



STAKEHOLDER CONSULTATION

REFORM TODAY. SUSTAINABILITY TOMORROW.

Presenter:

Mr. Jerome Palma, CEO

Date:

September – November, 2026

STAKEHOLDER CONSULTATION

REFORM TODAY. SUSTAINABILITY TOMORROW.

TOPICS:

Contribution Model Enhancements

(Expanding Coverage and Capacity)

Pension Benefit Reforms

(Modernizing Pension Entitlements)

Pension Adjustment Framework

(Protecting Pension Value)

Sustainability Mechanisms

(Building Long-Term Resilience)

Strategic Alignment

(Balancing Today and Tomorrow)

VALUE STATEMENTS



VISION

A dynamic, progressive and sustainable Social Security system.



MISSION

We deliver an innovative, resilient, people-centered and sustainable social insurance program that protects against certain vulnerabilities from the womb to the tomb.



PURPOSE

A beacon of hope to improve the quality of life in Belize.

STRATEGIC PRIORITY AREAS



GOOD GOVERNANCE

Accountability & Participatory



SCHEME MODERNIZATION

Access & convenience



OPERATIONAL EXCELLENCE

Faster, better service



FUND SUSTAINABILITY

Strength for the future

SCHEME MODERNIZATION AT SSB

A **relevant, flexible, & inclusive system** that **adapts to changing needs**, ensures resilience & predictability, by legislative reform & leveraging digital solutions to enhance service & customer experience.





BALANCING TWO KEY PRIORITIES

The 2026 Legislative Package proposes seven interdependent reforms designed not as isolated fixes, but as a synchronized mechanism to balance benefit adequacy and fund sustainability.

BALANCING TWO KEY PRIORITIES

Protecting Benefit Adequacy

- Pensions lose purchasing power as prices rise
- Healthcare costs are increasing
- Some groups are more vulnerable to income insecurity
- Maintain minimum ILO standards



Protecting Fund Sustainability

- People are living longer: 68 years (1981) vs. 74 years (2026)
- Fewer contributors are supporting more pensioners
10:1 (2004), 7:1 (2025), 1:1 (2084)
- Benefit costs are growing faster than contributions
- Total Expenditure is projected to exceed total income in 2035 without intervention

Contribution & Benefit Schedule
Effective: Monday, April 4, 2022



Weekly Earnings by Salary Range	Weekly Insurable Earnings (Less Exemption)	Weekly Contributions (C)			Rate of Contributions (C)			Max. Weekly Benefits		Max. Yearly Pensions
		Member	Employer	Total	Member	Employer	Total	Basic Benefit	Supplement	
UNCLASSIFIED	\$0.00	\$0.00	\$4.47	\$4.47	4.47%	4.47%	8.94%	\$44.68	\$37.24	\$81.92
\$16.00 - \$196.99	\$16.00	\$0.80	\$6.68	\$7.48	5.00%	5.00%	10.00%	\$50.00	\$41.67	\$91.67
\$200.00 - \$399.99	\$200.00	\$10.00	\$16.68	\$26.68	5.00%	5.00%	10.00%	\$50.00	\$41.67	\$91.67
\$400.00 - \$599.99	\$400.00	\$16.00	\$22.68	\$38.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$600.00 - \$799.99	\$600.00	\$24.00	\$28.68	\$52.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$800.00 - \$999.99	\$800.00	\$32.00	\$34.68	\$66.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$1,000.00 - \$1,199.99	\$1,000.00	\$40.00	\$40.68	\$80.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$1,200.00 - \$1,399.99	\$1,200.00	\$48.00	\$46.68	\$94.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$1,400.00 - \$1,599.99	\$1,400.00	\$56.00	\$52.68	\$108.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$1,600.00 - \$1,799.99	\$1,600.00	\$64.00	\$58.68	\$122.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$1,800.00 - \$1,999.99	\$1,800.00	\$72.00	\$64.68	\$136.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$2,000.00 - \$2,199.99	\$2,000.00	\$80.00	\$70.68	\$150.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$2,200.00 - \$2,399.99	\$2,200.00	\$88.00	\$76.68	\$164.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$2,400.00 - \$2,599.99	\$2,400.00	\$96.00	\$82.68	\$178.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$2,600.00 - \$2,799.99	\$2,600.00	\$104.00	\$88.68	\$192.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$2,800.00 - \$2,999.99	\$2,800.00	\$112.00	\$94.68	\$206.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$3,000.00 - \$3,199.99	\$3,000.00	\$120.00	\$100.68	\$220.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$3,200.00 - \$3,399.99	\$3,200.00	\$128.00	\$106.68	\$234.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$3,400.00 - \$3,599.99	\$3,400.00	\$136.00	\$112.68	\$248.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$3,600.00 - \$3,799.99	\$3,600.00	\$144.00	\$118.68	\$262.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$3,800.00 - \$3,999.99	\$3,800.00	\$152.00	\$124.68	\$276.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$4,000.00 - \$4,199.99	\$4,000.00	\$160.00	\$130.68	\$290.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$4,200.00 - \$4,399.99	\$4,200.00	\$168.00	\$136.68	\$304.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$4,400.00 - \$4,599.99	\$4,400.00	\$176.00	\$142.68	\$318.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$4,600.00 - \$4,799.99	\$4,600.00	\$184.00	\$148.68	\$332.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$4,800.00 - \$4,999.99	\$4,800.00	\$192.00	\$154.68	\$346.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$5,000.00 - \$5,199.99	\$5,000.00	\$200.00	\$160.68	\$360.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$5,200.00 - \$5,399.99	\$5,200.00	\$208.00	\$166.68	\$374.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$5,400.00 - \$5,599.99	\$5,400.00	\$216.00	\$172.68	\$388.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$5,600.00 - \$5,799.99	\$5,600.00	\$224.00	\$178.68	\$402.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$5,800.00 - \$5,999.99	\$5,800.00	\$232.00	\$184.68	\$416.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$6,000.00 - \$6,199.99	\$6,000.00	\$240.00	\$190.68	\$430.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$6,200.00 - \$6,399.99	\$6,200.00	\$248.00	\$196.68	\$444.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$6,400.00 - \$6,599.99	\$6,400.00	\$256.00	\$202.68	\$458.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$6,600.00 - \$6,799.99	\$6,600.00	\$264.00	\$208.68	\$472.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$6,800.00 - \$6,999.99	\$6,800.00	\$272.00	\$214.68	\$486.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$7,000.00 - \$7,199.99	\$7,000.00	\$280.00	\$220.68	\$500.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$7,200.00 - \$7,399.99	\$7,200.00	\$288.00	\$226.68	\$514.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$7,400.00 - \$7,599.99	\$7,400.00	\$296.00	\$232.68	\$528.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$7,600.00 - \$7,799.99	\$7,600.00	\$304.00	\$238.68	\$542.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$7,800.00 - \$7,999.99	\$7,800.00	\$312.00	\$244.68	\$556.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$8,000.00 - \$8,199.99	\$8,000.00	\$320.00	\$250.68	\$570.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$8,200.00 - \$8,399.99	\$8,200.00	\$328.00	\$256.68	\$584.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$8,400.00 - \$8,599.99	\$8,400.00	\$336.00	\$262.68	\$598.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$8,600.00 - \$8,799.99	\$8,600.00	\$344.00	\$268.68	\$612.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$8,800.00 - \$8,999.99	\$8,800.00	\$352.00	\$274.68	\$626.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$9,000.00 - \$9,199.99	\$9,000.00	\$360.00	\$280.68	\$640.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$9,200.00 - \$9,399.99	\$9,200.00	\$368.00	\$286.68	\$654.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$9,400.00 - \$9,599.99	\$9,400.00	\$376.00	\$292.68	\$668.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$9,600.00 - \$9,799.99	\$9,600.00	\$384.00	\$298.68	\$682.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$9,800.00 - \$9,999.99	\$9,800.00	\$392.00	\$304.68	\$696.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$10,000.00 - \$10,199.99	\$10,000.00	\$400.00	\$310.68	\$710.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$10,200.00 - \$10,399.99	\$10,200.00	\$408.00	\$316.68	\$724.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$10,400.00 - \$10,599.99	\$10,400.00	\$416.00	\$322.68	\$738.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$10,600.00 - \$10,799.99	\$10,600.00	\$424.00	\$328.68	\$752.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$10,800.00 - \$10,999.99	\$10,800.00	\$432.00	\$334.68	\$766.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$11,000.00 - \$11,199.99	\$11,000.00	\$440.00	\$340.68	\$780.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$11,200.00 - \$11,399.99	\$11,200.00	\$448.00	\$346.68	\$794.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$11,400.00 - \$11,599.99	\$11,400.00	\$456.00	\$352.68	\$808.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$11,600.00 - \$11,799.99	\$11,600.00	\$464.00	\$358.68	\$822.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$11,800.00 - \$11,999.99	\$11,800.00	\$472.00	\$364.68	\$836.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$12,000.00 - \$12,199.99	\$12,000.00	\$480.00	\$370.68	\$850.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$12,200.00 - \$12,399.99	\$12,200.00	\$488.00	\$376.68	\$864.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$12,400.00 - \$12,599.99	\$12,400.00	\$496.00	\$382.68	\$878.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$12,600.00 - \$12,799.99	\$12,600.00	\$504.00	\$388.68	\$892.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$12,800.00 - \$12,999.99	\$12,800.00	\$512.00	\$394.68	\$906.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$13,000.00 - \$13,199.99	\$13,000.00	\$520.00	\$400.68	\$920.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$13,200.00 - \$13,399.99	\$13,200.00	\$528.00	\$406.68	\$934.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$13,400.00 - \$13,599.99	\$13,400.00	\$536.00	\$412.68	\$948.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$13,600.00 - \$13,799.99	\$13,600.00	\$544.00	\$418.68	\$962.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$13,800.00 - \$13,999.99	\$13,800.00	\$552.00	\$424.68	\$976.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$14,000.00 - \$14,199.99	\$14,000.00	\$560.00	\$430.68	\$990.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$14,200.00 - \$14,399.99	\$14,200.00	\$568.00	\$436.68	\$1,004.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$14,400.00 - \$14,599.99	\$14,400.00	\$576.00	\$442.68	\$1,018.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$14,600.00 - \$14,799.99	\$14,600.00	\$584.00	\$448.68	\$1,032.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$14,800.00 - \$14,999.99	\$14,800.00	\$592.00	\$454.68	\$1,046.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$15,000.00 - \$15,199.99	\$15,000.00	\$600.00	\$460.68	\$1,060.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$15,200.00 - \$15,399.99	\$15,200.00	\$608.00	\$466.68	\$1,074.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$15,400.00 - \$15,599.99	\$15,400.00	\$616.00	\$472.68	\$1,088.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$15,600.00 - \$15,799.99	\$15,600.00	\$624.00	\$478.68	\$1,102.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$15,800.00 - \$15,999.99	\$15,800.00	\$632.00	\$484.68	\$1,116.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$16,000.00 - \$16,199.99	\$16,000.00	\$640.00	\$490.68	\$1,130.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$16,200.00 - \$16,399.99	\$16,200.00	\$648.00	\$496.68	\$1,144.68	4.00%	4.00%	8.00%	\$40.00	\$33.33	\$73.33
\$16,400.00 - \$16,599.99	\$16,400.00	\$656.00	\$502.68	\$1,158.68	4.00%	4.00%	8.00%			

