

PROFESSORIAL EMPLOYMENT

2015



	Page
Auditor's Report	1
Balance Sheets	2
Combined Statements of Income and Expenditures	3
Statements of Changes in Reserves	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 18
Supplemental Schedules:	
Auditor's Report.....	19
Statements of Income and Expenditures:	
Short-Term Benefits Branch	20
Long-Term Benefits Branch	21
Employment Injury Benefits Branch	22
Disablement and Death Benefits Reserve	23
Investments Listing	24 - 30

CHAPTER 1: INTRODUCTION TO THE HISTORY OF THE UNITED STATES

The history of the United States is a complex and multifaceted story that spans centuries. It is a story of exploration, discovery, and the struggle for freedom and equality. This chapter provides an overview of the key events and figures that have shaped the nation's history.

1.1 The Early Years

1.1.1 The Age of Exploration

The Age of Exploration was a period of European overseas expansion, which began in the late 15th century and continued into the 17th century. It was driven by a desire for new trade routes, wealth, and territory. Key figures of this era include Christopher Columbus, Vasco da Gama, and Ferdinand Magellan. Their voyages led to the discovery of the Americas and the establishment of a global trade network.

The discovery of the Americas by Christopher Columbus in 1492 marked the beginning of European colonization in North America. The Spanish, French, and British established colonies that would eventually become the United States. The early years of settlement were characterized by hardship and conflict with Native American populations.

The early years of settlement were marked by a struggle for land and resources. The English, French, and Spanish all vied for territory in North America. The resulting conflicts and treaties shaped the boundaries of the future United States.

1.1.2 The American Revolution

The American Revolution was a war fought between the thirteen original colonies and Great Britain from 1775 to 1783. The colonies sought independence from British rule, leading to the signing of the Declaration of Independence in 1776. The war resulted in the birth of the United States as a sovereign nation.

DECEMBER 31, 2005 AND 2004

	2005	2004
Assets		
Cash and cash equivalents	1,234,567	1,123,456
Accounts receivable	2,345,678	2,234,567
Inventory	3,456,789	3,345,678
Prepaid expenses	456,789	567,890
Property, plant, and equipment	10,123,456	9,012,345
Intangible assets	567,890	678,901
Other assets	123,456	234,567
Liabilities		
Accounts payable	1,234,567	1,123,456
Accrued liabilities	2,345,678	2,234,567
Deferred tax liabilities	3,456,789	3,345,678
Long-term debt	4,567,890	4,456,789
Other liabilities	567,890	678,901
Equity		
Common stock	1,234,567	1,123,456
Retained earnings	2,345,678	2,234,567
Accumulated other comprehensive income	3,456,789	3,345,678
Total equity	7,037,034	6,703,703

	2005	2004
INCOME		
Contributions:		
Employers and employed persons	\$50,327,886	\$46,681,397
	-----	-----
Total contributions	50,327,886	46,681,397
	-----	-----
Other income:		
Net investment income (Note 10)	13,099,456	20,466,248
Other income (Note 12)	1,898,481	1,029,470
	-----	-----
Total other income	14,997,937	21,495,718
	-----	-----
Total income	65,325,823	68,177,115
	-----	-----
EXPENDITURES		
Benefits:		
Short-term benefits branch	7,912,055	7,872,402
Long-term benefits branch	14,543,802	13,938,604
Employment injury benefits branch	2,276,397	2,963,438
Disablement and death benefits	1,654,964	1,675,140
National health insurance benefits	4,904,818	4,474,585
	-----	-----
Total benefits	31,292,036	30,924,169
	-----	-----
Operating Expenses:		
Administration (Note 11)	14,564,655	13,588,241
Establishment (Note 13)	799,102	761,189
Financial	15,100	5,782
	-----	-----
Total operating expenses	15,378,857	14,355,212
	-----	-----
Total expenditures	46,670,893	45,279,381
	-----	-----
Excess of income over expenditures	\$18,654,930	\$22,897,734
	=====	=====

	2005	2005	2005	2005	2005	2005	2005	2005
	Short-Term Benefits Branch	Long-Term Benefits Branch	Employment Injury Benefits Branch	Disablement and Death Benefits Reserve	National Health Insurance Fund	National Disaster Fund	Social Development Assistance Account	Total
Balance at January 1, 2005	\$15,603,418	\$198,779,927	\$44,692,309	\$14,536,039	\$ -	\$ -	(\$31,001)	\$273,580,692
Transfers to Social Development Account & Assistance Fund	(1,341,817)	-	-	-	-	-	1,341,817	-
Transfer to Natural Disaster Fund	-	-	-	-	-	200,000	(200,000)	-
Social Development Account and Assistance Fund Expenditures	-	-	-	-	-	-	(1,081,386)	(1,081,386)
Transfer to National Health Insurance Fund	-	-	(5,000,000)	-	5,000,000	-	-	-
Excess (expenditures over income) income over expenditures	(5,948,149)	15,721,809	8,652,407	228,863	-	-	-	18,654,930
Balance at December 31, 2005	\$8,313,452	\$214,501,736	\$48,344,716	\$14,764,902	\$5,000,000	\$200,000	\$29,430	\$291,154,236
Balance at December 31, 2004	\$15,603,418	\$198,779,927	\$44,692,309	\$14,536,039	\$ -	\$ -	(\$31,001)	\$273,580,692

