

NATIONAL INSURANCE BOARD

REPORT ON THE OPERATIONS OF

# THE SEVERANCE FUND

FOR THE PERIOD  
**JANUARY 1<sup>ST</sup> TO  
DECEMBER 31<sup>ST</sup>,  
2012**



# LETTER OF TRANSMITTAL

February 1, 2017

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 24A (2)(b)(ii)(aa) of the Severance Payment Act, Cap 335A, I have the honour to submit to you the Report of the National Insurance Board on the Operations of the Severance Fund for the year January 1 to December 31, 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.



Sincerely,

Dr. Justin Robinson  
Chairman  
National Insurance Board



# THE BOARD OF DIRECTORS

Mr. Keith "Tony" Marshall  
 Dr. Justin Robinson  
 Dr. Justin Robinson  
 Mr. Wismar Greaves  
 Mr. Neil Marshall  
 Ms. Annice Dalrymple  
 Mr. Dennis Clarke  
 Mr. Jon Martineau  
 Sir Allan Fields  
 Mr. Vincent Burnett  
 Mrs. Nancy Headley  
 Senator Sir Roy Trotman

- Chairman 2012 (1 January 2012 to 15 March 2012)
- Chairman 2012 (16 March 2012 to 31 December 2012)
- Deputy Chairman 2012 (1 January 2012 to 15 March 2012)
- Deputy Chairman 2012 (16 March 2012 to 31 December 2012)
- Board Member 2012 (1 January 2012 to 15 March 2012)
- Board Member 2012 (16 March 2012 to 31 December 2012)

## SEVERANCE PAYMENTS TRIBUNAL 2012

(ER – Employers' Representative & WR – Workers' Representative)

### Tribunal 1

Mr. Hilary Nelson - Chairman  
 Mr. Tennyson Beckles - Member (ER)  
 Mr. Hugh Arthur - Member (WR)

### Tribunal 2

Ms. Verla Depeiza - Chairman  
 Ms. Cathy Norville - Member (ER)  
 Mr. Lemuel Daniel - Member (WR)

### Tribunal 3

Ms. Monique Taitt - Chairman  
 Mr. Keith Foster - Member (ER)  
 Mr. Walter Maloney - Member (WR)

### Tribunal 4

Mr. Elson Gaskin - Chairman (1 January 2012 to 20 April 2012)  
 Mr. Keith Mayers - Chairman (20 April 2012 to 31 Dec. 2012)  
 Mr. Anthony Walcott - Member (ER)  
 Mr. Trevor Alleyne - Member (WR)

ER – Employers' Representative  
 WR – Workers' Representative

### Notes:

1. A tribunal comprises of a chairman and not less than two (2) other members, who shall be appointed by the Minister. The Chairman is a member of the legal profession, who has been entitled to practice in Barbados as a barrister or solicitor for not less than five years. The other two members represent workers and employers organizations.
2. Where the chairman or other member of a tribunal dies or resigns from his office or becomes unable to perform the functions thereof, another person qualified to be appointed as chairman or a member of the tribunal shall be appointed by the Minister in his place.
3. A tribunal appointed under this Schedule shall meet as often as is necessary to enable the tribunal to deal with the matter referred to it under the Severance Payments Act. In addition, a tribunal appointed may regulate its own procedure and may make rules for this purpose.
4. All questions or applications to the tribunal, which should be related to severance payments only, are to be decided under the Severance Payments Act.

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## 1. INTRODUCTION

The Severance Payment Scheme came into effect on 1 January, 1973. Chapter 355A – Severance Payments Act - of The Laws of Barbados governs the operations of this Scheme. The Severance Payment Scheme provides compensation for employees who are dismissed by reason of redundancy or natural disaster or who terminate their contracts of employment after the expiry of the prescribed period of lay-off or short time.

Generally, all employees between the ages of 16 and under pensionable age are covered by the Scheme. However, the following categories of workers are specifically excluded:

1. persons employed in a public office or by any statutory board set out in the Schedule to the Statutory Boards Pensions Act 1969;
2. share fishermen;
3. persons employed by their husbands or wives;
4. persons whose employment is pensionable under any Law for the time being in force in Barbados;
5. domestic servants who are closely related to their employers;
6. persons who work in partnership or as independent contractors or freelance agents or under a contract for services as distinct from contracts of service.

An employee can terminate his contract of employment and claim severance payment because of lay-off or short-time, if he is laid off or kept on short-time for a continuous period of 13 or more weeks, or for a period of 16 weeks (of which not more than 12 were consecutive) within a period of 26 weeks.

Severance payment is payable by the employer to an employee who had been employed continuously for a minimum of 104 weeks. If the employer refuses to make such payment, or is unable to do so, the Severance Fund makes the payment to the employee and the National Insurance Board recovers the amount from the employer.

Under the Severance Payments Act Cap 355A, an employer who pays the employee a severance payment is entitled to a rebate of 25% of the payment from the Severance Fund. The employer must give prior notice that a claim may arise. Failure to do so may result in a reduction of the amount of the rebate ordinarily payable.

Provision is made under the Scheme for disputes regarding entitlement to severance payments or claims for rebate to be settled by a Tribunal.

## 2. ECONOMIC OVERVIEW

### (i) Economic Performance

The Barbados Economic and Social Report 2012, reflects that at the end of 2012, the Barbados economy still exhibited signs of weakness as most of its productive sectors underperformed. As such, Real Gross Domestic Product (GDP) growth remained flat in contrast to growth of 0.8% a year before.

At the end of 2012, the balance on the external current account was estimated to be in deficit to the extent of \$401.7 million or approximately 4.6% of GDP (at market prices). This represented a decrease when compared with the revised deficit of \$996.4 million recorded at the end of 2011.

During 2012, Barbados experienced a decrease in its external current account deficit. This was primarily due to the moderating of international oil and commodity prices. In addition, there was also a fall-off in the imports of consumer goods namely food and beverages, clothing and tobacco products as well as machinery imports. The capital and financial account balance was estimated at \$682.4 million boosted by real estate flows.

The Net International Reserves (NIR) of the monetary authorities at the end of 2012, rose by 3.3% to \$1,467.1 million, in comparison to \$1,420.2 million at the end of 2011. In addition, the import reserve cover for goods and services stood at 19.6 weeks relative to 17.7 weeks registered a year earlier.

