



October 29, 2002

Dear Employer

As you are aware, the National Insurance Board implemented some changes to the National Insurance Act in September 2000. The main objectives of these changes were to repeal obsolete areas of the legislation, strengthen registration and compliance provisions, implement recommendations of the 1996 Actuarial Review, safeguard the long term viability of the Fund, and generally to ensure that all current practices of the Fund were properly covered by the legislation.

The major changes that became effective 1 January 2001 were as follows:

- The **maximum insurable earnings** increased to a limit of **\$60,000 per annum** or **\$5000** per month.
- The rate of surcharge was reduced from **10% to 1.25% per month**.
- Change in the qualifying conditions for retirement benefit. The required number of months increased from **120 to 180 (See Table B)**.
- **PLEASE NOTE THAT EFFECTIVE 1 JANUARY 2003, THE QUALIFYING CONDITIONS FOR A RETIREMENT PENSION WILL BE 144 MONTHS.**
- **PENSIONABLE AGE**

In our letter to you of 15 June 2000, and our various discussions on radio, television and print media we indicated that the Pensionable Age would increase from 60 to 65 years, the five (5) year increase to be implemented over a fifteen (15) year period.

The new **National Insurance Corporation Act No. 18 of 2000 Section 58 (4)** gives the Minister the authority to effect the increase in retirement age and states as follows:

“The Minister may by order published in the Gazette, fix the Pensionable Age to be an age other than sixty (60) years”

It is my duty to inform you that the Minister has now sanctioned the increase in retirement age as per order appearing in the St Lucia Gazette of Monday 28<sup>th</sup> October, 2002. Consequently, **effective 1<sup>st</sup> January 2003 the Retirement Age will be 61 years and will move according to Table A.**

- **EARLY RETIREMENT**

Though the **Retirement Age will be 61**, persons may opt for early retirement at **60 years**.

**TABLE A**

<b>YEAR (S)</b>	<b>PENSIONABLE AGE</b>
1 <sup>st</sup> January 2003 – 31 <sup>st</sup> December 2005	61
1 <sup>st</sup> January 2006 – 31 <sup>st</sup> December 2008	62
1 <sup>st</sup> January 2009 – 31 <sup>st</sup> December 2011	63
1 <sup>st</sup> January 2012 – 31 <sup>st</sup> December 2014	64
1 <sup>st</sup> January 2015 – and continuing	65

**TABLE B**

<b>YEAR (S)</b>	<b>NO. OF MONTHS OF CONTRIBUTION</b>
1 <sup>st</sup> January 2001 – 31 <sup>st</sup> December 2002	132
1 <sup>st</sup> January 2003 – 31 <sup>st</sup> December 2005	144
1 <sup>st</sup> January 2006 – 31 <sup>st</sup> December 2008	156
1 <sup>st</sup> January 2009 – 31 <sup>st</sup> December 2011	168
1 <sup>st</sup> January 2012 – and continuing	180

We suggest that you inform your employees of these changes in advance of the implementation date of 1<sup>st</sup> January 2003. We will also use the print and electronic media to inform the general workforce of the above-mentioned changes.

We thank you for your cooperation and look forward to working with you in making the implementation of the above amendments as smooth as possible.

Yours faithfully

Emma Hippolyte  
**Director**

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***THE NATIONAL INSURANCE, FOR THE BENEFIT OF US ALL!***