	2005	2004
Cash flows from operating activities:		
Excess of income over expenditures	\$18,654,930	\$22,897,734
Adjustments to reconcile excess of income over expenditures to net cash provided by operating activities:		
Depreciation	1,663,078	1,758,172
Income from associates	(5,004,813)	(6,503,792)
Amortization of deferred income	(2,212,783)	(2,212,783)
Gain on sale of BECOL shares	-	(2,320,000)
Provision for loss on investments	5,242,000	-
Changes in current assets and liabilities		
(Increase) in investment income receivable	(1,489,443)	(2,692,350)
Decrease in accounts receivable and prepayments	576,980	1,718,852
(Increase) in employees' advances	(41,992)	(194,961)
Increase (decrease) in accounts payable and accruals	2,222,929	(922,274)
Total adjustments	955,956	(11,369,136)
Net cash provided by operations	19,686	11,528,598
Cash flows from investing activities:		
Decrease (increase) in long and short-term investments	3,086,604	(67,623,925)
Proceeds from sale of BTL shares	-	51,866,566
Proceeds from sale of BECOL shares	-	7,000,000
Dividends received from BTL shares	-	1,604,477
Net additions to fixed assets	(5,663,321)	(1,890,509)
Net cash (used in) investing activities	(2,576,717)	(9,043,391)
Cash flows from financing activities:		
Social Development Fund disbursements	(1,081,386)	(793,737)
Net cash (used in) financing activities	(1,081,386)	(793,737)
Net increase in cash and bank	15,952,783	1,691,470
Cash and bank, beginning of year	6,538,288	4,846,818
Cash and bank, end of year	\$22,491,071	\$6,538,288

1. ORGANIZATION

Social Security Board (Board) is a statutory body which came into existence with the enactment of the Social Security Act, Chapter 44, Laws of Belize 1980. Social Security was established to provide various financial benefits to insured persons residing in Belize. Funding of these benefits is provided through contributions from employers and employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are presented in Belize dollars and have been prepared in accordance with International Financial Reporting Standards and the requirements of the Financial and Accounting Regulations, 1980 of the Social Security Act.

a. Fixed assets

Fixed assets are recorded at cost and, other than land, are depreciated using the straight line method based over the estimated useful life of the assets as follows:

Buildings	50 years
Furniture, fixtures and equipment	10 years
Computers and accessories	5 years
Motor vehicles	4 years

Repairs and maintenance are charged against income. Improvements, which extend the useful life of the assets, are capitalized. When fixed assets are disposed of by sale or are scrapped the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income.

b. Foreign currencies

Transactions in foreign currency during the year have been converted into Belize dollars at the rates prevailing on the date of the transaction. Foreign currency balances outstanding at year-end have been converted to Belize dollars at the rate of exchange prevailing at the end of the year. Any gains or losses are recorded in income.

c. Income recognition

(i) Contributions are recorded on the cash basis. Accordingly, the Board does not accrue for contributions at December 31, which have not been collected.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**, continued

c. **Income recognition**

(ii) Investment income is accounted for on the accrual basis, except for dividends, which are recognized on the cash basis, and income from associates which is accounted for on the equity method.

d. **Basis of apportionment of income**

(i) Contributions -

Section 14(1) of the Financial and Accounting Regulations, 1980 provides that all contributions shall be distributed among the Benefits Branches in the following proportions:

(1) Short-Term Benefits Branch	18.75%
(2) Long-Term Benefits Branch	56.25%
(3) Employment Injury Benefits Branch	25.00%

(ii) Other income -

(1) Section 14(2) of the Financial and Accounting Regulation, 1980 provides that income from investment of the Reserves is allocated to each branch on the basis of their respective reserves at the end of the previous financial year.

(2) Section 14(3) of the Financial and Accounting Regulations, 1980 provides that all other income to the fund which cannot be identified with any specific branch shall be distributed among the three benefit branches in equal parts.

e. **Disablement and death benefit reserves**

The Disablement and Death Benefits Reserve is made up as provided by Section 16(3) of the Financial and Accounting Regulations, 1980 by transferring thereto at the end of each financial year the balance outstanding in the current account after the actuarial present value of the periodically payable disablement and death benefits awarded in that year have been charged against income for that year in the Income and Expenditure Account of the Employment Injury Benefit Branch and credited to a current account, which is also credited with the income from the investment of the said reserve, and debited with actual payment of the current periodical disablement and death benefit effected during that year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

f. Basis of apportionment of expenditure

(i) Section 15(1) of the Financial and Accounting Regulation, 1980 states that the expenditures of each benefit branch shall be ascribed to that Branch under which the benefit is grouped, namely: Short-Term Benefits Branch, Long-Term Benefits Branch and Employment Injury Benefits Branch.

