeral benefit.

Employed, self-employed and voluntary insured persons aged 14 and over are covered for the above contingencies as follows:

- Employed persons: All contingencies.
- Self-employed persons: All contingencies.
- Voluntary contributors: Retirement benefit, Funeral grant and Survivors' benefits only.

Earnings used for determining contributions and benefits include basic wages, overtime, holiday pay, bonuses, allowances, and gratuities paid by the employer other than those paid once a year.

Weekly insurable earnings for calculating contributions are determined from wage bands as shown below.

Table A.1. Wage Bands & Contribution Rates, December 2024

Wage Band	Weekly Insurable Earnings	Rate of Contributions (%)		
		Employee	Employer	Total
Under \$70.00	\$55.00	1.88%	8.13%	10%
\$70.00 - \$109.99	\$90.00	1.88%	8.13%	10%
\$110.00 - \$139.99	\$130.00	1.88%	8.13%	10%
\$140.00 - \$179.99	\$160.00	2.46%	7.54%	10%
\$180.00 - \$219.99	\$200.00	2.97%	7.03%	10%
\$220.00 - \$259.99	\$240.00	3.31%	6.69%	10%
\$260.00 - \$299.99	\$280.00	3.55%	6.45%	10%
\$300.00 - \$339.99	\$320.00	3.73%	6.27%	10%
\$340.00 - \$379.99	\$360.00	3.88%	6.12%	10%
\$380.00 - \$419.99	\$400.00	4.04%	5.96%	10%
\$420.00 - \$459.99	\$440.00	4.19%	5.81%	10%
\$460.00 - \$499.99	\$480.00	4.35%	5.65%	10%
\$500.00 & Over	\$520.00	4.50%	5.50%	10%

A.2 Summary of Benefits Provisions

A.2.1. LONG-TERM BENEFITS

(a) RETIREMENT PENSION

Eligibility Requirements: The applicant must be an insured person aged 60 or older. For ages 60-64, the insured must not be employed. The applicant must have a total of at least 500 paid and credited contributions with at least 150 paid contributions.

Amount Of Benefit: 30% of Average Weekly Insurable Earnings (AWIE) plus 2% for every 50 weeks between 500 and 750 plus 1% for every 50 weeks credited over 750. AWIE are calculated as the sum of insurable earnings in the best 3 years of contributions divided by 150.

Maximum Pension: 60% of AWIE.

Minimum Pension: \$47 per week.

(b) RETIREMENT GRANT (one-time payment)

Contribution Requirement: Less than the contribution requirement for the Retirement pension (above) but at least 26 paid contributions.

Eligibility: Other than for the contribution requirement, the applicant must be eligible for Retirement Benefit.

Grant Amount: 6 times the average weekly insurable earnings of the insured person for each unit of 50 contributions paid OR, 2.5 times the sum of weekly insurable earnings (of which contributions are paid or credited) divided by the number of contributions for each unit of 50 contributions; whichever is greater

(c) INVALIDITY PENSION

Contribution Requirement:

- 150 paid contributions since 1981 AND one of either:
 - i. 250 paid contributions in the 5 years before invalidity commenced, OR
 - ii. 5 paid or credited contributions in the 13 weeks before the illness that led to invalidity.

Eligibility: The applicant is:

- Under the age of 60, and
- Incapable of work due to a specific disease or bodily or mental disablement which is likely to be permanent, and
- Must be sick for 26 consecutive weeks immediately before invalidity.

Amount of Benefit: Same as for Retirement pension except if less than 500 paid or credited contributions, 25% of average weekly insurable earnings.

Minimum Pension: \$47.00 per week.

Maximum Pension: 60% of the average weekly insurable earnings.

Duration Of Benefit: Paid as long as insured person remains invalid.

(d) INVALIDITY GRANT (one-time payment)

Eligibility: An insured person who meets all of the qualifying conditions for Invalidation benefit except the contribution requirement.

Contribution Requirement: Paid if the contribution requirement for a pension is not met. Requires a minimum of 26 paid contributions.

Amount of Benefit: Same as for Retirement Grant.

Minimum Grant: \$800 (one-time payment).

(e) SURVIVOR'S PENSION

Contribution Requirement: The deceased, at time of death, was receiving or had made enough contributions to qualify for an Invalidation or Retirement pension.

Eligibility:

Widow/Widower: Must have been married to the deceased for not less than three years or in a common-law relationship with the deceased for at least 5 years.

Children: Includes biological, stepchildren, or adopted children of the deceased under 18 years old, or up to 21 years if in full-time education.

Parents: Eligible only if there are no surviving widow/widower or children. Must be mainly maintained by the deceased and be 55 years or older.

Amount of Benefit: The proportion of Invalidation pension shown below:

- Widow or Widower: 66.67%
- Child: 25%
- Invalid Child: 40%
- Parent: 40%

If the maximum benefit (100%) is exceeded, each share is reduced accordingly.

Minimum Pension: \$47.00 per week.

Duration Of Benefit:

- Widow under 50 at time of death, who was pregnant by the deceased or had the care of a minor: as long as she has the care of a minor.
- Widower under 50 at time of death and had the care of a minor: as long as he has the care of a minor.
- Widow or widower over 50 or incapable of self-support and was wholly dependent on the deceased: life pension or as long as so incapable.
- For dependent children, up to age 18, or 21 if attending full-time education.
- For an invalid child, for as long as invalidity continues.
- Pensions to widows and widowers shall cease upon remarriage.

(f) SURVIVOR'S GRANT (one-time payment)

Contribution Requirement: The deceased, at time of death, would have been entitled to an Invalidity or Retirement grant.

Amount of Benefit: The Retirement or Invalidity grant that the deceased would have been entitled to distributed among the survivors as per Survivors pension.

Minimum Grant: \$800

(g) FUNERAL GRANT

Eligibility:

- Deceased Insured Contributor: Was entitled to or was in receipt of Sickness benefit or Maternity allowance OR had paid at least 50 contributions.
- Deceased Dependent (Spouse or Child): Insured must have made at least 150 contributions.
 - A dependent child must be unmarried and under 16 years, or under 21 years if in full-time education.

Amount of Benefit:

- Deceased Insured: \$1,500
- Deceased Spouse: \$1,000.
- Deceased Dependent Child: \$500.

(h) NON-CONTRIBUTORY PENSION

Eligibility:

- Age: Females must be 65 years or older; males must be 67 years or older.
- Income: Must have no source of income or inadequate means of support.
- Citizenship: Must be a born or naturalized Belizean.
- Household: Only one person per household can receive the NCP.

Amount of Assistance: \$100 per month.

