



NATIONAL INSURANCE BOARD

SUGAR WORKERS' PROVIDENT FUND

ANNUAL REPORT 2012

LETTER OF TRANSMITTAL

October 1st, 2015

Sen. Dr. The Honourable Esther Byer-Suckoo
Minister of Labour, Social Security and Human Resource Development
Ministry of Labour, Social Security and Human Resource Development
3rd Floor, West Wing
Warrens Office Complex
Warrens
ST. MICHAEL

Dear Minister,

In accordance with Section 31(1) of the Sugar Industry Act, Cap.270, I have the honour to submit to you in your capacity as Minister responsible for National Insurance and Social Security, the Board's Annual Report on the Operations of the Sugar Workers' Provident Fund for the year 2012.

Kindly note, that at the time of preparation of the report, the audit of the accounts had not been completed. The report of the Auditor General will be forwarded to you as soon as it becomes available.

Yours sincerely,


.....

Dr. Justin Robinson
Chairman
National Insurance Board

BOARD OF DIRECTORS 2012



Mr. Keith "Tony" Marshall
Chairman 2012
(1 January 2012 to
15 March 2012)



Dr. Justin Robinson
Chairman 2012
(16 March 2012 to
31 Dec. 2012) and
Deputy Chairman 2012
(1 January 2012 to
15 March 2012)



Mr. Wismar Greaves
Deputy Chairman 2012
(16 March 2012 to
31 December 2012)



Mr. Neil Marshall
Member 2012
(1 January 2012
to 15 March 2012)



Ms. Annice Dalrymple
Member 2012
(16 March 2012 to
31 December 2012)



Mr. Vincent Burnett
Member 2012



Mr. Dennis Clarke
Member 2012



Sir Allan Fields
Member 2012



Mrs. Nancy Headley
Member 2012



Mr. Jon Martineau
Member 2012



Senator Sir Roy Trotman
Member 2012

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NATIONAL INSURANCE BOARD

Report on the Operation of the Sugar Workers' Provident Fund for the Year 2012

INTRODUCTION

The Sugar Workers' Provident Fund was managed by the Sugar Workers' Provident Fund Board up until 5th January, 1976 when it was entrusted to the National Insurance Board. The Fund commenced on 3rd November, 1969 and was governed by the Sugar Workers' Provident Fund Act, Cap. 271 which was proclaimed on 20th December 1968. This Act was later rescinded and presently the laws governing the Sugar Workers' Provident Fund may be found at Part IV of the Sugar Industry Act, Cap. 270.

The Fund provides for the payment of:-

- a. retirement pensions to sugar workers who are entitled to such payments under the law;
- b. funeral grants on the death of any sugar worker to whom the Act applies;
- c. expenses incurred in administering and carrying out the Act.

In general, the law covers any sugar worker retiring:-

- a. having attained the age of 65 years; or
- b. through permanent disability before the age of 65 years, who has been continuously employed as a sugar worker for the ten consecutive years immediately preceding his date of retirement at the minimum rate of sixty working days in each year, notwithstanding that his date of retirement occurred before the commencement of the Act.

Sugar workers not covered by the Act include:-

- a. those whose date of retirement occurred prior to 1st January, 1956
- b. those who became entitled to an invalidity or old age contributory pension from the National Insurance Scheme on or after the 6th January, 1975
- c. those on whose behalf a funeral grant from the National Insurance Scheme became payable on or after 6th January, 1975.

The Sugar Workers' Pension is currently paid at the rate of \$7.50 per week which came into effect from 2nd April 1981. This reflects an increase from the rate of \$5.00 per week which was applicable from 6th January, 1975 and the \$3.60 per week paid prior to 6th January, 1975.

A Funeral Grant is currently one lump-sum payment of \$500.00 applicable since 1st January 1999, with a payment of \$200.00 prior to that date.

ESTABLISHMENT OF THE FUND

Section 28 of the Sugar Industry Act, Cap. 270 states that:

1. There is established a Fund known as the Sugar Workers' Provident Fund.
2. The Fund consists of:
 - (a) amounts for the account of the Sugar Workers' Provident Fund established under the Sugar Workers' (Provident Fund) Act;
 - (b) such amounts as are received by the Board in satisfaction of the levy;
 - (c) such sums as may be paid to its account out of monies voted by Parliament for the purpose; and
 - (d) such sums as are received by the Board for payment into the Fund.
3. The Board may place monies from the Fund on deposit with the Republic Bank (Barbados) Limited (*formerly Barbados National Bank*) or may invest the monies in securities approved by the Minister.

Section 29 of the Act states:

"The monies forming part of the Fund are to be applied towards the payment of:

- a) retirement pensions to sugar workers in the manner provided for in section 33;
- b) funeral grants to sugar workers in the manner provided for in section 34; and
- c) any expenses incurred in administering this Part."