(ii) Section 15(2) of these regulations states that the administrative expenditures of the Fund shall be distributed among the three benefit branches in such a manner that the proportion allocated to a particular branch shall be equal to the proportion which the sum of the contribution income and benefit expenditure shown in the Income and Expenditure Account of that branch bears to the sum of the contribution income and benefit expenditure of the Fund as a whole. Administrative expenses are taken to mean all expenses properly incurred in the Administration of the Scheme.

All other expenditures that are not attributable to any specific branch are distributed among the three benefit branches in equal parts.

g. Investments

Short-term investments are stated at the lower of cost or market value. Long-term investments are stated at cost less any permanent diminution in investment value.

h. Pension Fund

The Board, as of January 1, 1991, operates and administers a pension scheme. The scheme, which is a defined benefits plan, is funded by contributions from the Board in amounts recommended by the actuaries, and from employees at the rate of 2.8% of annual pensionable salaries. The Board's contribution are charged against income in the year they become payable.

i. Securitization

The Board sold portions of the flows from its mortgage investment portfolio. The financial instrument associated with these flows is carried in the financial statements as "restricted mortgages (Note 8)" and are stated at cost less impairment losses. Income derived from these transactions are treated as deferred income and amortized over the term of each agreement-governing disposal of mortgage flows. Where losses are sustained as a result of servicing mortgage portfolios under the securitization programme, such losses are charged directly to income.

3. FIXED ASSETS

	2005	2004
Fixed assets consist of:		
Land	\$ 3,735,990	\$ 2,180,588
Buildings	17,419,563	16,492,662
Furniture & fixtures	2,470,973	2,404,632
Office equipment	2,105,737	1,996,937
Computers and accessories, hardware and software	8,218,293	7,525,100
Motor vehicles	178,011	178,011
	-----	-----
	34,128,567	30,777,930
Less accumulated depreciation	11,523,594	9,860,517
	-----	-----
	22,604,973	20,917,413
Work-in-progress	2,582,327	269,644
	-----	-----
	\$25,187,300	\$21,187,057
	=====	=====

At December 31, 2005, major work-in-progress consist of the Board new administration building in Orange Walk with cost amounting to \$1,951,903 and work on the administration building in Belmopan with cost amounting to \$454,247 (at December 31, 2004, there were no major work-in-progress).

4. SHORT-TERM INVESTMENTS

	2005	2004
Short-term investments consist of:		
Term deposits	\$65,339,446	\$71,032,020
Citrus Growers Association crop loan	4,614,782	4,289,441
	-----	-----
	\$69,954,228	\$75,321,461

5. INVESTMENT INCOME RECEIVABLE

	2005	2004
Investment income receivable consist of:		
Loan and mortgage portfolios	\$6,224,215	\$4,363,197
Certificate of deposits	669,511	1,040,813
Savings account	14,571	14,844
	-----	-----
	\$6,908,297	\$5,418,854
	=====	=====

6. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2005	2004
Accounts receivable and prepayments consist of:		
Accounts receivable	\$ 494,332	\$ 319,340
Previous staff balances	-	208,934
Prepayments and other assets	1,710,099	1,596,117
Belize National Building Society *	3,000,000	-
Contributions receivable	751,194	-
St. James National Building Society Limited (Note 14)	-	1,127,421
Alliance Bank of Belize Limited	-	280,793
	-----	-----
	5,955,625	3,532,605
Less: Provision for loss on investments	(3,000,000)	-
	-----	-----
	\$2,955,625	\$3,352,605
	=====	=====

* Amount transferred from term deposits on maturity.

7. INVESTMENT IN ASSOCIATES

	2005	2004
Investment in associates consist of:		
Belize Electricity Limited, 26.50% ownership	\$34,781,874	\$29,777,061
Belize Telecommunications Limited 25.66% ownership	-	-
	-----	-----
	\$34,781,874	\$29,777,061

7. INVESTMENTS IN ASSOCIATES, continued

Income from investments in associates for fiscal 2005 and 2004 amounted to \$5,004,813 and \$6,503,792 inclusive of \$2,322,037 from BTL, respectively.

8. LONG-TERM INVESTMENTS

	2005	2004
Long-term investments consist of:		
Shares	\$ 6,152,490	\$ 6,152,490
Private sector loans	72,185,625	70,478,868
Mortgages	40,667,127	41,744,299
Restricted mortgages (Note 2 (i))	17,918,159	21,366,600
Real estate	13,159,057	13,301,572
	-----	-----
	<u>\$150,082,458</u>	<u>\$153,043,829</u>

At December 31, 2005, non-performing investments amounted to 3.81% of total long and short-term investments (December 31, 2004 3.307%).

Under the Board's mortgage securitization programme, interest earned on restricted mortgages does not accrue to the Board.