At the end of 2012, there were 125,300 employed persons in Barbados. This was a decrease of 3,100 persons when compared with the previous year, when 128,400 persons were employed. Alternatively, 16,400 persons were unemployed at the end of the period, as compared with 16,100 persons the year before. As a result the unemployment rate rose to 11.6%, up from 11.3% at the end of 2011. The employment rate for males was 10.9%, an increase of 1.1 percentage points, while for females the unemployment rate stood at 12.3%, a decline of 0.3 percentage points when compared with same period in 2011.

### TOURISM

Tourism receipts in 2012 were estimated at \$1,726.1 million, a decrease of 3.9%, compared with a revised \$1,796.8 million in 2011. Net receipts from the export of services rose by 3.9% to \$1,401.0 million, compared with \$1,348.0 million recorded in 2011.

### AGRICULTURE & MANUFACTURING

Within the Traded Sector in 2012 the contribution of Sugar and Non-Sugar Agriculture and Fishing to Real Gross Domestic Product (GDP) stood at \$10.5 million and \$33.2 million respectively. The contribution of sugar reflected an increase of 4.0% from the previous year, while for non-sugar agriculture and fishing it decreased by 3.8%.

### TRADE SECTORS (Exports & Imports)

Domestic exports for 2012 were estimated at \$592.9 million, representing an increase of 11.0% or \$58.8 million above the revised \$534.1 million recorded for 2011. The primary market for Barbados' domestic exports continued to be CARICOM, with a market share of 47.0%. Exports to this group of countries, increased by 16.5%, to reach \$278.5 million compared with the revised \$239.0 million recorded for 2011. The US and UK were the second and third largest markets respectively for Barbados' domestic exports.



During 2012, total imports (cif) stood at \$3,522.2 million, a decrease of \$30.5 million or 0.9%, from a revised total of \$3,552.7 million in 2011. CARICOM was the primary supplier and largest trading partner overall, accounting for 37.1% or \$1,306.2 million of imports, compared with 33.8% or a revised \$1,200.7 million in 2011. The U.S. was the second largest source of imports, accounting for 30.8% of total imports. Barbados' imports from this country, decreased by \$32.2 million or by 2.9%, from a revised figure of \$1,115.8 million in 2011 to \$1,083.6 million in 2012. The third largest supplier of imports in 2012 was the UK, with a market share of 3.8% valued at \$132.8 million. Decreases were registered for Venezuela, Germany, Canada, Japan and an aggregated group entitled 'All Other Countries' during 2012.

## NON-TRADED SECTORS

Alternatively, the non-traded sector expanded by 1.1%, based on a 2.4% growth in the Business and Other Services sector, and a 0.2% expansion in the Wholesale and Retail Trade. However, given the weak economic climate, construction activity, particularly tourism related, contracted by 3.0%.

## FINANCIAL SECTOR

During 2012, the banking system continued to be challenged as domestic deposits at commercial banks showed marginal increases, with similar movements in credit accumulation. With marginal improved performance in credit and deposits, liquidity in the banking system increased. As a result, the excess liquidity ratio grew rapidly from 9.7% at the end of December 2011 to 15.1% at the end of December 2012.

## INTERNATIONAL & FINANCIAL SERVICES

The number of new International Societies with Restricted Liability (ISRLs) for 2012 was comparable with 2011 figures with new entities totalling twenty-seven (27), one (1) less than that recorded for 2012. With respect to renewals, there were ninety-one (91) more ISRLs renewed in 2012 over 2011, a 28.5% increase in the renewal of these entities.

### (ii) Impact on the Severance Fund

Severance claims received in 2012 increased for Rebates and decreased for Employer Payments as compared to 2011. In 2012, a total of 1,411 claims were received (Rebates – 1,119, Employer Payments – 292). This represents an increase of 62.4% over the 869 claims received (Rebates – 522, Employer Payments – 347) in 2011.

Similarly, approved severance claims, in the period under review, showed an increase of 23.7%, with a total of 615 claims (Rebates – 346, Employer Payments – 269) against a total of 497 claims (Rebates – 141, Employer Payments – 356) recorded in 2011.

Contributions received by the Severance Fund in 2012 totalled \$9.7 million, which represents an increase of \$0.2 million, from the \$9.5 million recorded in 2011. Overall, payments from the Severance Fund decreased by 4.3% in 2012 to \$4.7 million, from the \$4.9 million reflected in the previous year. Rebates increased from \$1.9 million, by 31.6%, to \$2.5 million in 2012. Conversely, Employer Payments decreased to \$2.2 million from \$2.9 million in 2011 by 24.1% (See Appendix 1 & 4).

### 3. GENERAL MATTERS

#### (i) The National Insurance Board

The Board held fourteen (14) meetings during 2012 and approved Employer Payments of approximately \$2.2 million in respect of 231 employees. Similar to 2011, there were no uncontested cases. Three hundred and forty-six (346) rebate claims were paid in 2012 with respect to 611 employees in the sum of \$2.5 million.

Of the employers for which Rebates were approved in 2012, three (3) were indebted to the National Insurance Fund and seven (7) to the Severance Fund. The payments approved in respect of these Rebates were therefore applied against the outstanding amounts owed to those two funds in accordance with Section 29(6A) of the Act.

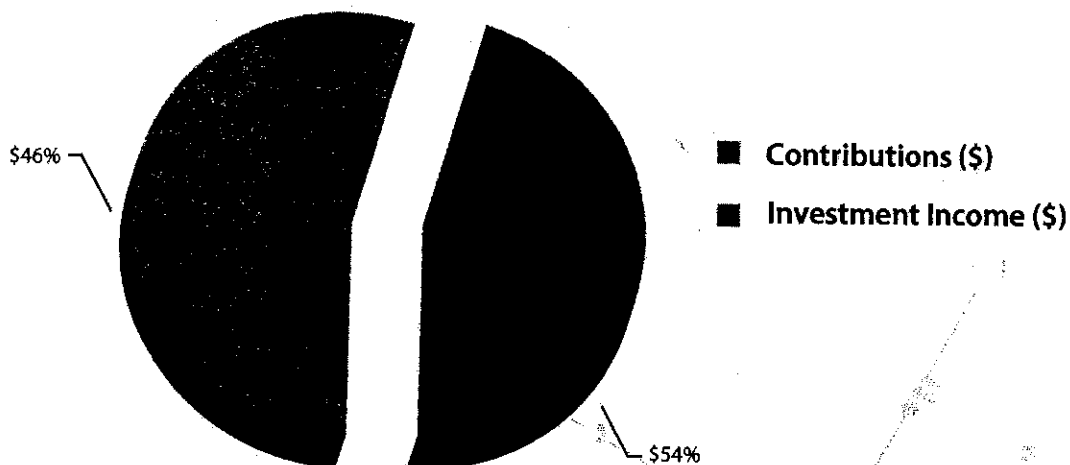
### 4. FINANCIAL OPERATIONS

Since January 1st 1994, a partial accrual basis of accounting was introduced and continues to be used today.