STAKEHOLDER CONSULTATIONS

REFORM TODAY. SUSTAINABILITY TOMORROW

PART 1: FEBRUARY TO MAY 2026

A large group of people are seated in a hall, facing towards the front where a presentation is taking place. The image is overlaid with a semi-transparent teal filter. Three vertical white lines separate the statistics from each other.

**19 Consultations
conducted**

**1,000+ attended the
consultations with
representatives from
various organizations**

**1 of every 4
participants
responded to the
survey**



STAKEHOLDER CONSULTATION

REFORM TODAY. SUSTAINABILITY TOMORROW

TOPICS DISCUSSED

Shifting to the Percentage-Based system

Revisiting the Contribution Rate Split

Raising the Contribution Floor

Scan to view the presentation:





KEY TAKEAWAYS

Support to shift from the Wage Band system to the Percentage-Based System:

65% Yes • 29% Neutral • 6% No

Support for raising the Contribution Floor from \$55 to \$130

66% Agree • 23% Neutral • 11% Disagree

Most suggested Contribution Split:

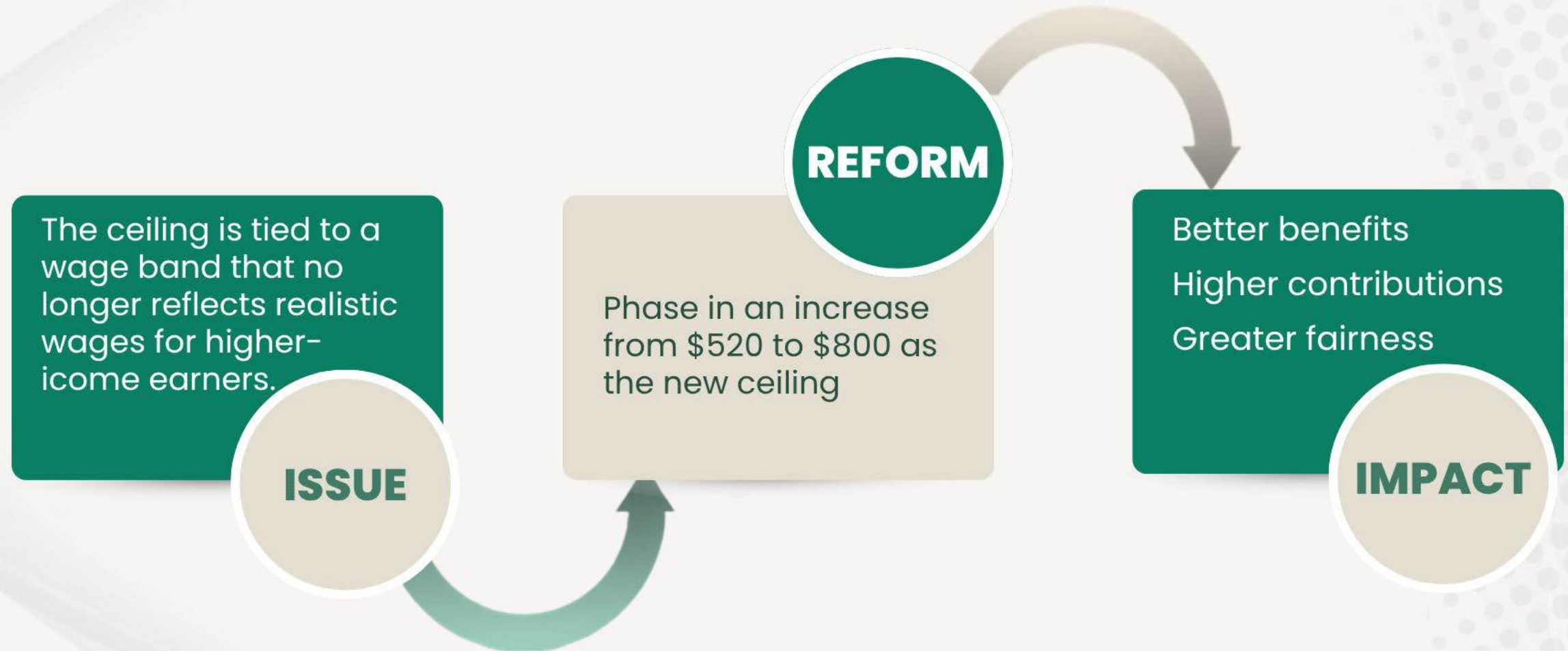
4% Employee / 6% Employer (55% Support)

REFORM 1:

INCREASE INSURABLE EARNINGS CEILING



REFORM 1: Increase Insurable Earnings Ceiling



KEY TAKEAWAY

The scheme should reflect today's wages to adequately protect today's workers



THE NEW CONTRIBUTIONS MODEL

10% of Actual Earnings between the Floor of \$130 to the Ceiling of \$800
with contributions paid according to the Contribution Rate Levels



10% Contribution Split



\$340 Weekly & Above

4.5% Employee/
5.5% Employer



Below \$340 Weekly

3% Employee/
7% Employer

INCREASE INSURABLE EARNINGS CEILING

CURRENT CONTRIBUTION SCHEDULE AS OF 2022

			RATE OF CONTRIBUTIONS (%)		
NO.	ACTUAL WEEKLY EARNINGS BY CATEGORY	WEEKLY INSURABLE EARNINGS	EMPLOYEE	EMPLOYER	TOTAL
1	UNDER \$70	\$55.00	1.88%	8.13%	10.00%
2	\$70.00 - \$109.99	\$90.00	1.88%	8.13%	10.00%
3	\$110.00 - \$139.99	\$130.00	1.88%	8.13%	10.00%
4	\$140.00 - \$179.99	\$160.00	2.46%	7.54%	10.00%
5	\$180.00 - \$219.99	\$200.00	2.97%	7.03%	10.00%
6	\$220.00 - \$259.99	\$240.00	3.31%	6.69%	10.00%
7	\$260.00 - \$299.99	\$280.00	3.55%	6.45%	10.00%
8	\$300.00 - \$339.99	\$320.00	3.73%	6.27%	10.00%
9	\$340.00 - \$379.99	\$360.00	3.88%	6.12%	10.00%
10	\$380.00 - \$419.99	\$400.00	4.04%	5.96%	10.00%
11	\$420.00 - \$459.99	\$440.00	4.19%	5.81%	10.00%
12	\$460.00 - \$499.99	\$480.00	4.35%	5.65%	10.00%
13	\$500.00 & OVER	\$520.00	4.50%	5.50%	10.00%