9. ACCOUNTS PAYABLE AND ACCRUALS

	2005	2004
Accounts payable and accruals consist of:		
Mortgage securitization programme	\$4,575,766	\$2,026,442
Benefits payable	387,595	835,886
Accrued expenses	540,477	296,008
Others	109,707	232,280
	<u>-----</u>	<u>-----</u>
	<u>=====</u>	<u>=====</u>

10. NET INVESTMENT INCOME

	2005	2004
Net investment income consist of:		
Investment income from long and short-term investments, net	\$15,326,595	\$15,858,814
Income from associates (Note 7)	5,004,813	6,503,792
Mortgage securitization programme (Note 2i)	(1,085,658)	(1,010,875)
Investment expenses	(904,294)	(885,483)
Provision for loss on investments	(5,242,000)	-
	<u>-----</u>	<u>-----</u>
	<u>=====</u>	<u>=====</u>

Investment expenses includes commissions, fees and direct costs of operating the mortgage unit.

11. ADMINISTRATION EXPENSES

	2005	2004
Administration expenses consist of:		
Salaries	\$ 6,992,673	\$ 6,613,026
Depreciation	1,347,921	1,447,230
Transfer and other allowances	941,390	940,221
Security	595,077	508,355
Telephones and cables	478,003	477,682
Traveling and subsistence	566,305	482,972
Publicity and promotion	321,797	376,193
Legal and professional fees	702,896	500,725
Appraisal and survey fees	384,151	59,283
Premises repairs and maintenance	296,876	218,672
Printing, stationery and supplies	400,335	284,621
Medical and group health insurance	120,770	121,420
Insurance	80,367	91,001
Training	210,621	330,406
Social security contributions	222,181	216,209
Pension contribution and expenses	201,701	202,143
Board expenses	176,975	161,826
Cleaning and sanitation	165,046	153,686
Overseas conferences	69,378	141,651
Audit fee	42,000	42,000
Motor vehicle expenses	51,699	53,415
Postage	45,152	49,006
Subscriptions	48,510	46,346
Investment committee expenses	39,345	26,930
Sundries	14,668	9,293
Appeals Tribunal expenses	12,373	7,325
Recruitment	10,761	2,098
Non-contributory pension committee expenses	25,684	24,506
	-----	-----
	\$14,564,655	\$13,588,241
	=====	=====

12. OTHER INCOME

	2005	2004
Other income consist of:		
Interest on late contributions	\$ 984,157	\$ 423,294
Interest on savings	56,604	98,281
Interest on staff advances	293,135	171,718
Rental income	176,913	121,180
Gain sale of fixed assets	14,621	111,251
Others	373,051	103,746
	-----	-----
	\$1,898,481	\$1,029,470
	=====	=====

13. ESTABLISHMENT EXPENSES

	2005	2004
Establishment expenses consist of:		
Light, power and water	\$400,705	\$382,940
Depreciation	315,157	310,942
Rent	83,000	66,400
Property tax	240	907
	-----	-----
	\$799,102	\$761,189
	=====	=====

14. COMMITMENTS AND CONTINGENCIES

Mortgage Securitization - Tranche A

On April 21, 1999, the Board entered into an agreement for the Assignment of Mortgages (Tranche A). The Board, the Development Finance Corporation (DFC), and the Government of Belize (GOB) signed the agreement with the Royal Merchant Bank and Finance Company of Trinidad and Tobago (RMB). Under the agreement, the Board assigned a total of \$18,906,359 worth of mortgages. The Board's commitment under this agreement is for \$293,640 monthly. Under the Administrative Agreement, the monthly commitment is paid to DFC, for further payment to RMB, and shall remain in force until April 30, 2013.

14. **COMMITMENTS AND CONTINGENCIES**, continued

Mortgage Securitization - Tranche A, continued

In October 2004, GOB, through a Fixed Rate Non-Callable Bond Issue refinanced the existing agreement with RMB. The Board did not participate in the refinancing agreement, however, under the new arrangement the Board is committed to continue making monthly payments of \$293,640 to DFC for further payment to GOB. The Board's responsibility under the new agreement will continue until April 30, 2013.

Mortgage Securitization - Tranche B

On December 23, 1999, a second Assignment of Mortgages (Tranche B) agreement was signed between the Board, DFC and RMB. The total value of mortgages assigned by the Board in this transaction is \$15,473,754. The Board's commitment under this agreement is for \$175,200 monthly payable to DFC, for further payment to RMB, and shall remain in force until December 30, 2013.

In October 2004, GOB, through a Fixed Rate Non-Callable Bond Issue refinanced the existing agreement with RMB. The Board did not participate in the refinancing agreement, however, under the new arrangement the Board is committed to continue making monthly payments of \$175,200 to DFC for further payment to GOB. The Board's responsibility under the new agreement will continue until December 30, 2013.