A.2.2. SHORT-TERM BENEFITS

(a) SICKNESS BENEFIT

Contribution Requirements: Must be an insured member on the day of becoming sick and have at least 50 paid contributions with at least 5 paid contributions in the 13 weeks immediately before the illness.

Amount Of Benefit: 80% of average weekly insurable earnings for the first 156 days, and 60% of average weekly insurable earnings for the remaining 78 days.

Duration Of Benefit: From the first day of illness/incapacity and for a continuous period of sickness not exceeding 234 days.

(b) MATERNITY ALLOWANCE

Contribution Requirement: At least 50 paid weekly contributions and at least 25 contributions paid in respect of or credited to her of which not less than 20 are paid in the period of 39 consecutive contribution weeks immediately preceding the 7th week before the expected date of confinement, or in which occurs the day from which benefit is claimed, whichever is the later.

Amount Of Benefit: 80% of AWIE in the 39 weeks before maternity leave commences.

Minimum Benefit: \$44.00 per week.

Maximum Benefit: \$416.00 per week.

Duration Of Benefit: A maximum of 14 weeks of maternity benefit is paid. Up to 7 weeks may be paid before confinement. If unable to return to work due to complications arising from delivery, Sickness benefit may be paid after the 14 weeks of Maternity Allowance have been exhausted.

(c) MATERNITY GRANT

Contribution Requirement: At least 50 paid contributions or 25 paid contribution weeks in last 50 preceding the date of confinement. Where the mother fails to meet these requirements, the grant will be paid if her spouse meets the contribution requirement. Spouse includes a common law spouse. A man may only qualify one grant per calendar year.

Amount Of Grant: \$300 per child.

A.2.3. EMPLOYMENT INJURY BENEFITS

(a) INJURY BENEFIT

Eligibility Requirements: Insured person incapable of work as a result of an accident arising out of insured employment, or as a result of an illness related to employment. There are no qualifying contribution requirements for Injury Benefits. The injury must be reported within 48 hours.

Waiting Period: None

Amount of Benefit: 80% of the average weekly insurable earnings of the insured person in the four weeks prior to the injury.

If the insured person continues to be under medical treatment after 156 days, a provisional disablement benefit is paid at a weekly rate of 60% of average weekly insurable earnings for up to 91 additional days.

Minimum Benefit: \$44.00 weekly for the first 156 days, and \$33.00 weekly for any remaining days.

Maximum Benefit: \$416.00 weekly for the first 156 days, and \$312.00 weekly for any remaining days.

(b) MEDICARE BENEFIT

Eligibility Requirements: Must have suffered an employment injury or work-related prescribed disease

Expenses Covered: The costs of medical treatment recommended by a doctor or medical board (e.g. therapy, surgery, artificial limbs, treatment abroad.)

(c) DEATH BENEFIT

Eligibility Requirements: Same as for Survivors Benefit.

Amount Of Benefit: 60% of the AWIE of the deceased in the 4 weeks prior to injury. Portions awarded same as for Survivors Benefit.

Minimum Pension: \$47 per week.

Maximum Pension: \$192 per week.

Duration: Same as for Survivors Benefit.

(d) DISABLEMENT PENSION/GRANT

Eligibility Requirements: Must have suffered an employment injury or work-related prescribed disease resulting in permanent disability.

Amount Of Benefit:

- Disability assessment less than 25%: One time grant of 260 times AWIE in 4 weeks before injury times the % of disability.
- Disability Assessment 25% or more: Pension of 60% of average weekly insurable earnings in 4 weeks before injury times the % of disability.
- Minimum Pension: \$47 per week for as long as the disability continues.

(e) CONSTANT ATTENDANCE ALLOWANCE

Eligibility Requirements: Must be an insured person with 100% disability due to an employment injury or work-related prescribed disease.

Amount Of Benefit: 25% of the Disablement Pension.

Benefit Duration: Paid as long as so determined by a Medical Board or Medical Practitioner.

A.2.4 Reciprocal Social Security Agreements

Belize is a signatory to the CARICOM Agreement on Social Security. By totalising contributions made in all CARICOM countries, persons who have insufficient contributions to qualify for a pension in one or more states, may receive pensions from all systems if the total number of contributions made exceeds the number required in that state. The pension payable would be the proportion that contributions made in that state bear to the total contributions made times the pension that would have been payable for the total number of contributions made. The Agreement covers Retirement/Old-age, Invalidity, Survivors, Disablement and Death benefits only.

The SSB also has a bilateral agreement with The Netherlands on the portability of benefits.

Appendix B Methodology, Data & Assumptions

This actuarial review makes use of the comprehensive methodology developed at the Financial and Actuarial Service of the ILO (ILO FACTS) for reviewing the long-term actuarial and financial status of a national pension scheme. The review has been undertaken by modifying the generic version of the ILO modeling tools to fit the specific case of Belize and the Social Security Board. These modeling tools include a population model, an economic model, a labour force model, a wage model, a long-term benefits model and a short-term benefits model.

The actuarial valuation begins with a projection of Belize' future demographic and economic environment. Next, projection factors specifically related to the SSB are determined and used in combination with the demographic/economic framework to estimate future cash flows and reserves. Assumption selection takes into account both recent experience and future expectations, with emphasis placed on long-term trends rather than giving undue weight to recent experience. Projections have been made under three assumption sets for which the demographic and economic assumptions vary.

B.1 Modelling the Demographic & Economic Developments

The general Belize population has been projected beginning with totals obtained from the 2022 national census and by applying appropriate mortality, fertility and migration assumptions. For the Best Estimate scenario, the total fertility rate is assumed to decrease from 1.8 to 1.4. Table B.1 shows ultimate age-specific and total fertility rates for the three scenarios.

Table B.1. Age-Specific & Total Fertility Rates

Age Group	Fertility Rates 2022	Fertility Rates (2035+)		
		Optimistic	Best Estimate	Pessimistic
15 - 19	0.070	0.027	0.024	0.020
20 - 24	0.103	0.055	0.048	0.041
25 - 29	0.090	0.086	0.075	0.065
30 - 34	0.072	0.079	0.070	0.060
35 - 39	0.037	0.068	0.060	0.051
40 - 44	0.012	0.014	0.012	0.010
45 - 49	0.000	0.000	0.000	0.000
Total Fertility Rate	1.80	1.60	1.40	1.20

Mortality rates have been determined using United Nations life tables for Latin America. These rates have been adjusted to model closely the actual number of deaths in Belize. Improvements in life expectancy for the Best Estimate scenario have been assumed to follow the "slow" rate as established by the United Nations. Sample mortality rates for the Best Estimate scenario and the life expectancies at birth and at age 65 for sample years are provided in Table B.2.