#### A. Revenue

The revenue of the Severance Fund consists of contributions and investment income. Total revenue was approximately \$18.0 million in 2012, 7.1% above the \$16.8 million reflected in the previous year. Figure 1 shows the composition of income.

**Figure 1: Composition of Revenue, 2012**



(i) Contributions

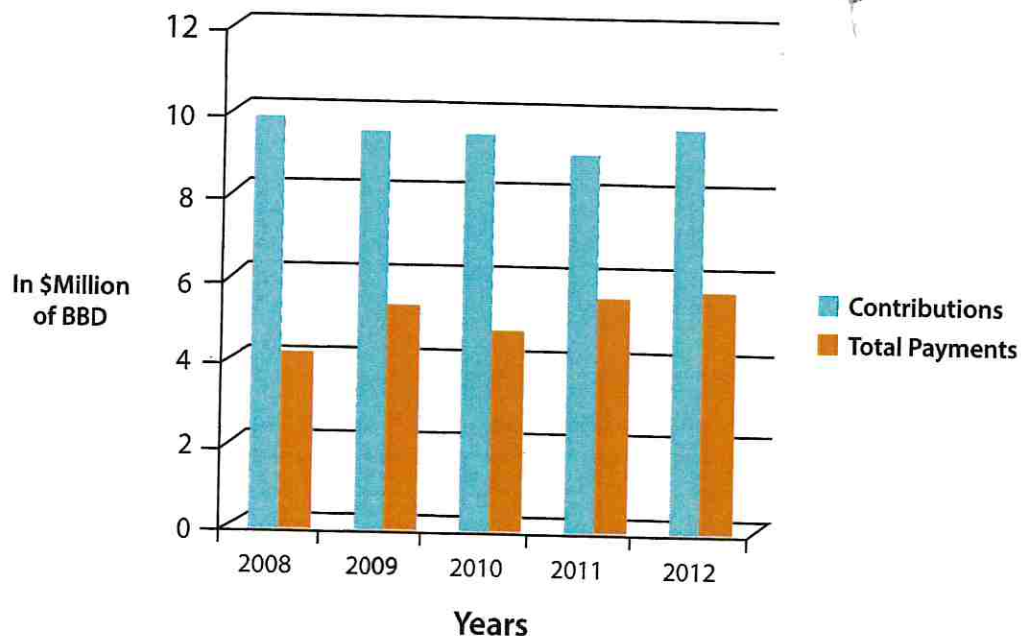
Contribution income collected in 2012, including arrears reached a total of \$9.7 million, compared to \$9.5 million reflected in 2011. Contribution income was enough to cover severance payments and administration expenses totalling \$4.4 million resulting in a surplus of \$3.9 million.

Table I provides a breakdown of the surpluses recorded during the period 2008 - 2012.

**Table I: Contributions and Payments, 2008 – 2012**

Year	Contributions	Total Rebates, Employer Payments & Administrative Expenses	Surplus or (Deficit)
2008	9.9	4.1	5.8
2009	9.7	5.4	4.3
2010	9.7	4.6	5.1
2011	9.5	5.6	3.9
2012	9.7	5.8	3.9

**Figure 2: Severance Contributions and Payments, 2008 – 2012**

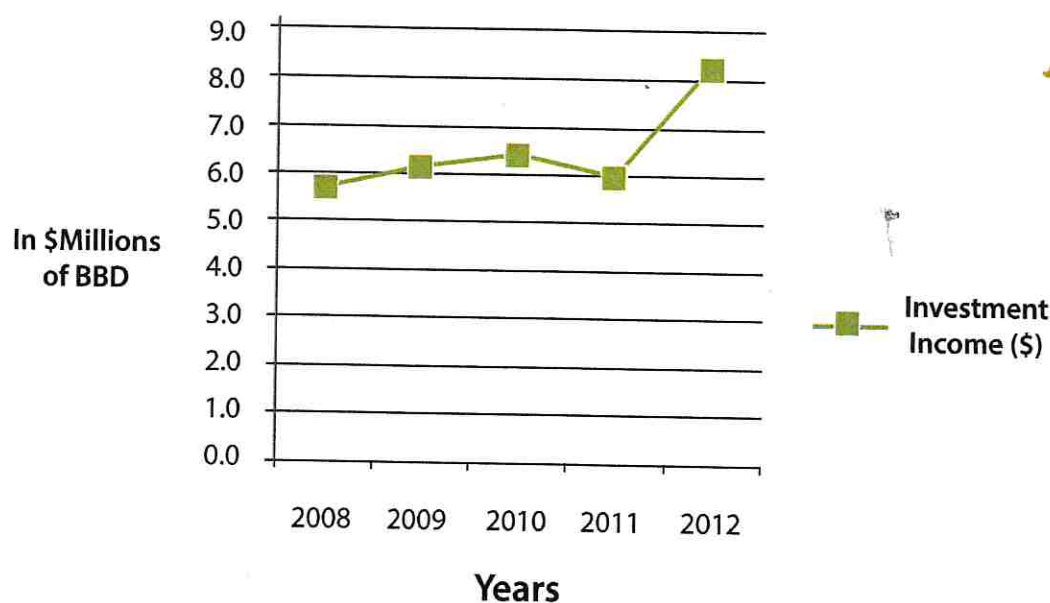


(ii) Investment Income

Income earned from investments in 2012 totalled \$8.3 million. This is an increase of \$2.3 million or 38.3% over the \$6.0 million earned from investments in 2011. Table 2 shows the distribution of investment income, while Figure 3 presents the investment income from 2008 to 2012.