Mortgage Securitization - Tranche C and D

On March 21, 2000 and August 30, 2000, a third (Tranche C) and fourth (Tranche D) agreement was signed between the Board, DFC and RMB. Under these two agreements, the mortgages assigned by the Board came from the SJNBS, and totalled \$27,731,240. Under these agreements, the SJNBS pays the Board a total of \$1,221,720 on a quarterly basis. The Board then pays that amount to DFC for further payment to RMB. As signatory to these agreements the Board is responsible to ensure collections from SJNBS, this responsibility remains in force until March 21, 2009 for Tranche C, and August 30, 2010 for Tranche D. Under a default scenario the Board is responsible to effect payment to DFC. At December 31, 2004, the Board advanced to DFC \$325,855 for SJNBS, under these agreements (Note 6).

14. COMMITMENTS AND CONTINGENCIES, continued

Other Securitization

In January 2000, the Board entered into an agreement for the Assignment of Mortgages. The agreement is between the Board, the Saint James National Building Society (SJNBS), and the Provident Bank and Trust of Belize Limited (PBT). The amount of mortgages assigned is \$1,778,706 and originated from the SJNBS. Under this agreement, the Board is a facilitator of the process. Payments originate from SJNBS to the Board for further payment to PBT. In a default scenario by SJNBS, the Board is not responsible for payment.

North American Securitization

On April 1, 2002, the Board participated in an issue of Mortgage Loan Collateralized Bonds. Under this agreement, the Board sold a total of \$16,358,586 worth of its mortgages to the DFC. The Board also facilitated the sale of SJNBS mortgages amounting to \$17,500,000 to the DFC. The DFC sold those mortgages to the Belize Mortgage Company 2002-1 (BMC). The BMC issued mortgage Collateralized Bonds to investors in the North American Market. The bonds are collateralized by and payable from the assets of BMC, which include loans secured by mortgage on real property originated by the DFC (including the mortgages bought from the Board and facilitated mortgages from SJNBS). The Board continues to service the mortgages sold to DFC and is responsible for making monthly and quarterly payments on behalf of the Board's mortgages. The Board forwards payments received from SJNBS for facilitated SJNBS's mortgages to DFC. Under a default scenario the Board is responsible to effect payment to DFC. At December 31, 2004, the Board advanced to DFC \$801,566 for SJNBS facilitated mortgages, under this agreement (Note 6).

Under the issuance of the Collateralized Bonds, a pre-funding account, trustee reserve fund, insurance premium reserve fund account, debt service reserve fund account, and a liquidity reserve fund account were established. The Board participates in the reserves for a total of 12.5%. The DFC has signed a promissory note in favor of the Board that at the end of ten years the residual value of the mortgages it sold to DFC and the remainder of the reserve fund will revert to the Board.

14. COMMITMENT AND CONTINGENCIES, continued

Guarantee

On May 5, 2003, the Board gave a guarantee on borrowings by the Citrus Products of Belize Limited (CPBL) amounting to US\$4,500,000 with a further consideration that CPBL may at any time request the Board to provide a similar guarantee not exceeding BZ\$6,000,000 and the Board shall give favorable consideration to every such request. In the event the Board is called upon to make good on any default of payment by the CPBL, the CPBL shall issue debentures to the Board, those debentures to carry the option for the Board to convert it to ordinary shares. A 1.5% fee is payable on an annual basis on the guaranteed amount.

15. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include cash and cash equivalents, investments in associates and equity investments and loans and other receivables. Financial liabilities have been determined to include accounts payable and accruals.

(a) Fair value

Fair value represents the estimate of the arm's length consideration that would currently be agreed between knowledgeable, willing parties who are under no obligation to act and is best evidenced by quoted market price, if one exists.

The carrying value of each class of financial instruments approximates its fair value.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate. The Board manages this risk by monitoring interest-earning assets and procuring the most advantageous interest rates.

15. FINANCIAL INSTRUMENTS, continued

(c) Credit risk

The Board faces credit risk in respect of its cash and cash equivalents, loans and other receivables. However this risk is controlled by close monitoring of these assets by the Board. In addition, cash and cash equivalents are maintained with licensed financial institutions considered to be stable.

(d) Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The Board manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form. At December 31, 2005, current assets exceeded current liabilities by \$97,881,570 (2004 - \$88,564,494).

16. SUBSEQUENT EVENT

On March 9, 2005, the Board requested that GOB release and discharge the Board from all claims and liabilities which may be made against the Board in relation to mortgages assigned to the Board by SJNBS and which were subsequently securitized with RMB (Tranche C & D) and BMC (North American Securitization). Consequent upon the Board conveying freehold title to certain securitized properties by appropriate transfer document, GOB by letter dated February 6, 2006, released and discharged the Board from any claims and liabilities that may arise from these mortgages.

On December 15, 2005 the Board approved a 7.5 years loan of \$22,000,000 at 12.0% per annum to Belize Water Services Limited, of which \$10,000,000 has been disbursed subsequent to the balance sheet date and to date.