Table B.2. Sample Mortality Rates & Life Expectancies

Age	Males			Females		
	2024	2054	2084	2024	2054	2084
0	0.0355	0.0251	0.0209	0.0298	0.0206	0.0167
5	0.0009	0.0006	0.0005	0.0008	0.0005	0.0004
15	0.0005	0.0003	0.0003	0.0003	0.0002	0.0002
25	0.0012	0.0008	0.0006	0.0006	0.0004	0.0003
35	0.0016	0.0011	0.0009	0.0011	0.0008	0.0006
45	0.0033	0.0024	0.0020	0.0023	0.0016	0.0013
55	0.0081	0.0062	0.0053	0.0050	0.0036	0.0030
65	0.0199	0.0159	0.0138	0.0136	0.0099	0.0082
75	0.0481	0.0401	0.0357	0.0355	0.0273	0.0234
85	0.1188	0.1045	0.0958	0.0955	0.0776	0.0684
95	0.2643	0.2449	0.2308	0.2122	0.1832	0.1669
Life Expectancy at:						
Birth	70.3	74.4	76.5	74.2	78.8	81.1
Age 65	15.6	16.9	17.9	17.5	19.6	20.9
Life Expectancy at Age 65 for Alternate Scenarios:						
Pessimistic	15.6	17.5	18.9	17.5	20.3	21.9
Optimistic	15.6	16.3	16.8	17.5	18.6	19.5

Net inward migration is assumed to increase over time as shown in Table B.3 below.

Table B.3. Net Migration

Age	2025			2050			2060		
	Opt.	Best Est.	Pess.	Opt.	Best Est.	Pess.	Opt.	Best Est.	Pess.
0 - 9	54	42	29	82	63	44	109	84	59
10 - 19	51	40	28	77	59	41	103	79	55
20 - 29	309	238	166	463	356	249	618	475	333
30 - 39	174	134	93	260	200	140	347	267	187
40 - 49	48	37	26	73	56	39	97	75	52
50 - 59	11	9	6	17	13	9	23	17	12
60 - 69	2	2	1	3	2	2	4	3	2
70+	-	-	-	-	-	-	-	-	-
All Ages	650	500	350	975	750	525	1,300	1,000	700

The projection of the labour force, i.e. the number of people available for work, is obtained by applying assumed labour force participation rates to the projected number of persons in the total population. Over the first 30 years age-specific labour force participation rates for both males and females for ages 55 and over are assumed to gradually approach the rates that in 2024 apply to persons five years younger. Further for females, labour force participation rates in 2054 are assumed to be 20% higher than in 2024. Table B.4 below shows the assumed age-specific labour force participation rates in 2024, 2039 and 2054 and onwards.

Table B.4. Age-Specific & Total Labour Force Participation Rates

Age	Males			Females		
	2024	2039	2054	2024	2039	2054
17	45%	45%	45%	24%	27%	29%
22	65%	65%	65%	45%	49%	53%
27	80%	80%	80%	56%	61%	66%
32	95%	95%	95%	60%	66%	71%
37	96%	96%	96%	61%	67%	72%
42	96%	96%	96%	61%	67%	72%
47	95%	95%	95%	59%	65%	70%
52	87%	89%	90%	51%	56%	60%
57	76%	82%	87%	39%	45%	50%
62	52%	64%	75%	24%	32%	38%
67	13%	33%	50%	6%	15%	23%

The projected real GDP divided by the projected labour productivity per worker gives the number of employed persons required to produce total output. Unemployment is then measured as the difference between the projected labour force and employment.

Estimates of increases in the total wages as well as the average wage earned are required. Annual average real wage increases are assumed equal to the assumed increase in labour productivity as it is expected that wages will almost adjust to efficiency levels over time. The inflation assumption affects nominal average wage increases. Actual projection assumptions for each scenario may be found in Table 5.1.

B.2 Projection of Social Security Income & Expenditure

This actuarial review addresses all Social Security Fund revenue and expenditure items. For Short-term and Employment Injury benefits, expenditure is projected as a percentage of insurable wages. Projections of pensions are performed following a year-by-year cohort methodology. For each year up to 2084, the number of contributors and pensioners, and the dollar value of contributions, benefits and administrative expenditure, is estimated.

Once the projections of the insured (covered) population, as described in the previous section, are complete, contribution income is then determined from the projected total insurable wages, the contribution rate and contribution density. Contribution density refers to the average number of weeks of contributions insured persons make during a year.

Benefit amounts are obtained through contingency factors based primarily on Fund experience and applied to the population entitled to benefits. The Investment rate of return is assumed constant in all years. SSB administrative expenses are modelled as a percentage of insurable earnings. Finally, the end-of-year reserve is the beginning-of-year reserve plus the net result of cash inflow and outflow.

B.3 Social Security Population Data and Assumptions

The data required for the valuation of the Social Security Fund is extensive. As of December 31st, 2024, required data includes the insured population by active and inactive status, the distribution of insurable wages among contributors, the distribution of paid and credited contributions and pensions in payment, all segregated by age and sex.

SSB-specific assumptions such as the incidence of invalidity, the distribution of retirement by age, density and collection of contributions, are determined with reference to the application of the Fund's provisions and historical experience.

Projecting investment income requires information of the existing assets at the valuation date and past performance of each class. Future expectations of changes in asset mix and expected rates of return on each asset type together allow for long-term rate of return expectations.

Details of Social Security specific input data and the key assumptions used in this report are provided in tables B.5 through B.9.

Table B.5. 2024 Active Insured Population, Earnings & Past Credits

Age	# of Active Insureds		Average Weekly Insurable Earnings		Average # of Years of Past Contributions	
	Male	Female	Male	Female	Male	Female
15 - 19	5,169	3,228	\$277	\$265	0.6	0.4
20 - 24	12,173	9,508	\$326	\$317	2.5	2.1
25 - 29	11,403	9,029	\$367	\$358	5.3	4.4
30 - 34	10,118	8,113	\$387	\$376	8.7	7.1
35 - 39	8,830	7,120	\$400	\$385	12.2	10.3
40 - 44	7,189	5,631	\$403	\$384	15.1	14.0
45 - 49	5,824	4,432	\$400	\$380	17.6	16.6
50 - 54	4,859	3,259	\$396	\$378	19.3	20.0
55 - 59	3,498	1,856	\$373	\$347	20.7	21.2
60 - 64	1,708	629	\$360	\$330	19.4	22.1
65+	1,267	318	\$42	\$59	20.3	23.5
All Ages	72,038	53,123	\$363	\$355	9.6	8.6

