

Going Forward

1. Gradually increase the pension age from 60 to 65 over an extended period.

These are the conditions:

- The option to retire at 60 will still be available.
- Persons who choose to retire before the pensionable age will have their pensions reduced by ½% for each month they retire earlier than the Normal Retirement Age (NRA). However, there will be an additional incentive of ½% per month paid to persons who choose to take their pension after the NRA.

-For e.g. If a claimant starts pension at age 60 in 2024 when the NRA is 61 years, then his/her pension will be reduced by 6% (½% per month). On the other hand, if pension is taken at 62 years, then pension is increased by 6% (½% per month).

Schedule of the increase of the Normal Retirement Age

Year of Birth	Normal Retirement Age (NRA)	Year of Increase
1961 and before	60	2019-2021
1962-1963	61	2022-2024
1964-1965	62	2025-2027
1966-1967	63	2028-2029
1968-1969	64	2030-2031
1970 and after	65	2032+

2. Increase the contribution rate from 9% to 11%

Monthly Contributions

Salary	Employee		Employer	
	Old Rate (4%)	New Rate (5%)	Old Rate (5%)	New Rate (6%)
\$1500	\$60	\$75	\$75	\$90
\$2000	\$80	\$100	\$100	\$120
\$2500	\$100	\$125	\$125	\$150
\$3000	\$120	\$150	\$150	\$180
\$3500	\$140	\$175	\$175	\$210
\$4000	\$160	\$200	\$200	\$240
\$4500	\$180	\$225	\$225	\$270
\$5000	\$200	\$250	\$250	\$300

Pension Across the Region

Country	Pension Age	Contribution Rate
Antigua & Barbuda	Currently Age: 62 Increases to 65 in 2025	2019 -13% Increases by 0.5% each year up to 2025
Dominica	Currently Age: 64 Increases to 65 in 2021	2019 - 12.75% increases by 0.25% each year up to 2031
St.Kitts and Nevis	Currently Age: 62	2019 - 11%
St.Vincent	Currently Age: 62 Increases to 65 in 2028	2019 - 10%
Barbados	Currently Age: 67	Private Sector-23.85%
Anguilla	Currently Age: 65	10%
St.Lucia	Currently Age: 65	10%

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NIS Improvement & Sustainability Plan

Moving Ahead Responsibly to Secure Our Tomorrow

Introduction

Social Security is the means by which a society protects its members in the event that their ability to provide for themselves is affected; through sickness, childbirth, employment injury, retirement, invalidity or death.

In 1970, the first Social Security package was introduced to Grenada in the form of the Agricultural Workers Provident Fund. In 1983 the National Insurance Scheme was established, with the assistance of the International Labour Organisation (ILO).

Actuarial Reviews

Section 22 of the National Insurance Act stipulates that an Actuarial Review be carried out every three years.

In keeping with this mandate, since 1983 eleven (11) reviews have been conducted; the most recent was done by BBL World Actuaries in 2016.

Purpose of the review is to:

- Review the operations of the Fund
- Report on the adequacy of the Fund
- Recommend timely changes to ensure the sustainability of the Fund.
- Ensure that benefits provided are meeting the needs of the population.

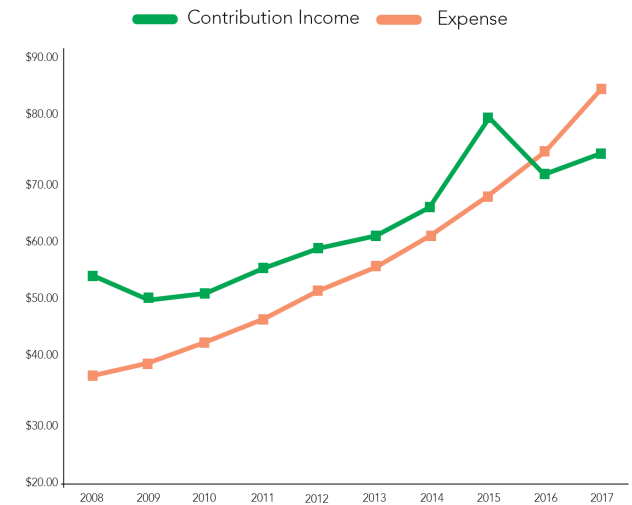
Key Actuarial Findings of The 11th Review

If no adjustments are made to the NIS, then the following will result:

- Starting in 2016 annual contribution was insufficient to meet total expenditure, so Investment Income must be used to cover the shortfall
- The Reserve continues to grow but at a much slower pace
- Starting in 2022 total income will not be sufficient to cover total expenditure and the Reserve begins to decrease
- During 2035 the reserve will drop to zero. As a result, the required contribution rate to meet all expenditure will increase to 22.5%



Contribution Income vs. Total Expenses



The graph above shows that starting in 2016, Contribution Income has not been enough to cover Total Expenses as forecasted by the actuary.

Financial Statistics

Categories	2015	2016	2017
Contribution Income	\$78,743,872	\$69,940,855	\$73,334,174
Investment Income	\$38,247,843	\$36,723,154	\$32,036,333
Total Income	\$117,297,059	\$107,046,037	\$105,751,194
Total Expense	\$65,808,617	\$70,571,599	\$85,283,077
Surplus	\$51,488,442	\$36,474,438	\$20,468,117

Expenditure by Benefit Branch

Benefit Branches	2015	2016	2017
Short-Term	\$7,576,317	\$9,301,503	\$11,029,266
Long-Term	\$49,814,319	\$55,531,513	\$63,649,588
Employment Injury	\$676,467	\$721,532	\$858,967