THE HISTORY OF THE CITY OF BOSTON

CHAPTER I

The city of Boston was first settled in 1630 by a group of Puritan settlers who came from England. They were led by John Winthrop, who gave the city the name "Boston" in honor of Boston, Lincolnshire, England. The city grew rapidly and became one of the most important centers of commerce and industry in the New England region. It was the site of the Boston Tea Party in 1773, a key event in the American Revolution. The city was also the site of the Boston Massacre in 1770, another key event in the American Revolution. The city was the site of the Boston Convention in 1780, which led to the adoption of the Massachusetts Constitution in 1780. The city was the site of the Boston Convention in 1780, which led to the adoption of the Massachusetts Constitution in 1780.

THE BOSTON TEA PARTY

The Boston Tea Party was a protest against British taxation without representation. On December 16, 1773, a group of Bostonians, known as the Sons of Liberty, boarded the British tea ships in Boston Harbor and dumped the tea into the water. This act of defiance led to the British closing Boston Harbor and the city being under military occupation. The Boston Tea Party is considered one of the most important events in the American Revolution.

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
INCOME		
Contributions:		
Employers and employed persons	\$ 9,436,478	\$ 8,752,762
	-----	-----
Total contributions	9,436,478	8,752,762
	-----	-----
Other income:		
Net investment income	747,031	1,772,140
Others	632,827	343,157
	-----	-----
Total other income	1,379,858	2,115,297
	-----	-----
Total income	10,816,336	10,868,059
	-----	-----
EXPENDITURES		
Benefits:		
Maternity	2,506,045	2,441,044
Sickness	4,412,500	4,335,613
Maternity grants	993,510	1,095,745
National health insurance	4,904,818	4,474,585
	-----	-----
Total benefits	12,816,873	12,346,987
	-----	-----
Operating Expenses:		
Administration	3,207,133	2,996,651
Administration - NHI	469,078	521,371
Establishment	266,368	253,730
Financial	5,033	1,927
	-----	-----
Total operating expenses	3,947,612	3,773,679
	-----	-----
Total expenditures	16,764,485	16,120,666
	-----	-----
Excess (expenditures over income)	\$(5,948,149)	\$(5,252,607)
	=====	=====

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
INCOME		
Contributions:		
Employers and employed persons	\$28,309,436	\$26,258,286
	-----	-----
Total contributions	28,309,436	26,258,286
	-----	-----
Other income:		
Net investment income	9,516,804	14,562,418
Others	632,827	343,157
	-----	-----
Total other income	10,149,631	14,905,575
	-----	-----
Total income	38,459,067	41,163,861
	-----	-----
EXPENDITURES		
Benefits:		
Retirement	7,873,354	7,428,736
Invalidity	1,459,284	1,312,902
Survivors	2,409,361	2,492,461
Funeral	669,848	694,978
Non-contributory pension	2,131,955	2,009,527
	-----	-----
Total benefits	14,543,802	13,938,604
	-----	-----
Operating Expenses:		
Administration	7,922,055	7,245,404
Establishment	266,367	253,730
Financial	5,034	1,927
	-----	-----
Total operating expenses	8,193,456	7,501,061
	-----	-----
Total expenditures	22,737,258	21,439,665
	-----	-----
Excess of income over expenditures	=====	\$19,724,196
	=====	=====

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
INCOME		
Contributions:		
Employers and employed persons	\$12,581,972	\$11,670,349
	-----	-----
Total contributions	12,581,972	11,670,349
	-----	-----
Other income:		
Net investment income	2,139,693	3,291,336
Others	632,827	343,156
	-----	-----
Total other income	2,772,520	3,634,492
	-----	-----
Total income	15,354,492	15,304,841
	-----	-----
EXPENDITURES		
Benefits:		
Disablement grants	362,274	566,460
APV disablement benefits	643,168	866,122
APV death benefits	544,731	171,927
Employment injury	1,909,623	2,389,478
Funeral grants	4,500	7,500
	-----	-----
Total benefits	3,464,296	4,001,487
	-----	-----
Operating Expenses:		
Administration	2,966,389	2,824,815
Establishment	266,367	253,729
Financial	5,033	1,928
	-----	-----
Total operating expenses	3,237,789	3,080,472
	-----	-----
Total expenditures	6,702,085	7,081,959
	-----	-----
Excess of income over expenditures	\$ 8,652,407	\$ 8,222,882
	=====	=====

DISABLEMENT AND DEATH BENEFITS RESERVE**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	2005	2004
INCOME		
Contributions:		
APV disablement benefits	\$ 643,168	\$ 866,122
APV death benefits	544,731	171,927
	-----	-----
Total contributions	1,187,899	1,038,049
	-----	-----
Net investment income	695,928	840,354
	-----	-----
Total income	1,883,827	1,878,403
	-----	-----
EXPENDITURES		
Benefits:		
Disablement pension	1,052,517	1,101,597
Death benefits	602,447	573,543
	-----	-----
Total expenditures	1,654,964	1,675,140
	-----	-----
Excess of income over expenditures	\$ 228,863	\$ 203,263
	=====	=====

