



**NATIONAL INSURANCE BOARD**

**SUGAR  
WORKERS'  
PROVIDENT  
FUND**

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**ANNUAL REPORT 2013**

## LETTER OF TRANSMITTAL

October 15<sup>th</sup>, 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 2013.

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 2013



**Dr. Justin Robinson**  
Chairman 2013



**Mr. Wismar Greaves**  
Deputy Chairman 2013



**Sir Allan Fields**  
Member 2013  
(1 January 2013 to July 2013)



**Mr. Ian Gooding-Edghill**  
Member 2013  
(1 July 2013 to December 2013)



**Mr. Vincent Burnett**  
Member 2013



**Mr. Dennis Clarke**  
Member 2013



**Ms. Annice Dalrymple**  
Member 2013



**Mrs. Nancy Headley**  
Member 2013



**Mr. Jon Martineau**  
Member 2013



**Senator Sir Roy Trotman**  
Member 2013

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## INTRODUCTION

The Sugar Workers' Provident Fund was managed by the Sugar Workers' Provident Fund Board up until 5<sup>th</sup> January 1976 when it was entrusted to the National Insurance Board. The Fund commenced on 3<sup>rd</sup> November 1969 and was governed by the Sugar Workers' Provident Fund Act - Cap. 271; which was proclaimed on 30<sup>th</sup> 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 This Act was later rescinded and presently the laws governing the Sugar Workers' Provident Fund may be found at Part IV of the Sugar Industry Act, Cap. 270.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 1<sup>st</sup> January, 1956
- b. those who became entitled to an invalidity or old age contributory pension from the National Insurance Scheme on or after the 6<sup>th</sup> January, 1975
- c. those on whose behalf a funeral grant from the National Insurance Scheme became payable on or after 6<sup>th</sup> January, 1975.

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

A Funeral Grant is currently one lump-sum payment of \$500.00 applicable since 1<sup>st</sup> 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, 2013**

Interest on bank deposit	\$1,504
Levy from Barbados Agricultural Management Company	\$20,741
<b>Total</b>	<b>\$22,245</b>

**Payments**

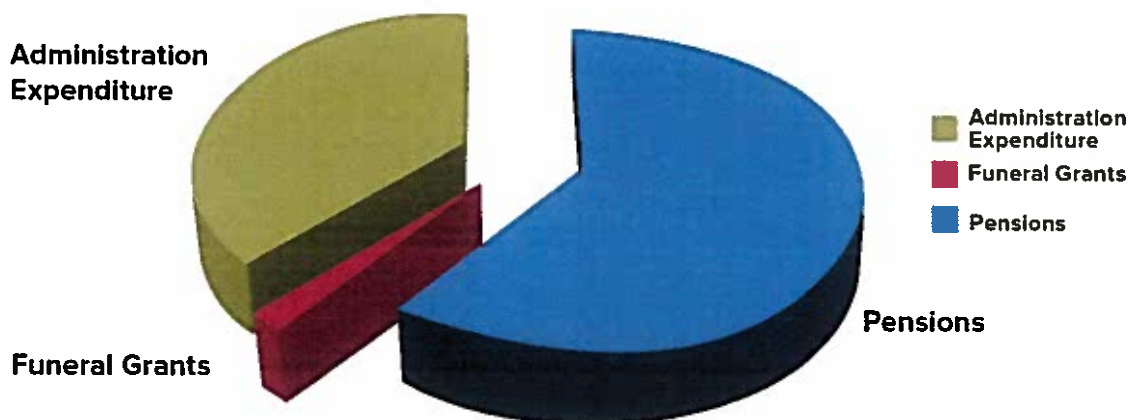
Total expenditure by the Sugar Workers' Provident Fund during 2013 was made up as follows:

**Table 2: Sugar Workers' Provident Fund Expenditure, 2013**

Pensions	\$18,253
Funeral grants	\$500
Administration expenditure	\$10,439
<b>TOTAL</b>	<b>\$29,192</b>

**Figure 1: Distribution of Sugar Workers' Provident Fund Expenditure, 2013**

**Sugar Workers' Provident Fund Expenditure 2013**



**Fund Balance**

The Fund Balance at 1<sup>st</sup> January 2013 reflected a beginning balance of \$39,760 and the ending balance at 31<sup>st</sup> December, 2013 was \$50,596.

**Financial Statements**

The 2013 financial statements are unaudited at the time of completion of this report.



## OPERATION MATTERS

### Board Meetings

The National Insurance Board conducted sixteen (16) meetings during 2013 at which the finances of this fund and the administration of funeral grants and pensions were discussed.