PROPOSED CONTRIBUTION SCHEDULE



PROPOSED CONTRIBUTION SCHEDULE

		RATE OF CONTRIBUTIONS (%)			
ACTUAL WEEKLY EARNINGS BY CATEGORY		WEEKLY INSURED EARNINGS	EMPLOYEE	EMPLOYER	TOTAL
UNDER \$130.00		\$130.00	3.0%	7.0%	10.00%
\$130.00 - \$339.99		Actual Salary	3.0%	7.0%	10.00%
\$340.00 to Ceiling		Actual Salary	4.5%	5.5%	10.00%
OVER CEILING		Ceiling	4.5%	5.5%	10.00%
YEAR	CEILING				
Current	\$520.00				
2028	\$600.00				
2029	\$700.00				
2030	\$800.00				

INCREASING THE CEILING IMPROVES RELEVANCE AND EQUITY

Active Insured Person (AIP)	Weekly Wage	Weekly Contribution Schedule Insured Earnings		Weekly Contributions Paid on Behalf of the AIP	
		Current	Proposed	Current	Proposed
Below the floor	\$100.00	\$90.00	\$130.00	\$9.00	\$13.00
Lower wage	\$380.00	\$400.00	\$380.00	\$40.00	\$38.00
Middle wage	\$650.00	\$520.00	\$650.00	\$52.00	\$65.00
Higher wage	\$900.00	\$520.00	\$800.00	\$52.00	\$80.00

IMPACT ON LOWER VS HIGHER INCOME EARNERS

Lower Income Earners Examples

JOHN EARNS \$100 WEEKLY

- The proposed insured earnings increase from \$90 to \$130
- John's paid weekly contribution increases from \$9 to \$13

MARIE EARNS \$380 WEEKLY

- The proposed insured earnings slightly decrease from \$400 to \$380
- Marie's paid weekly contribution reduces from \$40 to \$38 weekly

Middle & Higher-Wage Earners Examples

JULIE EARNS \$650 WEEKLY

- Julie's proposed insured earnings match her **actual wage** of \$650
- Julie's paid weekly contribution increases from \$52 to \$65

MARK EARNS \$900 WEEKLY

- Mark's proposed insured earnings increase to \$800.
- Mark's paid weekly contribution increases from \$52 to \$80

INCREASING THE CEILING IMPROVES RELEVANCE AND EQUITY

Relevance:

The ceiling adjustment allows contributions to reflect today's wage realities. As wages rise, insured earnings are updated so the contribution base remains meaningful and does not fall behind actual salaries.

Equity:

Higher-income workers contribute more, while the cap limits contributions, creating a more balanced share of responsibility across lower, middle, and higher wage earners.





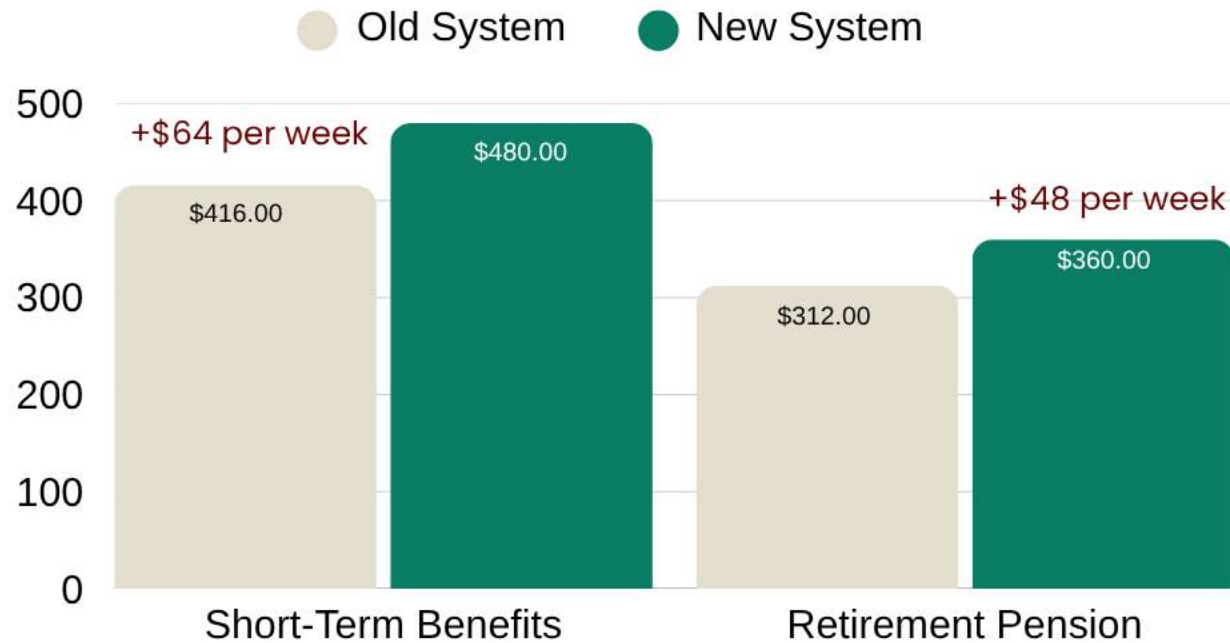
KEY TAKEAWAY:

This reform recalibrates insured earnings and contributions relative to weekly wages, adjusting the financial structure across all earning brackets.

INCREASE INSURABLE EARNINGS CEILING (RELEVANCE & EQUITY)

How the Reform Improves Benefit Adequacy

EXAMPLE 3: MARIA EARNS \$600/WEEK



Under the old system, Maria's benefits were based on only **\$520.00** of her **\$600.00** weekly earnings

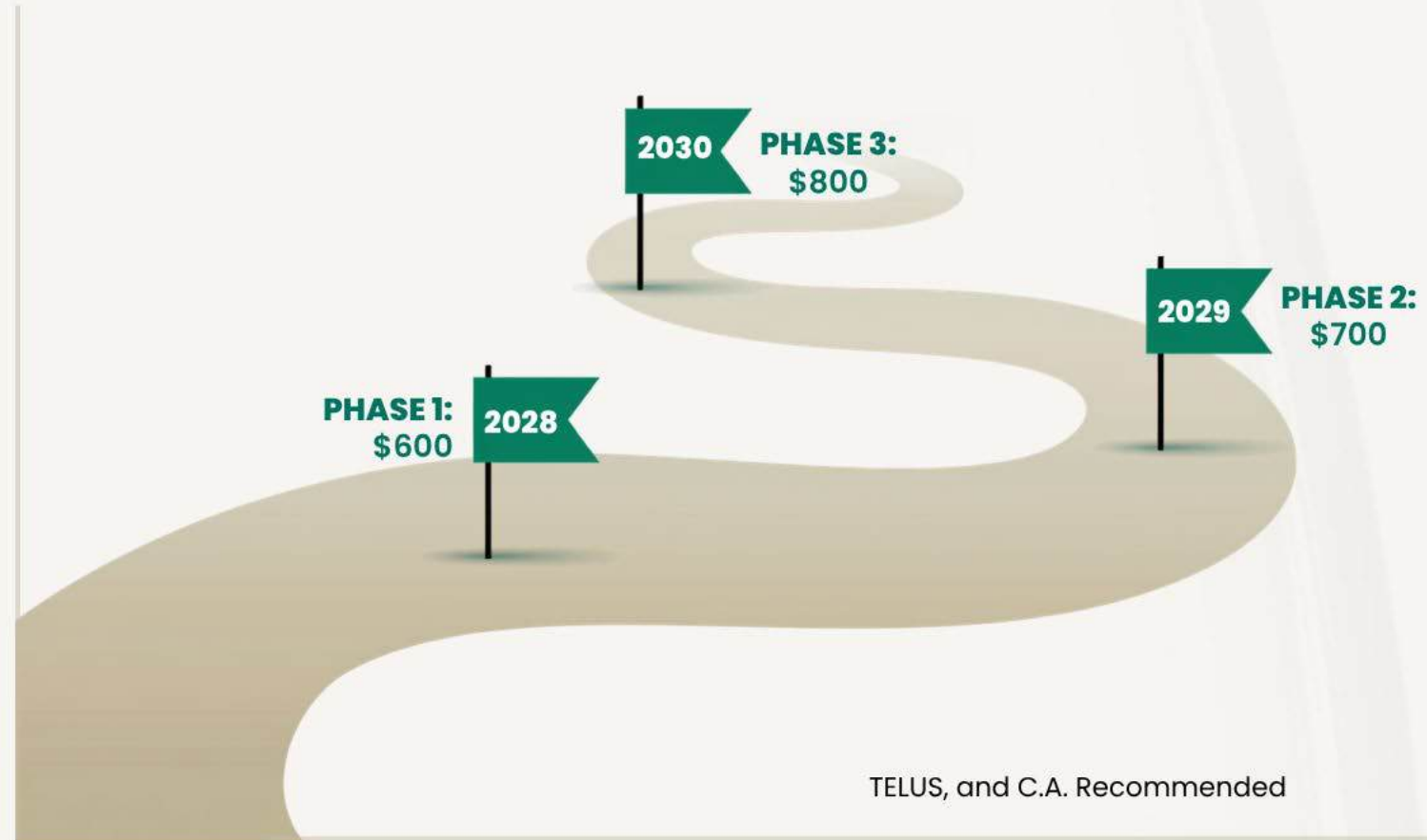
Under the new system, her **full earnings** are insured:

- Her weekly short-term benefit **increases** from \$416 to \$480
- Her weekly maximum retirement pension **increases** from \$312 to \$360

INCREASE INSURABLE EARNINGS CEILING

Financial Impact and Actuarial Implications:

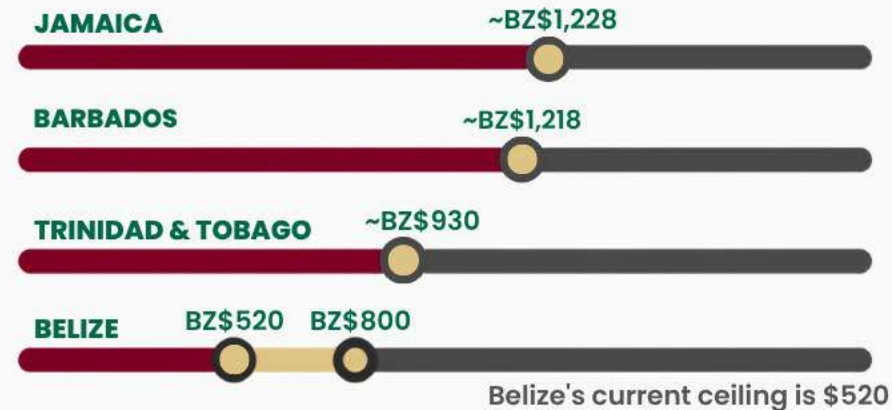
- ▶ Broadens the contribution revenue base during the phased rollout.
- ▶ This capital injection significantly improves the fund's short-to-medium-term cash flow and helps finance adequacy expansions.



INCREASE INSURABLE EARNINGS CEILING

Impact on Pension Adequacy:

By allowing a higher wage base to be insured, the resulting retirement pensions will reflect a realistic replacement of their pre-retirement standard of living.



DETERMINING PENSION BENEFITS

2nd Category of Reforms

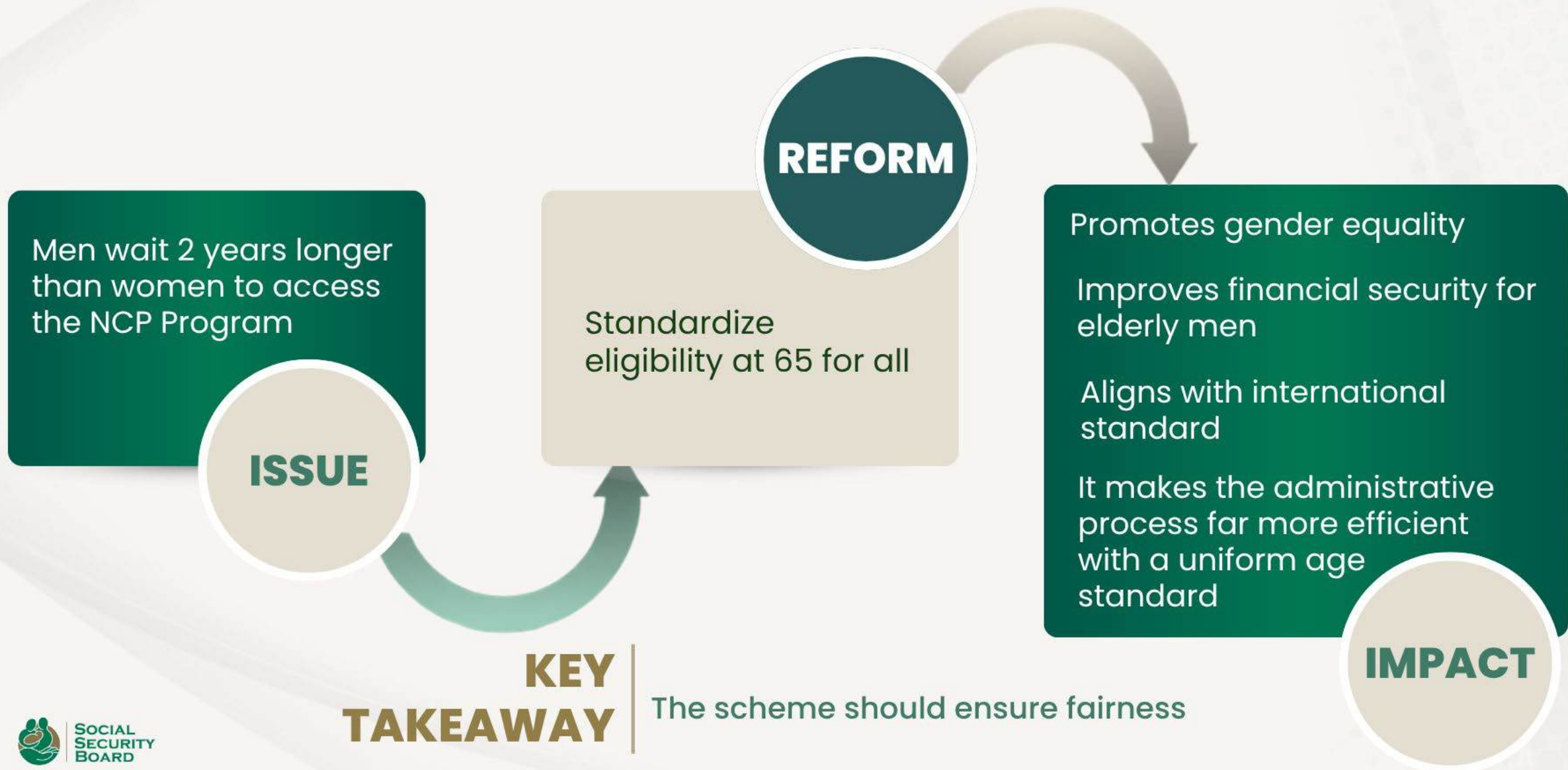


REFORM 2:

STANDARDIZATION OF AGE ELIGIBILITY FOR NON-CONTRIBUTORY PENSIONS (NCP)



REFORM 2: Standardization of Age Eligibility for the NCP Program





WHAT THIS MEANS FOR THE FUND



Minimal impact on the long-term fund.



The marginal increase is easily absorbed due to built-in cost-containment measures.

REFORM 3:

INCREASE THE CONTRIBUTORY PENSION REPLACEMENT RATE



REFORM 3: Increase the Pension Replacement Rate

REFORM

Maximum pensions cap at 1,750 contributions if contributing at the ceiling of \$520 and over for three years

ISSUE

Adjust how pensions are earned over time, known as the accrual rate

Aligns contributions & benefits

Ensures fairness across generations

It strengthens long-term sustainability

IMPACT

KEY TAKEAWAY

The scheme should balance long-term contributions with improved benefits

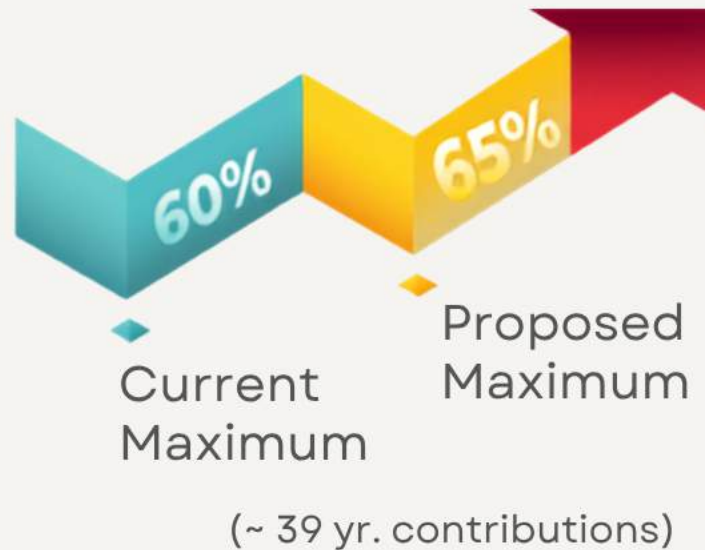
REFORM 3: Increase the Pension Replacement Rate

01

Extends the maximum pension replacement rate from 60% to 65%

02

These experienced workers contributing in the workforce longer is about 18% of the new retirees in 2025