**Table 2: Distribution of Investment Income, 2012**

Investment Income Type of Investment	2012		2011 <sup>1</sup>	
	Income (\$)	(%)	Income (\$)	(%)
Treasury Bills	977,812	11.8	584,279	9.7
Fixed Deposits	470,566	5.7	557,733	9.2
Treasury Notes	1,845,748	22.2	1,429,857	23.6
Debentures	4,715,301	56.8	3,337,897	55.2
Bonds	293,359	3.5	136,483	2.3
Total	8,302,786	100.00	6,046,249	100.00

**Figure 3: Investment Income, 2008 - 2012****(iii) Employers' Repayments to NIS**

In 2012, seventy-four (74) employers repaid the Severance Fund \$2.2 million, a decrease of 24.1% over the \$2.9 million paid by seventy-nine (79) employers in 2011. In an effort to recover Employer Payments, the Legal Unit in 2012 served thirteen unpaid severance certificates.

<sup>1</sup> The distribution of the Investment Income has been completely revised for the year 2011.



## B. Payments from the Severance Fund

The categories of expenditure that are incurred by the Severance Fund are Rebates, Employer Payments and Administration Expenses. Total expenditure for 2012 was approximately \$5.8 million representing an increase of \$0.2 million (3.6%) compared to last year's overall expenses of \$5.6 million.

### (i) Employer Payments

Where employers are financially unable or refuse to pay severance to severed employees, the Severance Fund is required to do so. When this occurs, the Severance Fund is required to recover the amounts paid from the employers<sup>2</sup>. For 2012, the Severance Fund paid Employer Payments, which totalled \$2.2 million to persons who were not paid severance by their former employers. This is a decrease of \$0.7 million against the \$2.9 million of Employer Payments paid out in 2011. This amount is now being recorded as a receivable from employers.

### (ii) Rebates

The payment of a 25% rebate to an employer after the severance to employees is paid is covered under the Severance Payments Act Chapter 355A. Total Rebates paid during the year under review totalled \$2.5 million. This is an increase of 29.8% from the \$1.9 million paid in 2011. It is important to state that the monies paid during the year are not a reflection of the claims received during the year. Seven hundred and sixty-one (761) claims were brought forward at the beginning of 2012 while three hundred and eighty-seven (387) claims were brought forward at the beginning of 2011.

### (iii) Administrative Expenses

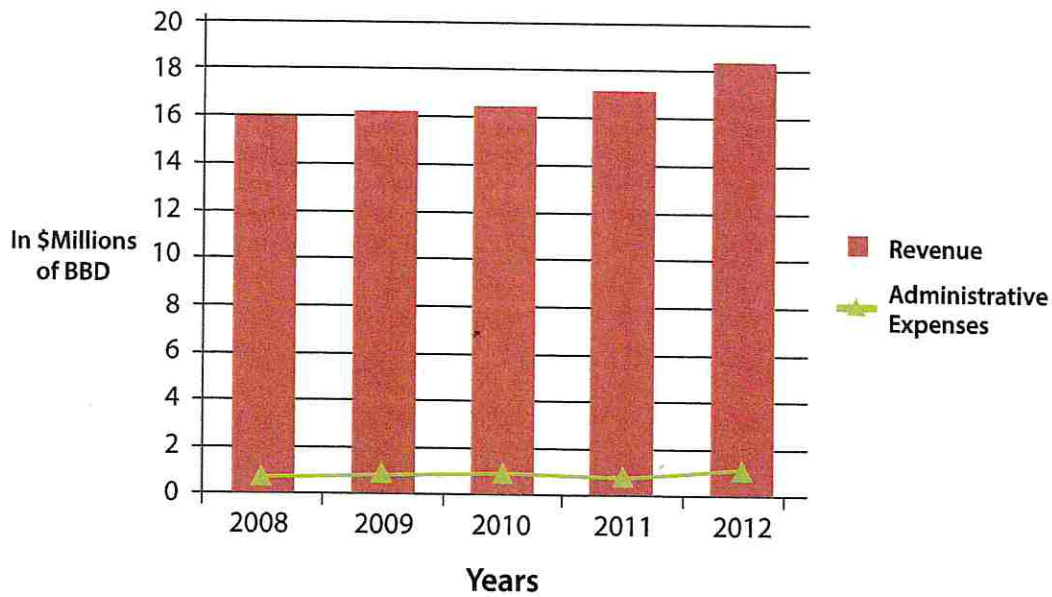
In 2012, administrative expenses totalled approximately \$1 million representing a 51.7% increase from the revised rounded figure of \$0.7 million total in the previous year. It also represents 5.7% of total revenue in 2012. Figure 4 shows the proportion of administrative expenses to revenue over the five-year period, 2008 to 2012.

**Table 3: Severance Fund Expenditure, 2008 – 2012**

Year	Contributions (\$)	Rebates (\$)	Employer (\$)	Administrative Expense (\$)	Total Rebates, Employer Payments & Administrative Expense
2008	9.9	2.4	1.1	0.6	4.1
2009	9.7	2.4	2.3	0.7	5.4
2010	9.7	2.8	0.9	0.8	4.6
2011	9.5	1.9	2.9	0.7	5.6
2012	9.7	2.5	2.2	1.0	5.7

<sup>2</sup> Reference Section 31 of the Severance Payment Act, CAP 355A, which can be found at <http://www.nis.gov.bb/information/Severance%20Payments%20Act,%20CAP%20355A.pdf>.