Table B.6. Pensioners in Payment - December 2024

Age	Retirement Pension		Invalidity Pension		Survivors Pension		Non-Con. Pension		Disablement & Death	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0 - 4	-	-	-	-	71	-	-	-	1	-
5 - 9	-	-	-	-	249	-	-	-	2	-
10 - 14	-	-	-	-	537	-	-	-	2	-
15 - 19	-	-	-	-	591	-	-	-	-	-
20 - 24	-	-	1	-	34	8	-	-	1	-
25 - 29	-	-	2	2	10	23	-	-	6	1
30 - 34	-	-	4	-	11	61	-	-	21	8
35 - 39	-	-	14	10	22	77	-	-	30	23
40 - 44	-	-	28	16	13	105	-	-	52	49
45 - 49	-	-	35	34	6	99	-	-	91	68
50 - 54	-	-	96	54	4	144	-	-	128	87
55 - 59	-	-	106	95	6	221	-	-	101	122
60 - 64	2,242	1,690	74	61	5	280	-	-	78	105
65 - 69	2,282	1,312	46	43	8	329	8	32	51	97
70 - 74	1,369	816	11	5	2	285	14	37	20	42
75 - 79	750	373	1	-	4	219	37	88	14	28
80 - 84	316	169	-	-	3	142	66	145	16	13
85 - 89	147	92	-	-	2	103	81	129	4	1
90 - 94	40	32	-	-	3	27	43	84	3	2
95+	16	12	-	-	-	12	17	39	-	1
# of Pensioners	7,162	4,496	418	320	1,581	2,135	266	554	621	647
Avg Weekly Pension	\$125	\$125	\$142	\$136	\$34	\$75	\$23	\$23	\$116	\$109

The following table shows assumed density factors, or the average portion of the year for which contributions are made. These rates are assumed to remain constant for all years.

Table B.7. Density Of Contributions

Age	Males	Females
17	31%	29%
22	74%	70%
27	80%	82%
32	85%	86%
37	85%	89%
42	86%	91%
47	89%	92%
52	89%	93%
57	90%	95%
62	92%	94%

The following table shows the expected incidence rates of insured persons qualifying for Invalidation benefit which is assumed for all projection years.

Table B.8. Rates of Entry Into Invalidation

Age	Males	Females
17	-	-
22	0.032	-
27	0.104	0.049
32	0.448	0.206
37	0.343	0.401
42	0.581	0.962
47	1.214	1.289
52	1.936	2.517
57	5.085	3.667

Table B.9 shows the assumed probability of Survivor benefit claims, grouped by the age of the deceased.

Table B.9. Probability of a Deceased Having Eligible Survivors

Age	Males	Females
17	-	-
22	0.19	-
27	0.13	-
32	0.63	0.02
37	0.58	0.03
42	0.66	0.03
47	0.77	0.02
52	0.71	0.02
57	0.81	0.02
62	0.77	0.02
67	0.65	0.01
72	0.26	0.01
77	0.21	0.01
82	0.21	0.00
87	0.15	0.00

Appendix C Projection Results – Alternate Scenarios

Table C.1. Projected Belize Population, All Scenarios

Year	All Ages	0-15		16-64		65+		Age Depend. Ratio
2022	397,484	118,032	29.7%	256,927	64.6%	22,525	5.7%	0.09
Best Estimate								
2024	406,537	121,750	29.9%	260,250	64.0%	24,537	6.0%	0.09
2034	444,585	96,693	21.7%	309,959	69.7%	37,933	8.5%	0.12
2044	474,377	85,642	18.1%	334,808	70.6%	53,927	11.4%	0.16
2054	493,916	82,041	16.6%	338,157	68.5%	73,718	14.9%	0.22
2064	499,766	72,220	14.5%	332,130	66.5%	95,416	19.1%	0.29
2074	492,990	65,592	13.3%	306,386	62.1%	121,012	24.5%	0.39
2084	473,853	61,885	13.1%	274,506	57.9%	137,462	29.0%	0.50
Pessimistic								
2024	406,235	121,726	30.0%	259,971	64.0%	24,539	6.0%	0.09
2034	445,280	98,782	22.2%	308,412	69.3%	38,086	8.6%	0.12
2044	466,665	79,409	17.0%	332,691	71.3%	54,566	11.7%	0.16
2054	478,332	69,885	14.6%	333,214	69.7%	75,232	15.7%	0.23
2064	476,311	60,601	12.7%	317,732	66.7%	97,978	20.6%	0.31
2074	459,745	51,354	11.2%	283,761	61.7%	124,629	27.1%	0.44
2084	430,700	45,142	10.5%	242,815	56.4%	142,744	33.1%	0.59
Optimistic								
2024	406,859	121,800	29.9%	260,526	64.0%	24,533	6.0%	0.09
2034	450,636	101,683	22.6%	311,341	69.1%	37,612	8.3%	0.12
2044	488,016	97,712	20.0%	337,719	69.2%	52,585	10.8%	0.16
2054	515,069	95,037	18.5%	349,342	67.8%	70,690	13.7%	0.20
2064	530,623	87,505	16.5%	352,493	66.4%	90,626	17.1%	0.26
2074	535,431	84,462	15.8%	336,606	62.9%	114,363	21.4%	0.34
2084	528,419	82,495	15.6%	316,824	60.0%	129,100	24.4%	0.41

Table C.2. Projected Cash Flows & Reserves, Pessimistic Scenario (millions of \$'s)

Year	Inflows				Outflows				Reserves		
	Contribution Income	Investment Income	Other Income	Total	Benefits	Admin. Expenses	Transfer to Funds	Total	Surplus/ (Deficit)	End of Year	# of times current year's expenditure
2022	143.9	21.1	2.4	167.3	107.4	24.8	1.9	134.1	33.2	629	4.8
2023	166.0	26.1	2.2	194.3	115.3	26.1	2.3	143.8	50.5	679	4.8
2024	179.4	23.9	3.1	206.5	127.3	28.8	2.4	158.5	48.0	727	4.7
2025	190.5	18.5	2.9	211.9	134.3	28.6	2.3	165.2	46.7	774	4.7
2026	192.4	19.6	2.9	214.9	142.5	29.3	2.4	174.2	40.6	814	4.7
2027	217.8	20.5	3.3	241.6	171.1	33.1	2.7	206.9	34.7	849	4.1
2028	224.9	21.3	3.4	249.6	183.2	34.1	2.8	220.0	29.6	879	4.0
2029	232.5	22.0	3.5	258.0	196.2	35.1	2.8	234.2	23.8	902	3.9
2030	240.3	22.5	3.6	266.4	210.9	36.2	2.9	250.0	16.3	919	3.7
2031	248.3	22.8	3.7	274.8	226.8	37.2	3.0	267.1	7.7	926	3.5
2032	257.7	22.9	3.9	284.4	244.6	38.5	3.2	286.3	(1.9)	925	3.2
2033	267.5	22.7	4.0	294.2	263.4	39.9	3.3	306.5	(12.3)	912	3.0
2034	277.6	22.2	4.2	304.0	283.0	41.2	3.4	327.7	(23.7)	889	2.7
2039	327.2	15.0	4.9	347.1	395.5	47.8	4.0	447.3	(100.2)	555	1.2
2044	369.3	0.0	5.5	374.8	537.0	52.9	4.5	594.4	(219.6)	(288)	(0.5)
2049	397.4	0.0	6.0	403.3	712.8	56.0	4.9	773.6	(370.3)	(1,822)	(2.4)
2054	423.9	0.0	6.4	430.3	917.1	58.6	5.2	980.9	(550.6)	(4,206)	(4.3)
2064	482.9	0.0	7.2	490.2	1,472.8	64.3	5.9	1,543.0	(1,052.8)	(12,264)	(7.9)
2074	569.0	0.0	8.5	577.5	2,257.6	72.9	7.0	2,337.4	(1,759.9)	(26,599)	(11.4)
2084	707.4	0.0	10.6	718.0	2,962.5	87.0	8.7	3,058.1	(2,340.1)	(47,674)	(15.6)