FINANCIAL OPERATIONS

Receipts

Receipts for the year were as follows:

Table 1: Sugar Workers' Provident Fund Generated Income, 2012

Interest on bank deposit	\$1,380
Levy from Barbados Agricultural Management Company	\$42,921
Total	\$44,301

Payments

Total expenditure by the Sugar Workers' Provident Fund during 2012 was made up as follows:

Table 2: Sugar Workers' Provident Fund Expenditure, 2012

Pensions	\$21,188
Funeral grants	\$500
Administration expenditure	\$12,927
TOTAL	\$34,615

Figure 1: Distribution of Sugar Workers' Provident Fund Expenditure, 2012



Fund Balance

The Fund Balance at 1st January 2012 reflected a beginning balance of \$52,959 and the ending balance at 31st December, 2012 was \$39,760.

Financial Statements

The 2012 financial statements were unaudited at the time of completion of this report.

OPERATION MATTERS

Board Meetings

The National Insurance Board conducted fourteen (14) meetings during 2012 at which the finances of this Fund and the administration of funeral grants and pensions were discussed.

Claims

During the period under review, one (1) claim for funeral grants was received and approved. No claims were disallowed and no claims were left pending.

Pensions in Payment

At 31st December, 2012 there were fifty- three (53) pensioners receiving pension from the Sugar Workers' Provident Fund. This is a decrease of 10.2% over the fifty-nine (59) persons that were in receipt of pensions at 31st December, 2012. Six (6) deaths were recorded in 2012 compared to the fourteen (14) deaths recorded the previous year.

Table 3: Pensioners on Roll by Age and Gender as at 31st December 2012

Pensioners on the Roll by Age and Gender, 2012			
Age Group	Male	Female	TOTAL
Under 70	1	1	2
70 – 74	0	2	2
75 – 79	2	9	11
80 – 84	1	8	9
85 – 89	1	17	18
90 – 94	1	6	7
95 – 99	0	3	3
100 – 104	0	1	1
Overall Result	6	47	53

Figure 2: Sugar Workers' Pensioners on Roll, 2008 – 2012

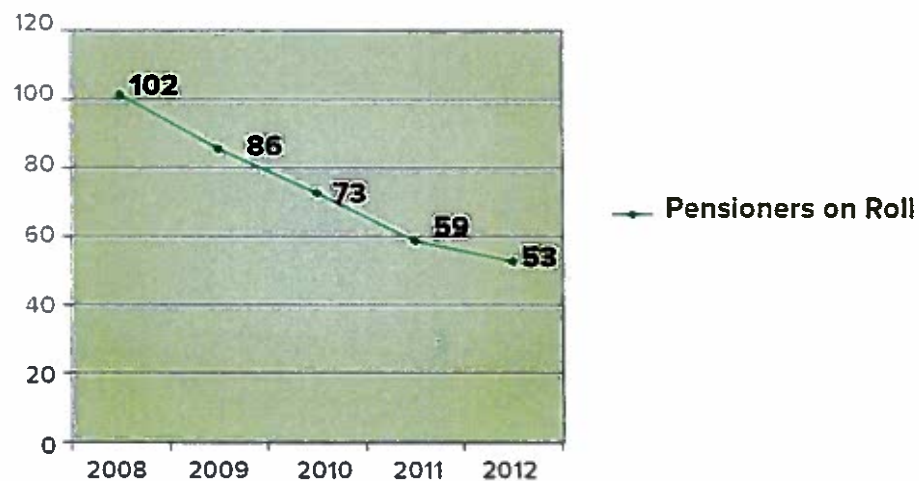


Table 4: Pensioners on Roll by Age Group as at 31st December, 2008 to 2012

Age Group	2012	2011	2010	2009	2008
Under 70	2	2	2	2	2
70 - 74	2	2	2	2	2
75 - 79	11	12	12	18	16
80 - 84	9	12	13	14	15
85 - 89	18	18	23	25	28
90 - 94	7	9	14	18	21
95 - 99	3	3	5	10	14
100 - 104	1	1	2	2	4
TOTAL	53	59	73	86	102

Prospects for 2013

The Barbados Agricultural Management Company is expected to meet its commitment to the Fund during the year 2013. The estimated expenditure for the Fund for 2013 is made up as follows:

Table 5: Sugar Workers' Provident Fund Estimated Expenditure, 2013

Pensions	\$18,500
Funeral grants	\$6,000
Administration expenditure	\$10,500
ESTIMATED TOTAL	\$35,000

It is anticipated that the steady diminution of the pension roll will continue throughout 2013 due to the elderly and finite population to which the Fund caters.

Conclusion

The Board wishes to thank the Director and staff of the National Insurance Office for their management of the Fund during the year.

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