



PRESS STATEMENT

IMMEDIATE RELEASE

July 1, 2020

NIB BIENNIAL ADJUSTMENTS TAKE EFFECT JULY 1, 2020

The National Insurance Board advises the public of its Biennial Adjustments which take effect 1st July, 2020. The amendments made to the National Insurance Act in 2010 introduced automatic biennial adjustments to pensions, grants and the wage ceiling. The objective of the adjustments, which are slated to occur every two years, is to ensure that pensions in particular retain their value year after year by compensating for losses, as quantified by the cumulative rate of inflation (linked to The Bahamas Retail Price Index) in the country over the previous two years.

The Insurable Wage Ceiling has been adjusted to \$710 per week or \$3,077 per month. The adjustment in the ceiling is in keeping with the social security mandate to maintain relative parity between the worker's wages and benefits. In that regard, only higher paid workers - i.e., persons whose earnings currently exceed \$670 per week / \$2,903 per month - will be affected. This ceiling adjustment of \$40 per week / \$173 per month, translates to a maximum increase in contributions for employed persons of \$3.92 per week - shared \$1.56 employee, and \$2.36, employer, and \$15.22 per month for self-employed persons. The adjusted ceiling will allow workers to insure more of their income, and in return, receive better benefits.

NIB has updated its Microsoft Excel Contribution Statements to reflect the new wage ceiling. All employers who have not yet registered for the Employer Self-Service (ESS) portal are required to submit monthly contribution records using the excel format only. The new forms should be used for contribution payments for July 2020.

It is important to note that the adjustment in the insurable wage ceiling is **not an increase** in the contribution rate. The rates at which contributions are paid remain unchanged - 9.8% for employed persons; 8.8% for self-employed persons; 5% for voluntarily insured persons; and 2% for Summer Students and workers in receipt of Retirement Benefit.

The National Insurance Board advises recipients of Long-Term Benefits and Assurances that the 2020 adjustments to pensions (of up to 4.8%) will be paid in October as is customary, and are retroactive to July of this year.

In addition to the adjustment in pensions, the Maternity Grant and Funeral Benefit have been adjusted and are in payment with effect from July 1, 2020. The Maternity Grant was adjusted from \$490 to \$515, and the Funeral Benefit from \$1,810 to \$1,900. The changes in the Grants and pensions are reflective of the combined increase in The Bahamas Retail Price Index in 2018 and 2019.

Questions regarding the Biennial Adjustments may be directed to: NIBbiennial@nib-bahamas.com.