Table C.3. Projected Benefit Expenditure– Pessimistic Scenario (millions of \$'s)

Year	Pensions				Grants	Short-Term	Employment Injury	Admin. Expenses & Transfers	Expenditure as a % of Ins. Wages
	Retirement	Invalidity	Survivors	NCOAP					
2022	59.8	4.4	8.8	1.1	5.2	23.2	4.8	28.2	8.9%
2023	66.9	4.8	9.4	0.9	5.9	21.5	5.9	30.1	8.5%
2024	73.8	5.3	10.3	0.9	6.3	24.7	6.0	33.1	8.7%
2025	82.1	5.8	11.6	0.8	5.7	21.9	6.3	28.6	8.7%
2026	88.3	6.3	12.0	0.8	5.9	22.6	6.6	29.3	9.1%
2027	108.6	7.8	14.2	0.9	6.7	25.6	7.3	33.1	9.5%
2028	117.6	8.5	14.9	0.8	6.9	26.4	8.1	34.1	9.8%
2029	127.7	9.2	15.6	0.8	7.1	27.3	8.5	35.1	10.1%
2030	139.3	10.0	16.3	0.7	7.4	28.2	9.0	36.2	10.4%
2031	152.0	10.8	17.1	0.7	7.6	29.1	9.5	37.2	10.8%
2032	166.1	11.7	18.0	0.7	7.9	30.2	10.0	38.5	11.1%
2033	181.0	12.6	19.0	0.6	8.2	31.4	10.6	39.9	11.5%
2034	196.7	13.6	19.9	0.6	8.5	32.6	11.2	41.2	11.8%
2039	287.2	19.3	25.8	0.5	10.0	38.4	14.4	47.8	13.7%
2044	404.0	26.3	33.6	0.5	11.3	43.3	18.0	52.9	16.1%
2049	553.3	34.9	43.2	0.5	12.2	46.6	22.1	56.0	19.5%
2054	726.9	45.5	54.6	0.5	13.0	49.7	26.8	58.6	23.1%
2064	1,207.3	72.5	82.1	0.6	14.8	56.7	38.9	64.3	31.9%
2074	1,904.8	100.1	115.4	0.7	17.4	66.8	52.4	72.9	41.1%
2084	2,522.1	119.3	151.3	0.9	21.7	83.0	64.2	87.0	43.2%

Table C.4. Projected Contributors & Pensioners, Pessimistic Scenario

Year	# of Contributors	# of Pensioners					Total # of Pensioners	Ratio of Contributors to Pensioners
		Retirement	Invalidity	Survivors	Death & Disablement	NCOAP		
2022	116,129	9,832	645	3,443	726	1,051	15,697	7.4
2023	120,316	10,818	681	3,579	722	937	16,737	7.2
2024	125,512	11,658	738	3,716	722	820	17,654	7.1
2025	124,298	12,482	801	3,829	721	758	18,591	6.7
2026	126,241	13,246	864	3,902	766	712	19,490	6.5
2027	127,961	14,043	927	3,976	812	662	20,419	6.3
2028	129,574	14,929	991	4,044	858	615	21,436	6.0
2029	131,046	15,847	1,056	4,102	904	571	22,480	5.8
2030	132,500	16,827	1,120	4,161	950	531	23,589	5.6
2031	133,927	17,860	1,184	4,212	996	495	24,746	5.4
2032	135,317	18,924	1,248	4,261	1,041	461	25,935	5.2
2033	136,665	20,020	1,312	4,305	1,086	428	27,151	5.0
2034	137,965	21,138	1,376	4,345	1,130	398	28,387	4.9
2039	141,695	27,024	1,695	4,638	1,358	295	35,009	4.0
2044	139,552	33,500	2,016	5,115	1,597	244	42,472	3.3
2049	132,983	40,631	2,342	5,691	1,843	220	50,727	2.6
2054	125,736	47,536	2,679	6,252	2,095	208	58,771	2.1
2064	114,438	62,265	3,344	7,200	2,586	202	75,597	1.5
2074	109,077	77,580	3,717	7,888	2,869	202	92,256	1.2
2084	110,030	81,641	3,677	8,168	2,855	202	96,543	1.1

Note: The # of contributors after 2024 excludes those receiving Retirement benefit and contributing towards Employment Injury benefits only.

Table C.5. Projected Cash Flows & Reserves, Optimistic Scenario (millions of \$'s)