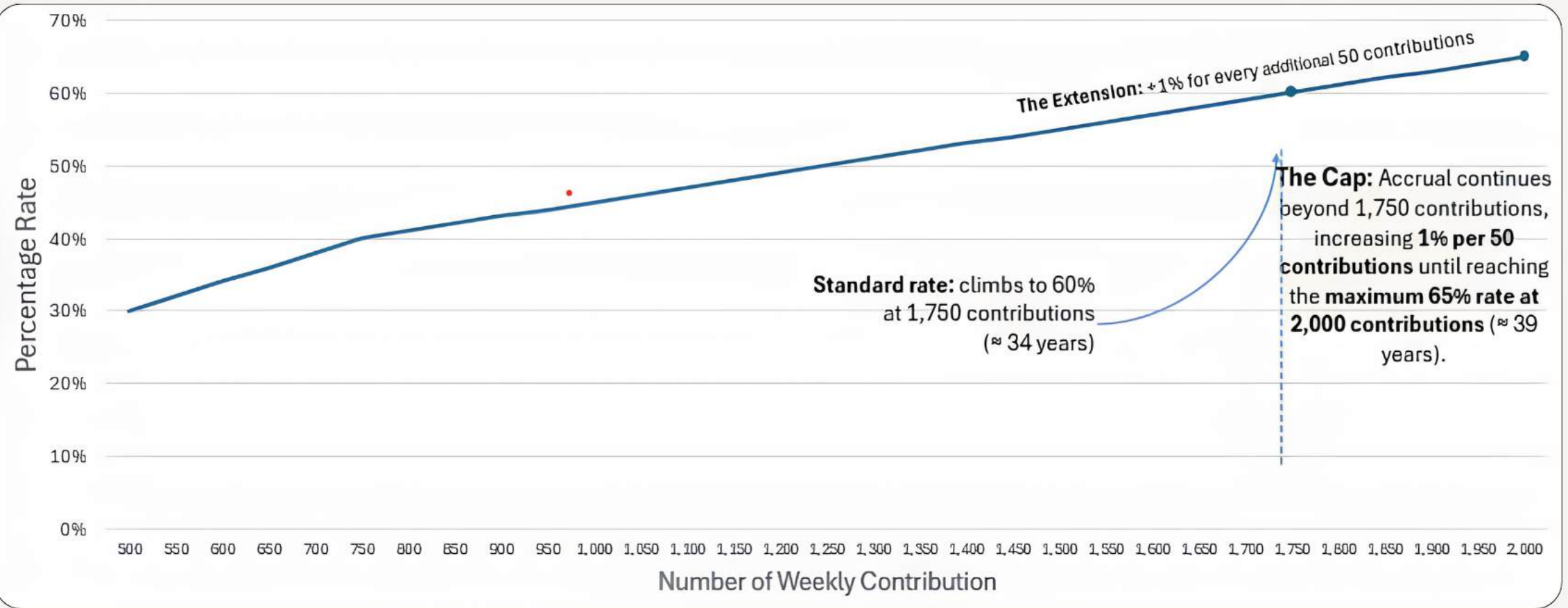
03

Achievements and Benefits

Incentivizes longer workforce participation and formal labor market retention

It rewards long-term, loyal contributors to the national insurance framework

THE ACCRUAL EXTENSION

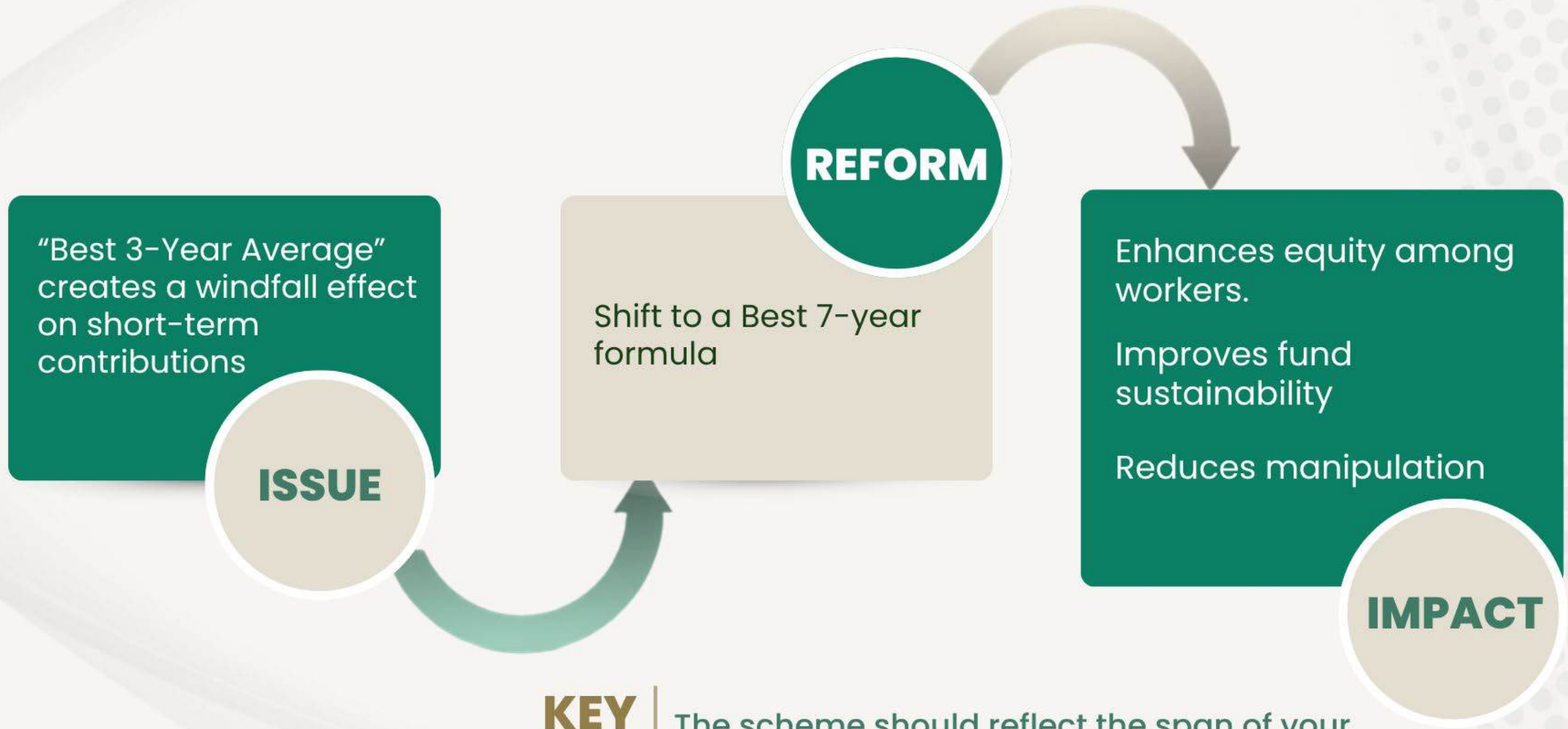


REFORM 4:

SWITCH TO A “BEST 7-YEAR AVERAGE” FORMULA TO CALCULATE PENSIONS



REFORM 4: Shift to a Best 7-Year Average formula to calculate pensions promoting fairness over time



KEY TAKEAWAY

The scheme should reflect the span of your working career and contributions

REFORM 4 • BEST 3-YEAR VS. BEST 7-YEAR AVERAGE

A 3-YEAR SPRINT EARNS A FULL-CEILING PENSION

Three retirees, each with 35 years (1,750 weeks) of contributions at the 60% maximum rate. Only their years at the \$520 ceiling differ.

Retiree	35-year contribution record	BEST 3 • current	BEST 7 • proposed
A • Steady never above \$320	 35 years at \$320	\$192 /wk	\$192 /wk
B • Short sprint 3 years at the ceiling	 32 years at \$320 • 3 years at \$520	\$312 /wk ▲	\$243.43 /wk
C • Long-term 7 years at the ceiling	 28 years at \$320 • 7 years at \$520	\$312 /wk	\$312 /wk

1 • Unfair to steady contributors

B gets **\$120 a week more** than A for just paying 3 years at \$520. Best 7 cuts that gap to **\$51.43**.

2 • Unfair to long-term contributors

C paid on \$40,000 more insured earnings (4 extra years at \$520), yet gets **the same \$312** as B. Best 7 restores a **\$68.57** gap.

3 • Costly for the Fund

In this example, Best 3 pays **\$3,565.71 a year** more than Best 7 for every year the pension runs. The Actuarial Review projects 5–10% lower average new pensions would delay Fund depletion from **2046 to 2047–2048**.

Pension = 60% × average of the best years; paid every four weeks (B: \$1,248 now vs. \$973.71 under Best 7). Best 7 is an Actuarial Review recommendation under consultation, not law; existing awards are unaffected. Source: SSB 2024 Actuarial Review, Tables 6.1–6.2.