**Figure 4: Administrative Expenses vs. Revenue, 2008 – 2012**



### C. Investment Portfolio

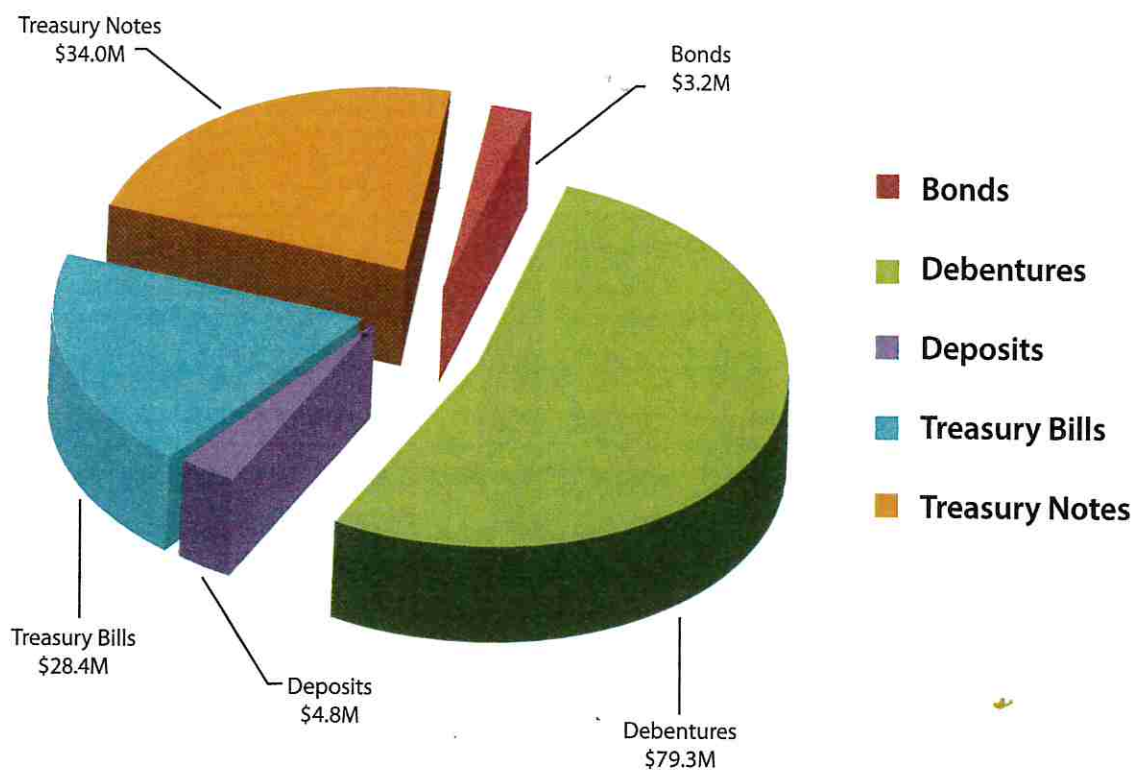
The investment portfolio grew by \$11.7 million or 8.5% in 2012. This 8.5% represents a smaller increase than the 11.9% recognized in 2011 compared to 2010. A breakdown of the Severance Fund investment portfolio can be found in Table 3 below.

**Table 4: Portfolio Composition, 2012 and 2011**

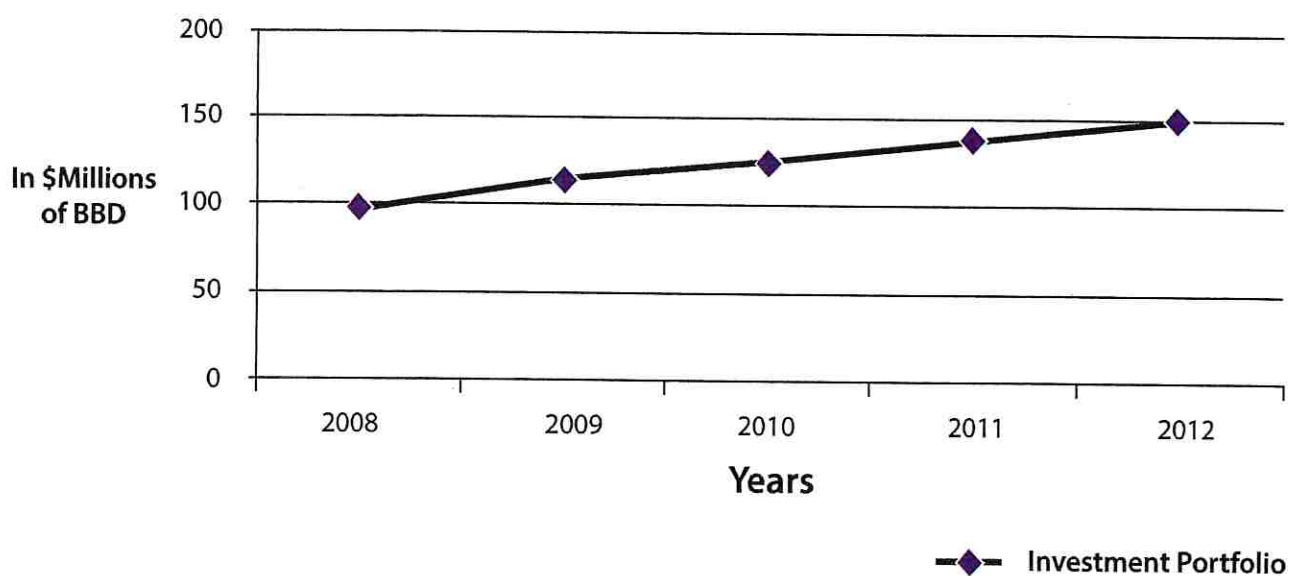
Investment Type	2012		2011	
	Portfolio (\$M)	Portfolio (%)	Portfolio (\$M)	Portfolio (%)
Bonds	3.2	2.1	4.4	3.2
Debentures	79.3	53.0	62.0	44.9
Deposits	4.8	3.2	25.2	18.3
Treasury Bills	28.4	19.0	18.5	13.4
Treasury Notes	34.0	22.7	27.9	20.2
Total	149.7	100.00	138.0	100.00



**Figure 5: Severance Investment Portfolio at December 31, 2012**



**Figure 6: Growth in Severance Investment Portfolio, 2008 – 2012**



## D. Financial Statements

The 2012 financial statements have not yet been audited.

## 5. GENERAL OPERATIONS

### (i) Claims

**Table 5: Claims for Payment from the Severance Fund, 2012**

Type of Claim	Brought Forward	Claims Received	Total Claims for Processing	Claims Allowed	Withdrawn/Disallowed	Claims Pending
Employer Payments	30	279	309	266	0	43
Rebates	761	1,158	1,919	346	4	1,569
Total	791	1,437	2,228	612	4	1,612

Table 5 shows the breakdown of claims for Rebates and Employer Payments.