Year	Inflows				Outflows				Reserves		
	Contribution Income	Investment Income	Other Income	Total	Benefits	Admin. Expenses	Transfer to Funds	Total	Surplus/ (Deficit)	End of Year	# of times current year's expenditure
2022	143.9	21.1	2.4	167.3	107.4	24.8	1.9	134.1	33.2	629	4.8
2023	166.0	26.1	2.2	194.3	115.3	26.1	2.3	143.8	50.5	679	4.8
2024	179.4	23.9	3.1	206.5	127.3	28.8	2.4	158.5	48.0	727	4.7
2025	192.1	18.5	2.9	213.6	134.6	28.8	2.3	165.7	47.8	775	4.7
2026	203.9	27.7	3.1	234.6	143.1	29.5	2.4	175.0	59.6	834	4.8
2027	233.1	38.2	3.5	274.8	172.1	33.1	2.7	208.0	66.8	901	4.3
2028	243.2	41.1	3.6	288.0	184.7	34.0	2.9	221.5	66.5	968	4.4
2029	253.9	44.0	3.8	301.7	198.2	34.8	3.0	236.0	65.7	1,033	4.4
2030	265.0	46.9	4.0	315.9	213.4	35.7	3.1	252.3	63.6	1,097	4.3
2031	276.6	49.6	4.1	330.4	229.9	36.6	3.3	269.8	60.6	1,158	4.3
2032	290.9	52.2	4.4	347.5	249.3	37.8	3.4	290.5	57.0	1,215	4.2
2033	306.2	54.6	4.6	365.4	269.8	39.0	3.6	312.4	53.0	1,268	4.1
2034	322.1	56.9	4.8	383.8	291.4	40.3	3.8	335.5	48.3	1,316	3.9
2039	407.4	63.7	6.1	477.2	417.4	45.9	4.8	468.2	9.1	1,452	3.1
2044	494.9	57.5	7.4	559.8	580.8	49.7	5.8	636.3	(76.5)	1,267	2.0
2049	575.3	24.2	8.6	608.2	790.2	50.8	6.8	847.7	(239.5)	429	0.5
2054	663.5	0.0	10.0	673.5	1,044.6	50.4	7.8	1,102.9	(429.4)	(1,364)	(1.2)
2064	903.0	0.0	13.5	916.5	1,803.9	46.5	10.6	1,861.0	(944.5)	(8,197)	(4.4)
2074	1,215.9	0.0	18.2	1,234.2	3,011.7	32.8	14.3	3,058.8	(1,824.7)	(22,225)	(7.3)
2084	1,624.4	0.0	24.4	1,648.7	4,375.9	4.0	19.1	4,399.0	(2,750.3)	(45,789)	(10.4)

Table C.6. Projected Benefit Expenditure— Optimistic Scenario (millions of \$'s)

Year	Pensions				Grants	Short-Term	Employment Injury	Admin. Expenses & Transfers	Expenditure as a % of Ins. Wages
	Retirement	Invalidity	Survivors	NCOAP					
2022	59.8	4.4	8.8	1.1	5.2	23.2	4.8	28.2	8.9%
2023	66.9	4.8	9.4	0.9	5.9	21.5	5.9	30.1	8.5%
2024	73.8	5.3	10.3	0.9	6.3	24.7	6.0	33.1	8.7%
2025	82.1	5.8	11.6	0.8	5.8	22.1	6.3	28.8	8.6%
2026	88.3	6.3	12.0	0.8	6.0	23.0	6.7	29.5	8.6%
2027	108.6	7.9	14.2	0.9	6.9	26.3	7.5	33.1	8.9%
2028	117.6	8.5	14.9	0.8	7.2	27.4	8.3	34.0	9.1%
2029	127.7	9.2	15.6	0.8	7.5	28.6	8.8	34.8	9.3%
2030	139.3	10.0	16.4	0.7	7.8	29.9	9.3	35.7	9.5%
2031	151.9	10.9	17.2	0.7	8.1	31.2	9.9	36.6	9.8%
2032	166.6	11.9	18.3	0.7	8.6	32.8	10.5	37.8	10.0%
2033	182.2	12.9	19.4	0.6	9.0	34.5	11.2	39.0	10.2%
2034	198.6	13.9	20.5	0.6	9.5	36.3	11.9	40.3	10.4%
2039	294.8	20.3	27.9	0.5	12.0	45.9	16.1	45.9	11.5%
2044	422.1	28.7	38.1	0.4	14.6	55.8	21.1	49.7	12.9%
2049	589.7	39.5	51.7	0.5	16.9	64.9	27.1	50.8	14.7%
2054	793.5	53.3	68.6	0.5	19.5	74.8	34.4	50.4	16.6%
2064	1,415.3	91.1	114.1	0.6	26.6	101.8	54.4	46.5	20.6%
2074	2,443.5	136.0	178.8	0.7	35.8	137.1	79.8	32.8	25.2%
2084	3,589.8	181.5	264.6	0.9	47.8	183.1	108.2	4.0	27.1%

Table C.7. Projected Contributors & Pensioners, Optimistic Scenario

Year	# of Contributors	# of Pensioners					Total # of Pensioners	Ratio of Contributors to Pensioners
		Retirement	Invalidity	Survivors	Death & Disablement	NCOAP		
2022	116,129	9,832	645	3,443	726	1,051	15,697	7.4
2023	120,316	10,818	681	3,579	722	937	16,737	7.2
2024	125,512	11,658	738	3,716	722	820	17,654	7.1
2025	125,373	12,480	801	3,829	721	757	18,589	6.7
2026	128,424	13,244	864	3,902	766	711	19,487	6.6
2027	131,293	14,039	928	3,978	813	660	20,417	6.4
2028	134,092	14,922	993	4,049	860	613	21,437	6.3
2029	136,788	15,836	1,059	4,113	907	569	22,483	6.1
2030	139,504	16,806	1,125	4,182	954	529	23,594	5.9
2031	142,232	17,826	1,190	4,246	1,001	492	24,754	5.7
2032	144,966	18,873	1,256	4,311	1,049	458	25,947	5.6
2033	147,700	19,947	1,322	4,375	1,096	425	27,165	5.4
2034	150,431	21,039	1,389	4,437	1,143	395	28,403	5.3
2039	161,773	26,718	1,725	4,880	1,390	292	35,005	4.6
2044	167,678	32,826	2,072	5,562	1,655	242	42,357	4.0
2049	168,894	39,423	2,431	6,370	1,935	218	50,377	3.4
2054	169,435	45,742	2,807	7,173	2,225	207	58,154	2.9
2064	175,955	60,402	3,547	8,607	2,790	201	75,547	2.3
2074	175,469	78,059	3,994	9,886	3,151	201	95,291	1.8
2084	167,513	85,127	4,021	10,806	3,213	201	103,367	1.6

Note: The # of contributors after 2024 excludes those receiving Retirement benefit and contributing towards Employment Injury benefits only.