EXAMPLE: BEST 3-YEAR VS. 7-YEAR AVERAGE

Using actual weekly earnings data from 2019–2025, we can directly assess the financial impact of changing the reference salary from the “Best 3-Year” to the “Best 7-Year” average.

CURRENT: Best 3-Year Avg

Use the three highest-earning years at the current ceiling- \$520 per week.

$$(\$520 + \$520 + \$520) \div 3 = \mathbf{\$520}$$

Reference Weekly Salary: \$520.00

Implication:

Because the contributor reached the maximum ceiling in their final years, the calculation yields the full ceiling cap of \$520.00 per week.

PROPOSED: Best 7-Year Avg

Use the seven highest-earning years at the proposed ceiling, capturing both the highest and lowest weekly earnings.

2019	2020	2021	2022	2023	2024	2025
\$320	\$440	\$480	\$520	\$520	\$520	\$520

$$\$320 + \$440 + \$480 + \$520 + \$520 + \$520 + \$520 = \mathbf{\$3,320}$$

$$\$3,320 \div 7 = \mathbf{\$474.29}$$

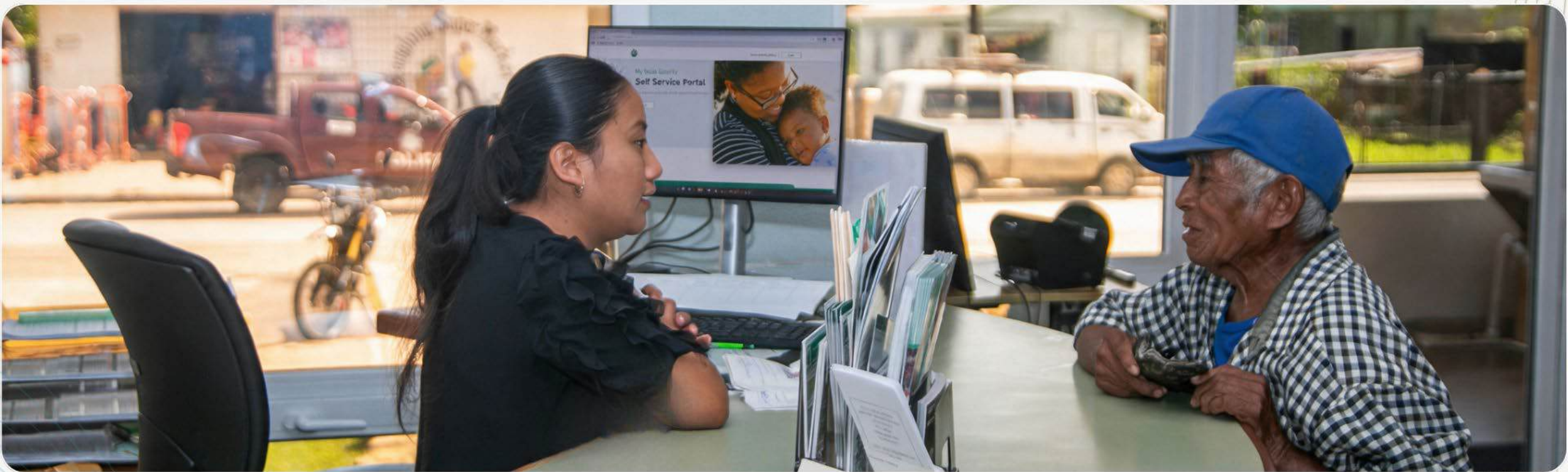
Reference Weekly Salary: \$474.29

Implication:

Including the lower earnings from 2019 (\$320) and 2020 (\$440) lowers the reference weekly average from \$520 to \$474.29—a 8.8% reduction.

PENSION ADJUSTMENTS

3rd Category of Reforms

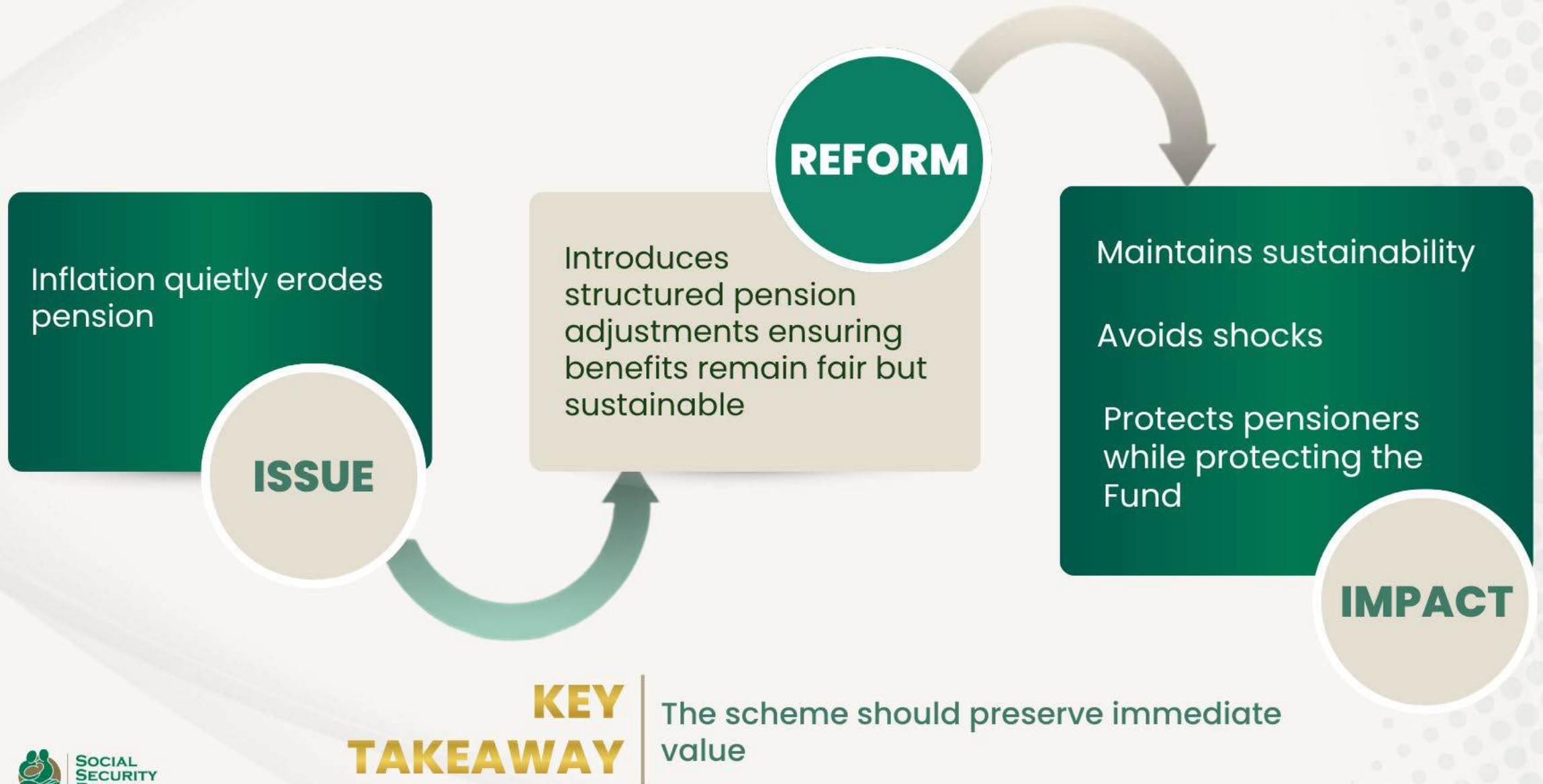


REFORM 5:

PENSION ADJUSTMENTS FOR CURRENT PENSIONERS



REFORM 5: Pension Adjustments for current Pensioners to balance adequacy and sustainability.



Pension Adjustments for Current Pensioners

Balancing Adequacy and Sustainability

Achievements and Benefits

- Older retirees who have watched their fixed pensions erode under historical inflation receive immediate financial relief.