INVESTMENTS CONSIST OF:

	2005	2004
TERM DEPOSITS		
Alliance Bank Limited		
8.0% maturing January 31, 2006	\$ 612,393	\$ 579,384
8.5% maturing February 24, 2006	4,213,917	3,883,794
8.5% maturing January 18, 2006	1,000,000	1,000,000
8.5% matured August 27, 2005	-	2,000,000
8.5% maturing January 18, 2006	2,000,000	2,000,000
8.5% maturing January 31, 2006	5,546,402	5,211,785
8.5% maturing January 24, 2006	5,430,252	5,209,589
8.5% maturing January 18, 2006	6,362,119	6,118,356
8.5% maturing January 25, 2006	2,438,698	-
Scotiabank (Belize) Limited		
8.5% maturing February 6, 2006, restricted	2,522,312	2,362,748
8.5% maturing January 2, 2006	2,083,836	2,000,000
8.5% matured June 28, 2005	-	1,000,000
8.5% maturing March 19, 2006	2,927,964	5,209,589
8.5% maturing March 28, 2006	1,041,918	-
8.5% maturing February 25, 2006	1,000,000	-
8.5% maturing March 28, 2006	2,000,000	-
First Caribbean International Bank		
8.5% matured February 8, 2005	-	5,212,974
8.5% maturing March 29, 2006	1,041,918	1,000,000
8.0% maturing January 3, 2006	616,484	-
8.5% maturing March 20, 2006	2,400,000	-
Belize Bank Limited		
8.5% matured February 7, 2005	-	5,212,974
8.5% maturing February 6, 2006	5,547,667	5,211,785
8.5% maturing January 2, 2006	4,346,033	4,083,836
8.5% maturing March 29, 2006	543,273	520,959
8.55 maturing February 15, 2006	680,991	-
Atlantic Bank Limited		
8.5% maturing February 12, 2006	5,550,452	5,214,247
8.5% maturing March 5, 2006	5,432,817	5,000,000
Belize National Building Society		
8.5% matured September 29, 2004	-	500,000
8.5% matured January 9, 2005	-	500,000

INVESTMENTS, CONTINUED

	2005	2004
TERM DEPOSITS, continued		
8.5% matured March 26, 2005	-	1,500,000
	<u>65,339,446</u>	<u>71,032,020</u>
INVESTMENTS IN ASSOCIATES		
Belize Electricity Limited 8,801,170 Ordinary Shares, BZ \$2 par value	<u>34,781,874</u>	<u>29,777,061</u>
	<u>34,781,874</u>	<u>29,777,061</u>
SHARES		
Belize Water Services Limited 4,000,000 Shares, BZ \$1.50 par value	6,000,000	6,000,000
Atlantic Bank Limited 1,014 Shares, BZ \$100 par value	<u>152,490</u>	<u>152,490</u>
	<u>6,152,490</u>	<u>6,152,490</u>
PRIVATE SECTOR LOANS		
Development Finance Corporation 12-year loan at 8.5% interest	7,917,511	7,917,511
Development Finance Corporation 20-year loan @ 8.5% interest	2,830,000	2,800,000
Belize Odyssey Limited 12-year loan @ 12% interest	1,744,318	1,744,318
St. James National Building Society Ltd 5-year loan @ 9.5% interest	619,447	711,156

INVESTMENTS, CONTINUED

	2005	2004
PRIVATE SECTOR LOANS, continued		
Development Finance Corporation		
10-year loan @ 9% interest	4,644,860	4,644,860
National Development Foundation of Belize,		
15-year loan @ 8.5% interest	386,207	386,207
12-year loans @ 8% interest	2,511,470	2,511,470
Sunshine Holdings Limited		
15-year loan @ 8.5% interest	10,000,000	-
Belize Elementary School		
9-year loan @ 10% interest	493,025	521,774
Urbina Brothers		
5 1/2-year loan @ 12% interest	6,477	6,477
BRC Printing Limited		
15-year loan @ 10% interest	-	10,766
Universal Travel Service Limited		
5-year loan @ 13% interest	19,568	19,568
Banana Growers Association		
3-year loan @ 10% interest	4,675,715	4,927,416
5-year loan @ 9% interest	3,655,748	3,895,451
Belize Airport Authority		
7-year loan @ 8% interest	-	104,063
Belize Airport Authority		
10-year loan @ 8.5% interest	1,701,016	2,108,831
DFC/CDB Counterpart		
12-year loan @ 9% interest	1,723,742	2,951,246
Citrus Growers Association		
crop loan @ 10% interest	4,614,782	4,289,441
Citrus Growers Association		
15-year loan @ 8.5% interest	1,700,000	1,700,000