### Severance Claims Analysis

One thousand four hundred and eleven (1,411) new claims were received in 2012. This figure is 542 more than the 869 new claims received in 2011. Of the 1,411 claims received in the year under review, 311 were Employer Payments while 1,100 were Rebates. There were no uncontested cases in 2012.

Two thousand two hundred and two (2,202) claims were available for processing. Five hundred and ninety-three (593) of these claims were allowed during 2012. This amount represented 26.9% of the available claims. Four (4) claims were withdrawn or disallowed and at year end 75 Employer Payments and 1,530 Rebates were left pending.

There were three hundred and eleven (311) rebate claims that were paid in 2011 with respect to 611 employees. The sum paid by employers to severed employees was \$2.94 million while Rebates were \$1.94 million. There were 231 Employer Payments paid on behalf of 74 employers who were unable to pay severance to their workers.

### (ii) Applications to the Severance Tribunals

Five hundred and ninety-five (595) applications were made to the tribunal during 2012, which reflects an increase of 158 submissions over the 437 received in 2011. Inclusive of the 35 claims brought forward from 2011, six hundred and thirty (630) applications were available for processing. Five hundred and seventy-two (572) were processed, 2 were withdrawn / disallowed at year end and 28 claims were pending. See Table 5.

**Table 6: Applications to the Severance Tribunal 2012 & 2011**

	2012	2011
Brought Forward	35	169
Received	595	437
Available for Processing	630	606
Processed	379	572
Withdrawn/Disallowed	0	2
Pending	251	28

**(iii) Cases heard by Tribunal**

For the period under review, 427 decisions were made by the Severance Tribunals.

**(iv) Unpaid Severance Certificates**

Sixteen (16) unpaid severance certificates were served in 2012 on employers who were indebted to the Severance Fund compared to twenty-eight (28) certificates in 2011.

**6. SEVERANCE FUND ANALYSIS**

Contributions received in the amount of \$9.7 million were recorded in 2012, while Rebates, Employer Payments and Administrative Expenses for the same year totalled \$2.5 million, \$2.2 million and \$1.0 million respectively. Rebates paid to employers rose by 31.6%, from \$1.9 million in 2011 to \$2.5 million in 2012, while Employer Payments declined from \$2.9 million to \$2.2 million. See Appendix 2

In 2012, an overall total of 842 approved persons were severed with females exceeded males. Females severed totalled 456 (Rebates – 319, Employer Payments – 137) and males severed totalled 386 (Rebates – 292, Employer Payments – 94). In 2011, an increase of 22.9% was noted for both the 371 females and 314 males respectively.

Six hundred and eleven (611) severed employees were captured for whom Rebates were paid to employers, while 231 severed persons represented the total number of approved persons for which Employer Payments were made on behalf of the employers. See Appendices 7 & 14

**A. REASONS FOR TERMINATION**

Similar to the previous year, the primary reason for termination among the companies that were awarded Rebates was Re-Organization of Business shown as 52.2%. This was followed by the categories Company Closure and Economic Conditions which accounted for 31.9% and 7.9% respectively of the 611 persons severed for whom Rebates were paid to the company.

With regards to employees paid by the National Insurance Board, Laid-Off accounted for 32% of reasons for termination. The categories of Company Closure and Other followed respectively with 28.1% and 16.5%.

It was noted that the severed category of Company Closure was the second highest reason for termination within Rebates and Employer Payments for the year 2012. See Appendices 10, 11 & 15.



## B. YEARS OF SERVICE

For the year under review, the Rebates paid for the three highest classes of years of service prior to being severed were 5-10, 11-15 and 16-20, with corresponding totals of 369, 116 and 48 employees.

Employer Payments illustrated trends similar to those in 2011 with the three highest classes record being as 5 years & under, 6-10 and 11-15. In 2012, the employees severed within the above classes totalled 112, 63 and 26 respectively.

Within the year 2012, Rebates and Employer Payments both reflected the 5-10 years of service classification as the highest class. See Appendices 5 & 18.

## C. INDUSTRY

The industrial sectors which recorded the highest percentage of persons severed are the Other Business Sector, Wholesale & Retail Sector and Hotels & Restaurants Sector reflected 268 (43.9%), 139 (22.7%) and 68 (11.1%) respectively of the 611 persons for whom Rebates were paid in 2012.

Of the 231 severed persons who were paid on behalf of their employer, Employer Payments recorded the same top three industrial sectors, similar to the Rebates category above, of 85 (36.8%), 71 (30.7%) and 41 (17.7%) respectively. See Appendix 8 and 13.

## D. GENDER AND AGE GROUP

The three classes, within Gender and Age Group, which accounted for the highest number of persons severed, were 40-49, 30-39 and 50-59, with 182, 154 and 142 severed persons respectively. This represented a corresponding 29.8%, 25.2% and 23.2%, an overall percentage of 78.2%, from the 611 persons for whom employers received severance rebates in 2012.

Employer Payments recorded classes of 30-39, 40-49 and 20-29 as the three uppermost groups within Gender and Age, with 69, 64, and 43 severed persons which corresponded to 29.9%, 27.7% and 18.6% respectively of the 231 persons within this category.

Similarly to 2011, females in 2012 were the highest number of severed employees between 30 and 39 under both Rebates and Employer Payments. See Appendices 7 & 14.

## E. OCCUPATION

With regards to Rebates, the category of Service Workers which accounted for 454 persons topped the list of the majority of persons severed. The category of Service Workers was followed by the categories of Administrative & Management, and Transport & Communication Workers, totalling 44 persons and 27 persons respectively.

The majority of persons severed for whom Employer Payments were made, were also Service Workers (119). This category was followed by Skilled Craftsmen (30) and Transport and Communication Workers (22).

The comparative data recorded in the last five years (2008 to 2012) shows that the category of Service Workers accounted for the majority of severance terminations each year for both Rebates and Employer Payments. During the years 2008 to 2010, an increase was realized; this dipped in 2011, and then significantly increased in 2012, represented as 74.3% (Rebates) and 51.5% (Employers Payments) respectively. See Appendices 9 and 16.

## **F. AVERAGE WEEKLY EARNINGS**

The utmost average weekly earnings in 2012 for Rebates ranged from \$300-\$399, followed by \$400-\$499 and \$500-\$599 represented by 127 (20.8%), 121 (19.8%) and 83 (13.6%) severed employees respectively of the 611 persons.