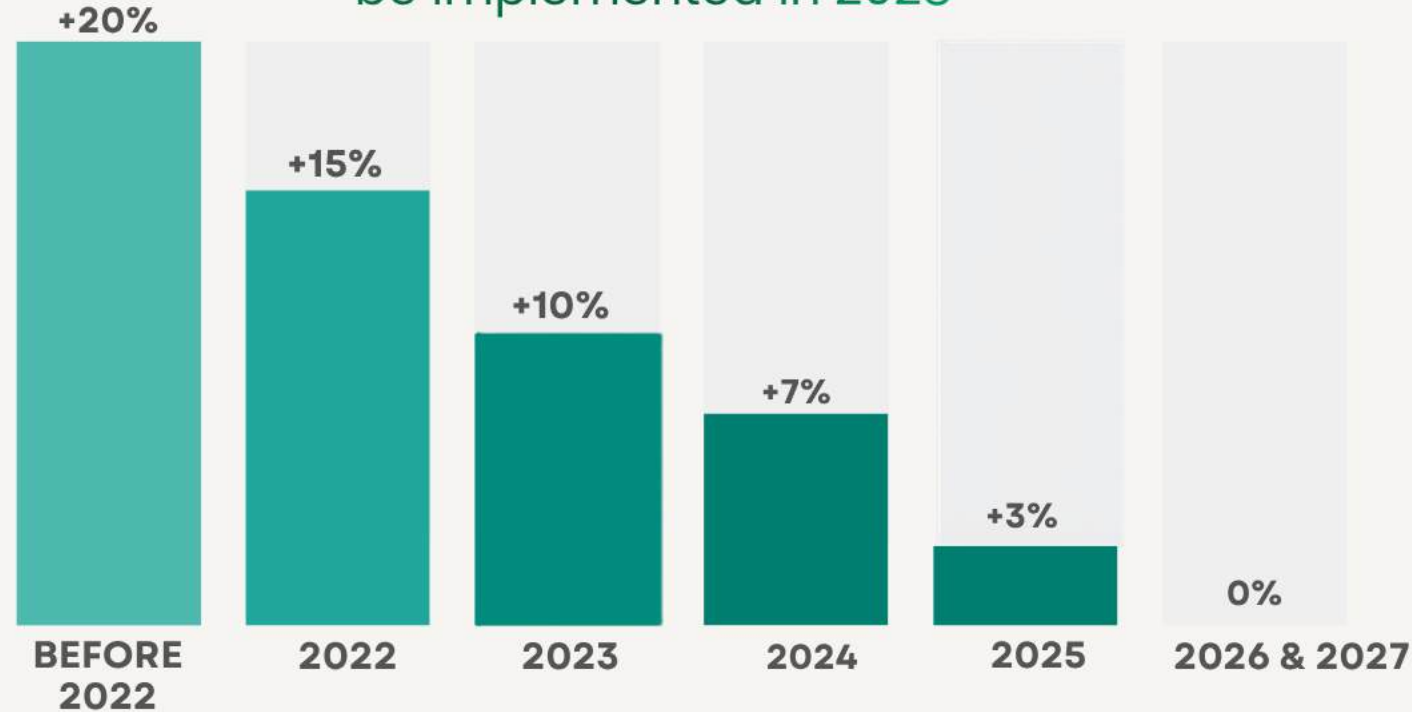
Financial Impact

- Total reform cost reaches \$13.4M annually by 2029.
- This represents a deliberate, conscious allocation of current reserve surpluses to fund immediate social adequacy goals.

Limitations

- This is a retrospective fix and does not create a permanent structural mechanism; future erosion must be handled by the Reform 6 COLA mechanism moving forward.

REFORM 5: Pension Adjustments for Current Pensioners with to be Implemented in 2028



Source: TELUS Health

BEFORE 2022	2022	2023	2024	2025	2026 & 2027
(+20%):	(+15%):	(+10%):	(+7%):	(+3%):	(0%):
\$100.00 → \$120.00	\$100.00 → \$115.00	\$100.00 → \$110.00	\$100.00 → \$107.00	\$100.00 → \$103.00	\$100.00 → \$100.00

EXAMPLES: WEEKLY PENSIONS WITH PENSION ADJUSTMENTS



REFORM 6:

IMPLEMENT COST-OF-LIVING ADJUSTMENTS (COLA) TO THE LONG- TERM BENEFITS

REFORM 6: Implement Cost-of-Living Adjustments (COLA) for the Long-Term Benefits



KEY TAKEAWAY

The scheme should preserve value over time

FINANCIAL IMPACT



Pension will no longer stay frozen while the price of food and fuel rises.

It will be indexed to inflation with a 2% cap for fiscal safety.

IMPACT ON PENSION ADEQUACY

It guarantees that a pension awarded in 2026 still holds its real-world economic value for a pensioner living in 2040.

PROPOSED ADJUSTMENT SCHEDULE

Adjustments may occur every 3 years based on actuarial guidance

The regular increase is capped at a maximum of 2%

Cabinet-sanctioned "catch-up" adjustments are permitted if inflation spikes, provided the fund meets health metrics

EXPECTED PENSION PAYOUT

Current *Monthly* Pension vs *Monthly* Pension with COLA Adjustments and Timelines

Example: Proposed Reform Timeline Monthly Payment

TIMELINE STAGE	CURRENT STRUCTURE (STATIC)	PROPOSED PHASED TIMELINE (COLA ADJUSTMENT)
Initial/Baseline (2028)	\$1,248.00	
In 3 Years Time (2031)	\$1,248.00	\$1,248.00 Up To \$1,272.96
3 years after that (2034)	\$1,248.00	\$1,248.00 Up To \$1,298.42



KEY TAKEAWAYS:

Inflation Protection & Calculation Standards

- Transitioning to a “Best 7-Years” calculation is directly paired with the introduction of a Cost-of-Living Adjustment (COLA) to protect beneficiaries against inflationary pressures.

Sustainability & Equity

- By carefully balancing these enhancements alongside alternatives like the best 3-year option, we ensure that **long-term fund sustainability** and **generational equity** remain at the absolute forefront of our social security framework.



AUTOMATIC SUSTAINABILITY ADJUSTMENTS TO THE SCHEME

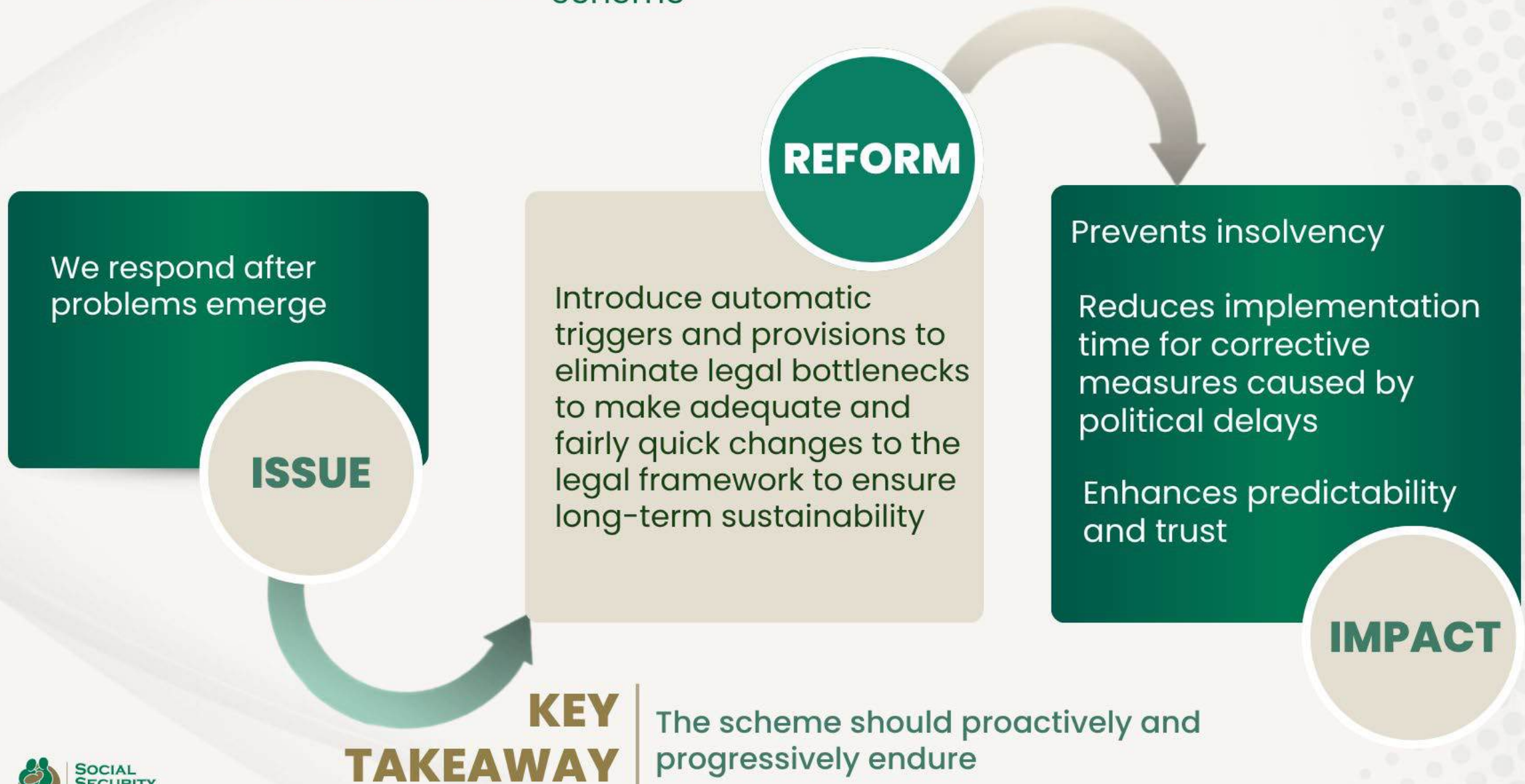
4th Category of Reforms



REFORM 7:

AUTOMATIC SUSTAINABILITY ADJUSTMENTS TO THE SCHEME

REFORM 7: Automatic Sustainability Adjustments to the Scheme



ACTIVATION CRITERIA

Total Expenditure exceeds contributions by 40%

AND

Total expenditure equals 90% of total Income

Fund:
Less than 10 years
from the Period of
equilibrium

Fund Ratio:
reserves decline
to 3 times the
total expenditure

Introduces rule-based triggers for contribution rates and benefits to prevent insolvency and bypass political delays.