### Claims

Three (3) claims for funeral grants were received during the period under review. One (1) claim was allowed, one (1) claim was disallowed and one (1) claim was left pending at the end of the period.

### Pensions in Payment

At 31<sup>st</sup> December 2013, there were 44 pensioners receiving pension from the Sugar Workers' Provident Fund. This is a decrease of 17.0% over the 53 persons that were in receipt of pensions at 31<sup>st</sup> December, 2012. Nine (9) deaths were recorded in 2013 compared to the six (6) deaths reflected previous year.

Table 3: Pensioners on Roll by Age and Gender at 31st December 2013

Pensioners on the Roll by Age and Gender, 2013			
Age Group	Male	Female	TOTAL
Under 70	1	1	2
70 - 74	0	1	1
75 - 79	2	8	10
80 - 84	1	6	7
85 - 89	1	14	15
90 - 94	1	4	5
95 - 99	0	3	3
100 - 104	0	1	1
<b>Overall Result</b>	<b>6</b>	<b>38</b>	<b>44</b>

Figure 2: Sugar Workers' Pensioners on Roll, 2009 – 2013

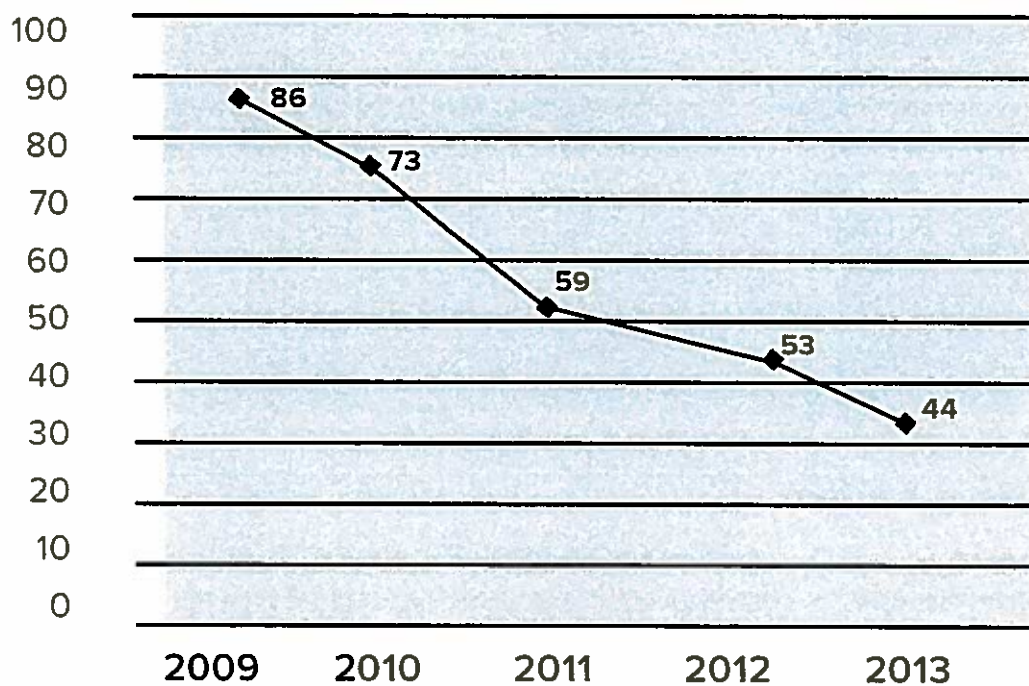


Table 4: Pensioners on Roll by Age group as at 31<sup>st</sup> December 2009 to 2013

Age Group	2013	2012	2011	2010	2009
Under 70	2	2	2	2	2
70 - 74	1	2	2	2	2
75 - 79	10	11	12	12	13
80 - 84	7	9	12	12	13
85 - 89	15	18	18	23	25
90 - 94	5	7	9	14	18
95 - 99	3	3	3	5	10
100 - 104	1	1	1	2	2
<b>Overall Result</b>	<b>44</b>	<b>53</b>	<b>59</b>	<b>73</b>	<b>86</b>

## PROSPECTS FOR 2014

The Barbados Agricultural Management Company is expected to meet its commitment to the Fund during the year 2014. The estimated expenditure for the Fund for 2014 is made up as follows:

**Table 5: Sugar Workers' Provident Fund Estimated Expenditure, 2014**

Pensions	\$14,000
Funeral grants	\$6,000
Administration expenditure	\$12,500
<b>ESTIMATED TOTAL</b>	<b>\$32,500</b>

It is anticipated that the steady diminution of the pension roll will continue throughout 2014 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.