On the contrary, Employer Payments reflected ranges of \$200-\$299, \$300-\$399 and \$400-\$499, with 69 (29.9%), 55 (23.8%), and 43 (18.6%) of the 231 severed persons in 2012; for whom employers were unable to furnish severance payments to their former employees. See Appendices 6 & 17.

## **7. STATISTICAL DATA SUMMARY**

The appendices to this Severance Fund Report provide statistical information on:

- \* contributions and payments of severance,
- \* severance claims received and approved, and
- \* numerical data by varying categories on severed recipients and claims that were paid in 2012.

In addition, comparative severance data is provided for the period 2008 to 2012, with all dollar values within the Appendices expressed in Barbados dollars; and the above analyses relating to both Rebates and Employer Payments.

## **8. CONCLUSION**

The Board wishes to express its appreciation for the continued service rendered by the Director and Staff during the year. Special thanks are extended to the members of the four tribunals. The Board also wishes to thank employers and insured persons for their co-operation during the year.

## **9. REFERENCES**

Barbados' Ministry of Finance & Economic Affairs (2012). Barbados Economic and Social Report 2012. Government of Barbados. Published on 6 July 2012. Retrieved from < <http://www.economicaffairs.gov.bb/archive-detail.php?id=324> >

## STATISTICAL APPENDICES



## A. GENERAL

(All monetary / dollar values are expressed in Barbados dollars)

### Appendix I: Severance Payment Fund: Contributions & Payments, 2012 & 2011

2012					2011				
Month	Contributions	Rebates	Total Rebates & Employer Payments	Employer Payments	Contributions	Rebates	Rebates & Employer Payments	Total Employer Payments	
January	884,727	0	0	0	782,102	7,077	119,788	126,865	
February	796,554	252,485	154,654	407,139	830,840	113,793	338,359	452,152	
March	893,399	374,322	12,008	386,330	765,434	292,620	483,929	776,549	
April	671,930	77,246	122,909	200,156	738,757	36,842	191,304	228,146	
May	1,086,050	169,234	34,044	203,279	713,341	897,634	145,061	1,042,695	
June	883,572	355,726	390,387	746,113	798,613	258,538	142,228	400,766	
July	887,849	237,627	162,749	400,377	819,404	26,143	182,484	208,627	
August	660,204	387,384	286,236	673,620	863,603	26,143	105,467	131,610	
September	745,966	254,667	175,512	430,180	916,875	13,375	68,064	81,439	
October	777,033	245,584	295,398	540,982	801,440	130,362	670,713	801,075	
November	730,577	40,751	360,948	401,699	782,840	87,978	383,989	471,967	
December	688,228	126,085	211,719	337,804	693,929	52,297	106,117	158,414	
<b>Total</b>	<b>9,706,089</b>	<b>2,521,112</b>	<b>2,206,565</b>	<b>4,727,676</b>	<b>9,507,178</b>	<b>1,942,802</b>	<b>2,937,503</b>	<b>4,880,305</b>	

## Appendix 2: Severance Payment Fund: Contributions & Payments, 2008 – 2012

	Contributions	Rebates	Employer Payments	Total Rebates & Year Employer Payments
Year	\$M	\$M	\$M	\$M
2008	9.9	2.4	1.1	3.5
2009	9.7	2.4	2.3	5.0
2010	9.7	2.8	0.9	3.7
2011	9.5	1.9	2.9	4.9
2012	9.7	2.5	2.2	4.7

## Appendix 3: Severance Payment Fund: Claims for Payment, 2012 & 2011

Month	2012				2011			
	Claims Received		Claims Approved <sup>1</sup>		Claims Received		Claims Approved <sup>1</sup>	
	Employer Rebates <sup>2</sup>	Employer Payments	Employer Rebates <sup>2</sup>	Employer Payments	Employer Rebates <sup>2</sup>	Employer Payments	Employer Rebates <sup>2</sup>	Employer Payments
January	89	6	24	29	21	49	19	52
February	26	11	19	3	19	19	10	46
March	62	57	23	36	21	20	9	22
April	80	18	17	32	12	13	12	14
May	136	33	26	23	33	33	7	24
June <sup>3</sup>	80	11	29	25	36	30	6	33
July	56	13	52	18	31	12	17	22
August	105	39	11	16	57	43	5	5
September	48	18	84	35	28	76	34	63
October	88	27	17	34	138	5	8	55
November	310	18	44	18	42	26	14	20
December	39	41	0	0	84	21	0	0
<b>Total</b>	<b>1,119</b>	<b>292</b>	<b>346</b>	<b>269</b>	<b>522</b>	<b>347</b>	<b>141</b>	<b>356</b>

Note: (1) Includes Brought Forward Claims

(2) There were 0 Uncontested Cases

(3) Please note that since June 2012 each individual claiming severance was counted as a separate claim.

## Appendix 4: Severance Payment Fund: Claims Received & Approved for Payment, 2008 – 2012

Year	Claims Received		Claims Approved <sup>4</sup>	
	Rebates	Employer Payments	Rebates	Employer Payments
2008	201	134	227	135
2009	227	260	221	266
2010	262	191	223	178
2011	522	347	141	356
2012	1,119	292	346	269

Note: (4) Claims Approved includes brought forward claims.

## B. REBATES

### Appendix 5: Total Employees Severed (for whom Rebates were paid to Employers) Classified by Gender and Years of Service, 2012

Years of Service	Female	Male	Total
05 - 10	203	166	369
11 - 15	61	55	116
16 - 20	17	31	48
21 - 25	13	14	27
26 - 30	15	13	28
31 and Over	10	13	23
<b>Total</b>	<b>319</b>	<b>292</b>	<b>611</b>



**Appendix 6: Total Employees Severed (for whom Rebates were paid to Employers) Classified by Gender and Weekly Earnings Level, 2012**

Average Weekly Earnings (\$)	Female	Male	Total
0 - 99	2	0	2
100 - 199	11	1	12
200 - 299	69	10	79
300 - 399	72	55	127
400 - 499	54	67	121
500 - 599	37	46	83
600 - 699	30	32	62
700 - 799	12	27	39
800 - 899	26	44	70
900 - 999	6	10	16
<b>Total</b>	<b>319</b>	<b>292</b>	<b>611</b>