STRUCTURAL SAFEGUARDS FOR THE FUND



01

**0.5% increase in
Contribution Rate**



02

**Automatic Insurable
Earnings Ceiling
Adjustment**



03

**Early Retirement
Age Adjustment**

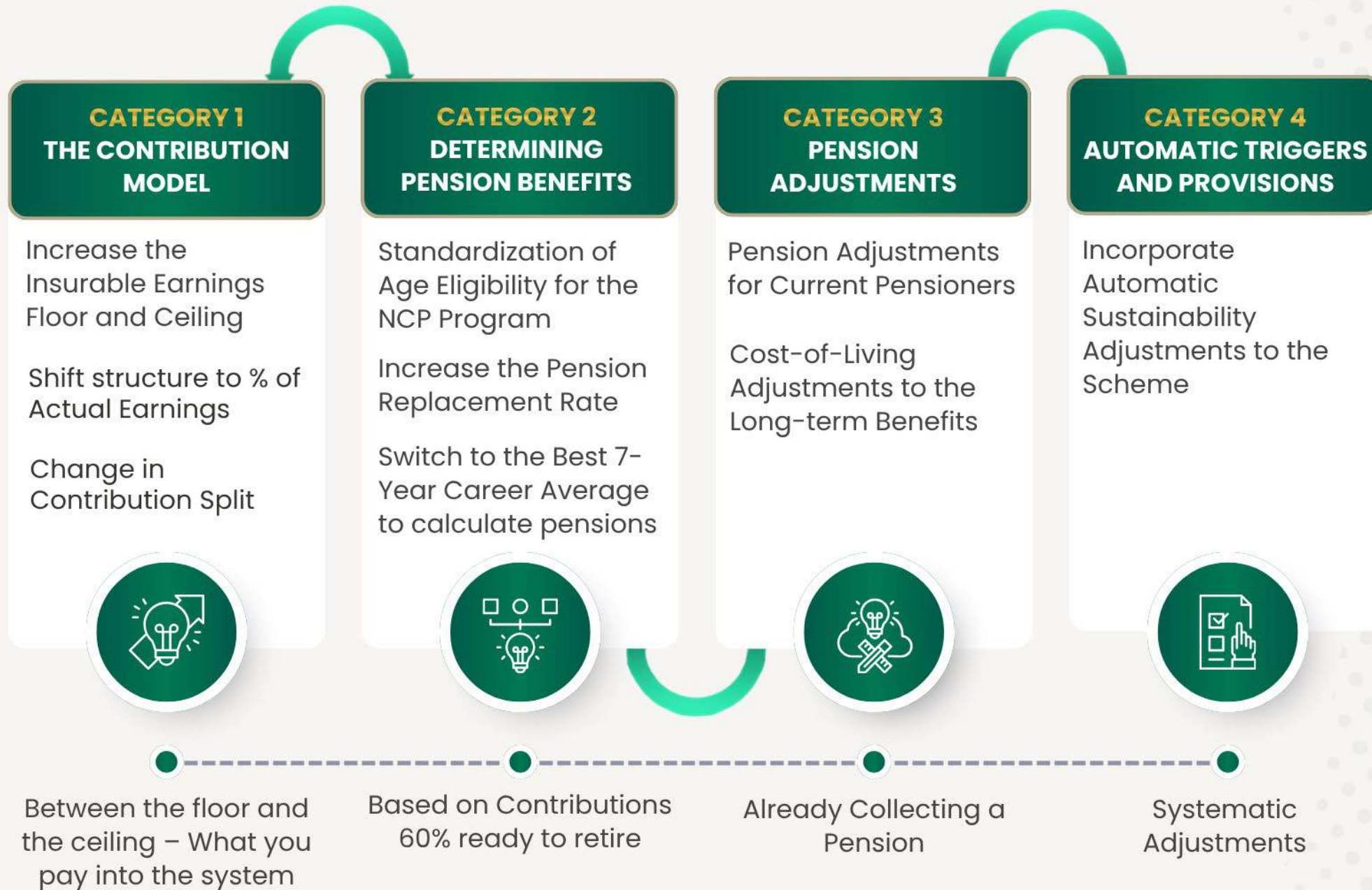


04

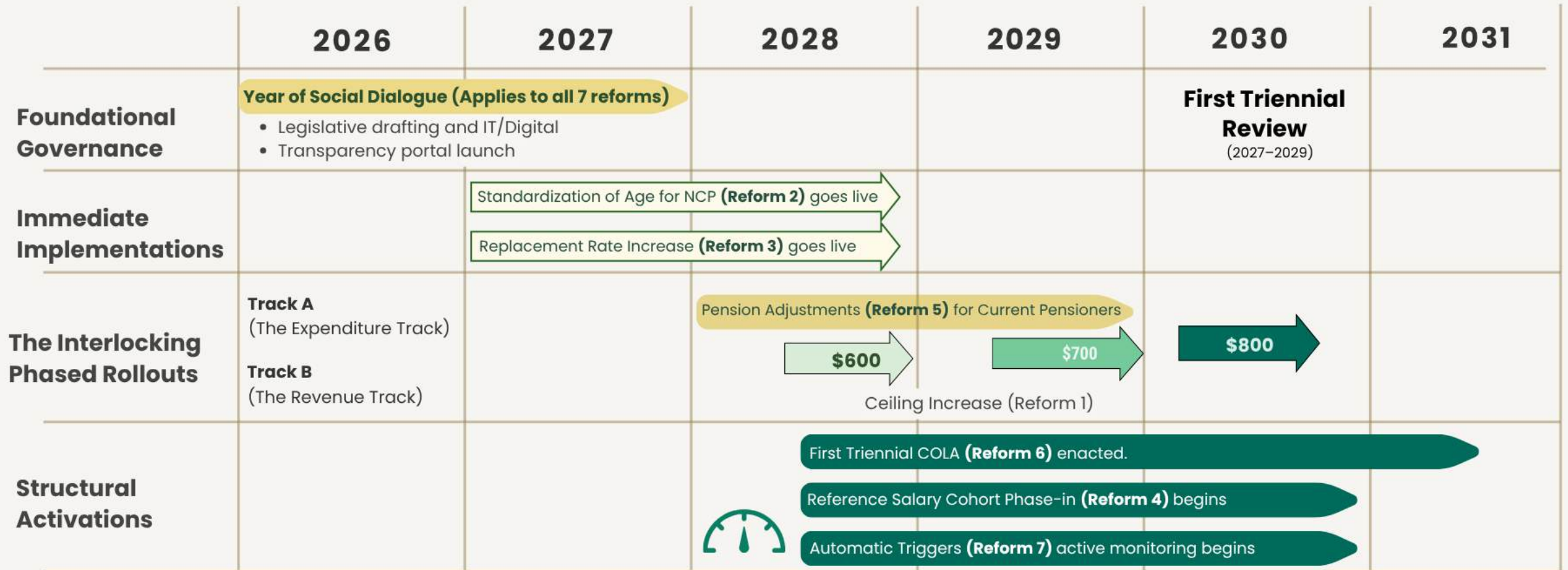
Benefit Freeze



SUMMARY OF PROPOSED CHANGES



INTEGRATED IMPLEMENTATION ROADMAP (2026–2031)



BENEFIT ADEQUACY AND FUND SUSTAINABILITY



Impact on Benefit Adequacy
(Low to High)

● **REFORM 6**
(Cost-of-Living
Adjustments
for Pensions)

● **REFORM 5**
(Pension
Adjustments)

● **REFORM 1**
(Increase Insurable Earnings
Ceiling)

● **REFORM 3**
(Increase the Pension
Replacement Rate to
65%)

● **REFORM 2**
(NCP Age 65
Standardization)

● **REFORM 7**
(Automatic Sustainability
Adjustments)

● **REFORM 4**
(7-Year Average Formula
to Calculate Pensions)

Impact on Fund Solvency
(Low to High)

IMPACT ON THE SOCIAL SECURITY SYSTEM

These proposed reforms shift the Social Security System from a fixed, rigid contribution model to a dynamic, sustainable path.

They improve benefit adequacy while pushing the fund's depletion date into the future.



***YOUR INPUT
MATTERS!***

**SCAN TO
SHARE YOUR
THOUGHTS.**



Thank You

Reform Today.
Sustainability Tomorrow.