Appendix D SSF Income, Expenditure & Reserves, 2022 – 2024

Millions of \$'s

	2022	2023	2024
Income			
Contributions	143.85	166.00	179.44
Investment	21.08	26.10	23.95
Other	2.36	2.23	3.09
GOB & Other Contributions to NHI	21.20	27.25	33.73
Total Income	188.50	221.58	240.22
Expenditure			
Benefits			
Sickness Benefit	17.64	15.39	18.32
Maternity Allowance	4.79	5.24	5.59
Maternity Grant	0.78	0.83	0.78
Retirement Benefit	62.09	69.67	76.49
Invalidity Benefit	4.63	5.25	5.74
Survivor's Benefit	9.84	10.35	11.57
Funeral Benefit	1.68	1.73	1.95
Non-Contributory Pension	1.14	0.94	0.86
Disablement Pension	1.78	1.84	1.90
Death Pension	0.56	0.58	0.59
Disablement Grant	0.32	0.62	0.58
Employment Injury	2.16	2.89	2.95
Funeral Grant (Emp. Inj.)	0.01	0.01	0.00
National Health Insurance	15.09	17.74	26.22
Total Benefit Expenditure	122.50	133.08	153.55
Administrative Expenditure	26.33	27.79	30.67
Total Expenditure	148.83	160.87	184.22
Excess of Income over Expenditure	39.67	60.71	55.99
Transfers to Other Funds	(2.31)	(1.58)	(0.99)
Reserves at End of Year	642.31	701.44	756.45

Totals may be off due to rounding

For Death & Disablement pension, only actual pension payments are shown above.

Appendix E Benefit Branch Experience & Analysis

SSB administers three types of social security benefits – long-term, short-term, and employment injury benefits. While the summary of SSB Fund finances presented in Chapter 2 and in Appendix D shows total income and expenditure, internal accounting separates finances into three benefit branches and two reserves for employment injury related pensions and staff pensions.

Each benefit is allocated to one of the three benefit branches. Each branch is allocated a certain percentage of contribution income, investment income and administrative costs.

Since these branches are only sub-accounts within the Social Security Fund, changes in the allocation of contribution and investment income, and transfer of reserves between branches, have no impact on the overall present or future funded position of the Fund. This method of internal accounting is consistent with the manner that the SSB initially elected to finance and account for the various types of benefits.

E.1 Contribution Allocations & Reserve Transfers

Table E.1. shows income and expenditure for the three SSB branches and the Death & Disablement Reserve for 2022 to 2024.

Table E.1. SSB Fund Income & Expenditure by Branch, 2022 – 2024 (millions of \$'s)

Branch	Short-term	Long-term	Empl. Injury & D&D	Employee Pensions	Total Fund
Reserves – Dec. 2021	22.6	456.4	118.3	(2.0)	595.3
Contributions	93.0	352.3	44.0	-	489.3
Investment	2.8	54.0	14.3	-	71.1
Other	2.6	2.6	2.6	-	7.7
Total Income	98.3	408.9	60.9	-	568.1
Benefits	69.4	263.9	16.8	-	350.1
Administrative	16.1	55.2	7.1	1.3	79.8
Total Expenditure	85.5	319.1	23.9	1.3	429.8
Excess of Income over Expenditure	12.8	89.8	37.0	(1.3)	138.2
Transfers to non-SSB Funds			(6.6)		(6.6)
Reserves – Dec. 2024	35.4	546.2	148.6	(3.3)	727.0

Totals may be off due to rounding

Table E.2. shows for each branch, contribution income allocations, actual expenditure (as a percentage of insurable wages), 2024 year-end reserves and reserve-expenditure ratio.

Table E.2. Summary Branch Experience (% of Insurable Earnings)

Branch	Contribution \$'s Allocated	Contribution Rate Allocated	Average Benefit Expenditure 2022 – 2024	2024 End of Year Reserves (millions)	2024 Reserve-Expenditure Ratio
Short-term	19%	1.9%	1.40%	\$35.4	1.2
Long-term	72%	7.2%	5.28%	\$546.2	4.7
Employment Injury + Death & Disablement	9%	0.9%	0.33%	\$148.6	21.6
All Branches	100%	10.0%	7.01%	\$719.5	4.7

Reserve-Expenditure ratio is the size of the year-end reserve relative to total expenditure in that year.

Reserve-expenditure ratios considered adequate for the Short-term and Employment Injury branches are 1 and 2, respectively. Therefore, while the Short-term Benefits branch is appropriately funded, the Employment Injury Benefits branch is significantly overfunded. It is recommended that \$120 million be transferred from the Employment Injury Benefits branch to the Long-term Benefits branch.

Table E.3. Recommended Changes to Contribution Allocation

Benefit Branch	Contribution Income Allocation	
	Current	Recommended
Short-term	19%	15%
Long-term	72%	80%
Employment Injury	9%	5%
All	100%	100%

Changes in the allocation of contribution income and transfer of reserves between branches have no impact on the present or future funded position of the Social Security Fund. These adjustments are for internal accounting purposes only and are consistent with the way SSB elected to account for the various types of benefits when it was established. The use of benefit branches has little, if any, practical use for SSB decision making and adds no significant value to users of SSB's financial statements. It does, however, increase the complication of internal accounting tasks and audited financial statements.

The elimination of benefit branch accounting is recommended.

E.2 Short-term Benefit Experience, 2022 – 2024

Following is experience for 2022 to 2024 for each benefit allocated to the Short-term benefits branch.

Table E.4. STB Branch Expenditure as % of Insurable Wages, 2022 - 2024

Benefit Type	2022	2023	2024
Sickness Benefit	1.19%	0.93%	1.02%
Maternity Benefit	0.32%	0.32%	0.31%
Maternity Grant	0.05%	0.05%	0.04%
All Benefits & Grants	1.56%	1.29%	1.38%
Admin. Expenses	0.35%	0.31%	0.32%
Total Branch Expenditure	1.91%	1.60%	1.70%

Table E.5. Sickness & Maternity Benefit Experience, 2022 – 2024

Year Ended	Sickness Benefit			Maternity Allowance		
	# Claims Awarded per 1,000 Insureds	Average Benefit Duration (days)	Average Weekly Benefit	# Claims Awarded per 1,000 Insureds	Average Benefit Duration (days)	Average Weekly Benefit
2022	361	10.2	\$249	12	96	\$218
2023	312	9.8	\$252	12	96	\$226
2024	355	8.6	\$288	11	96	\$252

Table E.6. Maternity Grant Experience, 2022 – 2024

Year Ended	# Births	# Grants Awarded
2022	7,036	2,602
2023	6,336	2,739
2024	5,802	2,599

E.3 Long-term Benefit Experience, 2022 – 2024

Following is experience for 2022 to 2024 for each benefit allocated to the Long-term benefits branch.