**Appendix 7: Total Employees Severed (for whom Rebates were paid to Employers) Classified by Gender and Age Group, 2012**

Age Group	Female	Male	Total
00 - 19	0	2	2
20 - 29	42	47	89
30 - 39	73	81	154
40 - 49	95	87	182
50 - 59	82	60	142
60 - 69	27	15	42
<b>Total</b>	<b>319</b>	<b>292</b>	<b>611</b>

## Appendix 8: Claims Approved for Rebates by Industry, Gender of Severed Employees and Payments Approved, 2012

Industry Description	No. of Employers Paid	Males Severed	Females Severed	Total Persons Severed
Agriculture	2	17	3	20
Computer Related	2	2	10	12
Construction	3	6	2	8
Financial Intermediation	1	0	2	2
Foreign Government, Missions and Organizations	1	1	0	1
Health Services	1	0	1	1
Hotels & Restaurants	3	18	50	68
Management & Professional	3	4	15	19
Manufacturing	4	4	12	16
Media	2	2	8	10
Other Business Activities	3	3	13	16
Other Service Activities	3	3	4	7
Private Households	1	0	12	12
Real Estate	1	0	1	1
Recreation, Sports & Community	1	5	6	11
Wholesale & Retail	7	93	46	139
Unclassified	1	134	134	268
<b>Total</b>	<b>39</b>	<b>292</b>	<b>319</b>	<b>611</b>

**Appendix 9: Employees Severed (for whom Rebates were paid to employers)  
Classified by Occupation and Gender, 2012**

Occupation	Female	Male	Total
Administrative & Management Personnel	26	18	44
Clerical Workers	15	1	16
Production Workers	2	5	7
Professional, Technical & Relative Workers	0	14	14
Not Assigned	2	3	5
Sales Workers	19	8	27
Service Workers	245	209	454
Skilled Craftsmen	1	16	17
Transport & Communication Workers	9	18	27
<b>Total</b>	<b>319</b>	<b>292</b>	<b>611</b>

**Appendix 10: Employees Severed by Gender and Reason for Termination (Rebates), 2012**

Reasons for Termination	Female	Male	Total
Company Closure	111	84	195
Re-organization of Business	164	155	319
Economic Conditions	20	28	48
Laid Off	10	3	13
Other	14	22	36
<b>Total</b>	<b>319</b>	<b>292</b>	<b>611</b>



**Appendix 11: Employees Severed (for whom Rebates were paid to Employers)  
by Reason for Termination of Services, 2012 & 2011**

Reason for Termination	2012		2011	
	No.	%	No.	%
Company Closure	195	31.9	84	29.9
Re-organization of Business	319	52.2	155	55.2
Economic Conditions	48	7.9	24	8.5
Laid Off	13	2.1	1	0.4
Other	36	5.9	17	6.0
<b>Total</b>	<b>611</b>	<b>100.0</b>	<b>281</b>	<b>100</b>

**C. EMPLOYER PAYMENTS**

**Appendix 12: Employer Payments Approved Classified by Gender, Type of Payment and the Amount Approved, 2012**

Female	Male	Total	No. of Employers	Amount of Severance Approved
137	94	231	74	\$2,162,000

**Appendix 13: Industry Category for which Employer Payments were paid, 2012**

Industry	Contested Employees Severed	Amount Paid (\$)
Agriculture	3	\$17,815
Construction	15	\$91,581
Health Services	4	\$8,078
Hotels & Restaurants	41	\$279,470
Management	4	\$24,080
Other Service Activities	3	\$10,689
Private Households	1	\$1,910
Wholesale & Retail Trade	71	\$363,326
Transportation, Storage & Communication	4	\$21,300
Other Business	85	\$1,343,751
<b>Total</b>	<b>231</b>	<b>\$2,162,000</b>

**Appendix 14: Total Employees Severed (for whom Employer Payments were Approved),  
Classified by Gender and Age Group, 2012**

Age Group	Female	Male	Total
00 - 19	0	1	1
20 - 29	24	19	43
30 - 39	39	30	69
40 - 49	42	22	64
50 - 59	20	15	35
60 - 66	12	7	19
<b>Total</b>	<b>137</b>	<b>94</b>	<b>231</b>

**Appendix 15: Employees Severed (for Whom Employer Payments were Approved) by Reason for Termination  
of Services, 2012 & 2011**

Reason for Termination	2012		2011	
	No.	%	No.	%
Company Closure	65	28.1	253	70.9
Re-organization of Business	20	8.7	16	4.5
Economic Conditions	34	14.7	38	10.6
Laid Off	74	32.0	45	12.6
Other	38	16.5	5	1.4
<b>Total</b>	<b>231</b>	<b>100.0</b>	<b>357</b>	<b>100.0</b>

**Appendix 16:** Employees Severed (for whom Employer Payments were approved)  
By Occupation and Gender, 2012

Occupation	Female	Male	Total
Administrative & Management Personnel	11	6	17
Clerical Workers	13	1	14
Production Workers	3	3	6
Professional, Technical & Relative Workers	3	3	6
Sales Workers	10	7	17
Service Workers	79	40	119
Skilled Craftsmen	8	22	30
Transport & Communication Workers	10	12	22
<b>Total</b>	<b>137</b>	<b>94</b>	<b>231</b>

**Appendix 17:** Total Employees Severed (for whom Employer Payments were approved)  
Classified by Gender and Weekly Earnings Level, 2012

Average Weekly Earnings (\$)	Female	Male	Total
0 - 99	0	0	0
100 - 199	9	3	12
200 - 299	56	13	69
300 - 399	30	25	55
400 - 499	24	19	43
500 - 599	10	18	28
600 - 699	2	8	10
700 - 799	3	4	7
800 - 899	2	4	6
900 - 999	1		1
<b>Total</b>	<b>137</b>	<b>94</b>	<b>231</b>

**Appendix 18:** Total Employees severed (for whom Employer Payments were approved)  
Classified by Gender and Years of Service, 2012

Years of Service	Female	Male	Total
5 years & Under	67	45	112
6 to 10	36	27	63
11 to 15	18	8	26
16 to 20	9	2	11
21 to 25	2	6	8
26 to 30	2	5	7
31 years & Over	3	1	4
<b>Total</b>	<b>137</b>	<b>94</b>	<b>231</b>





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