Table E.7. Long-term Benefits Branch Expenditure as % of Insurable Wages, 2022-2024

Benefit	2022	2023	2024
Retirement Benefit	4.17%	4.20%	4.26%
Invalidity Benefit	0.31%	0.32%	0.32%
Survivors' Benefit	0.66%	0.62%	0.65%
Funeral Benefit	0.11%	0.10%	0.11%
Old-age Non-contribution Pension	0.08%	0.06%	0.05%
All Benefits	5.33%	5.30%	5.38%
Administrative Expenses	1.16%	1.10%	1.10%
Total Branch Expenditure	6.51%	6.40%	6.48%

Table E.8. Pensions In Payment, Awarded & Terminated, 2021- 2024

Pension	Paid in Dec. 2021	Awarded 2022-24	Terminated 2022-24	# Paid in Dec. 2024	Avg. Weekly Pension	
					Dec 2021	Dec. 2024
Retirement	9,056	3,597	(995)	11,658	\$119	\$125
Invalidity	603	291	(156)	738	\$140	\$140
Survivors	3,437	1,536	(1,257)	3,716	\$51	\$58
Non-Con. Pension	1,228	97	(505)	820	\$23	\$23

Table E.9. Funeral Grant Experience, 2022 – 2024

Year Ended	# Deaths	# Grants Awarded
2022	2,298	1,195
2023	2,297	1,221
2024	2,327	1,330

Table E.10. Other Grant Awards, 2022 – 2024

Grant	2022	2023	2024
Retirement	584	792	773
Invalidity	15	33	22
Survivors	142	130	150

E.4 Employment Injury Benefit Experience, 2022 – 2024

Following is experience for 2022 to 2024 for each benefit allocated to the Employment Injury benefits branch.

Table E.11. EIB Branch Expenditure as % of Insurable Wages, 2022 - 2024

Benefit Type	2022	2023	2024
Disablement Benefit	0.12%	0.11%	0.11%
Death Benefit	0.04%	0.04%	0.03%
Disablement Grant	0.02%	0.04%	0.03%
Injury Benefit	0.15%	0.17%	0.16%
All Benefits & Grants	0.32%	0.36%	0.32%
Admin. Expenses	0.14%	0.14%	0.15%
Total Branch Expenditure	0.46%	0.40%	0.47%

Table E.12. Injury Benefit Experience, 2022 – 2024

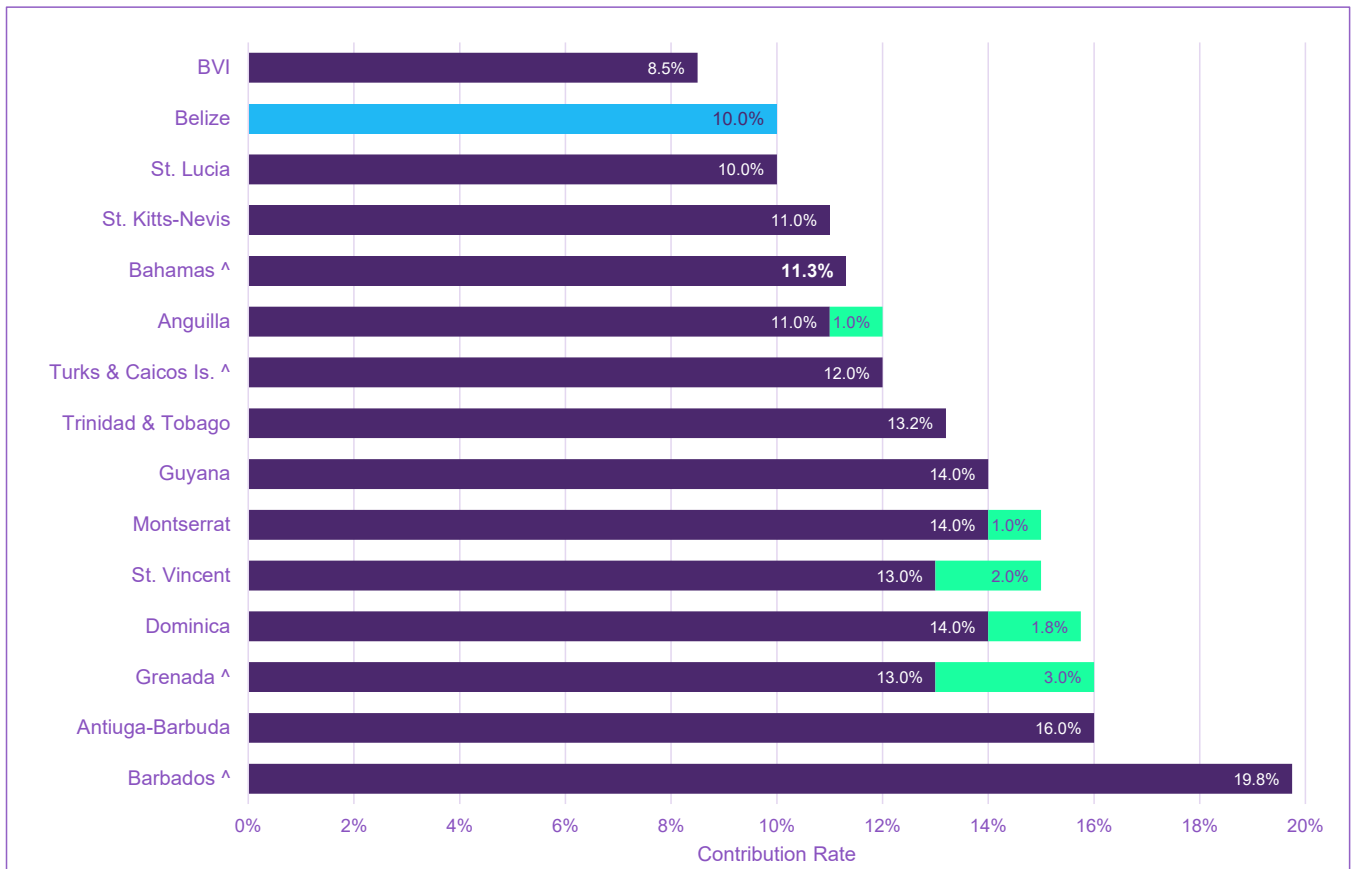
Year Ended	# Claims Awarded per 1,000 Insureds	Average Benefit Duration (days)	Average Weekly Benefit
2022	9	33	\$374
2023	10	33	\$416
2024	11	30	\$440

Table E.13. Employment Injury Benefit Pensions In Payment, Awarded & Terminated, 2021- 2024

Benefit Type	Paid in Dec. 2021	Awarded 2022-23	Terminated 2022-23	# Paid in Dec. 2024	Avg. Weekly Pension	
					Dec 2021	Dec. 2024
Disablement	512	204	(186)	530	\$64	\$65
Death	207	44	(59)	192	\$54	\$63

Appendix F Contribution Rates in the Caribbean

Following are the combined employer and employee contribution rates (November 2025) for the Caribbean National Insurance and Social Security funds that have a similar benefits package. The current contribution rate in those countries is represented by the length of the purple bar while the extra green bar for some countries represents legislated increases over the next few years.



^ The Bahamas, Barbados, Grenada and the Turks & Caicos Islands include an unemployment benefit in their benefits package.