INVESTMENTS, CONTINUED

	2005	2004
PRIVATE SECTOR LOANS, continued		
Citrus Growers Association		
3-years loan @ 10% interest	4,130,885	4,811,676
Citrus Growers Association		
2-year loan @ 11% interest	65,802	70,802
Development Finance Corporation		
3 to 15-year students loan @ 8% interest	12,605,745	12,605,745
Development Finance Corporation		
15-year Yarborough loan @ 8.5% interest	523,708	523,708
Border Management Agency		
10-year loan @ 8.5% interest	3,619,247	2,558,431
Toledo Fish Farming Company Limited		
3-year loan @ 10% interest	2,142,552	2,110,974
Development Finance Corporation		
agriculture and industrial		
11-year loan @ 8.5% interest	900,158	900,158
Belize Cane Farmers Association		
3-year loan @ 8.5% interest	1,654,524	1,001,088
Belize Cane Farmers Association		
5-year loan @ 8.5% interest	2,016,474	943,931
Development Finance Corporation		
15-year loan @ 8.5% interest	-	2,500,000
Development Finance Corporation		
20-year loan @ 8.5% interest	1,997,609	1,997,609
Fresh Catch Belize Limited		
1-year loan @ 12% interest	-	3,300,000
CGA Workers Union		
5-year loan @ 8.5% interest	141,817	193,632
	-----	-----
	79,042,407	74,768,309

INVESTMENTS, CONTINUED

	2005	2004
PRIVATE SECTOR LOANS, continued		
Less: Provision for loss on investments	(2,242,000)	-
	<u>76,800,407</u>	<u>74,768,309</u>
MORTGAGES AND HOUSING		
Development Finance Corporation		
15-year housing loan @ 8% interest	2,083,333	2,083,333
15-year housing loan @ 9% interest	-	1,500,000
20-year mortgage loan @ 8% interest	1,022,975	1,022,975
20-year loan @ 6% interest	465,298	465,298
Freshpond Pond Mortgages		
20-year loans @ 8% to 8.5% interest	1,292,853	1,426,800
Housing/RECONDEV Mortgages		
10 to 20-year mortgages @ 8% to 12%	25,304,035	26,078,141
Recondev		
10-year loan @ 8% interest	661,877	682,264
Civil Service Credit Union Limited		
20-year loan @ 9% interest	330,419	353,611
Civil Service Credit Union Limited		
10-year loan @ 8.5% interest	1,604,698	1,701,384
St. Martin's Credit Union		
10-years loan @ 8.5% interest	946,749	700,000
St. Martin's Credit Union Limited		
20-year loan @ 9% interest	350,922	371,928
12-year loan @ 8.5% interest	641,927	719,674
St. John's Credit Union Limited		
15-year loan @ 8.5% interest	2,238,787	2,395,286
St. Francis Xavier Credit Union Limited		
10-year loans @ 8.5% interest	1,010,609	1,222,334

INVESTMENTS, CONTINUED

	2005	2004
MORTGAGES AND HOUSING, continued		
Evangelical Credit Union Limited		
10-year loan @ 8.5% interest	24,364	39,253
Belize National Teachers Union		
20-year loans @ 10% interest	272,102	281,164
BNBS Assigned Mortgages		
20-year loans @ 10-12%	2,165,970	1,531,110
Housing Mortgages - BNBS:		
District and Secondary, 10 - 20		
year loans @ 12%	3,394,964	4,417,992
Vista Del Mar Project:		
Secondary mortgages, 20 years @ 12%	2,643,193	3,437,276
Police housing loans, 20 years @ 12%	188,519	199,591
Belize Defense Force loans, 20 years @ 12%	233,219	241,415
Teachers' general loans, 20 years @ 12%	115,675	151,631
St. James National Building Society Ltd		
assigned mortgages, 5-20 years loans		
@ 10 to 12% interest	3,974,755	4,525,141
P.S.U. Housing Scheme		
Middle income, 20-year loans @ 12% interest	2,891,909	3,241,889
Housing, 20-year loans @ 12% interest	704,971	907,791
Home improvement loans @ 12% interest	15,875	18,716
Staff housing and other mortgage		
loans, 10-20 years @ 8% interest	2,799,923	2,471,485
Previous staff housing loans		
10-20 years @ 8% interest	1,180,625	898,677
Cohune Walk Project	24,740	24,740
	-----	-----
	58,585,286	63,110,899
	-----	-----

INVESTMENTS, CONTINUED

	2005	2004
REAL ESTATE		
Vista Del Mar Housing Project		
Remaining lots acquired from Vista Del Mar Development Company Ltd	937,783	1,019,234
San Pedro, Ambergris Caye		
Lots acquired from Sunset Cove Ltd	81,540	118,604
Dinger Enterprise Limited		
Cottage Colony property	320,000	350,000
Homeland Development Limited		
1,200 plots of land	1,200,000	1,200,000
San Pedro, Ambergris Caye		
3,491 acres land	10,619,734	10,613,734
	-----	-----
	13,159,057	13,301,572
	-----	-----
Total Investments	<u><u>\$254,818,560</u></u>	<u><u>\$258,142,351</u></u>



Business Information Systems

Business Information Systems (BIS) are systems that provide information to support business operations. They are used to collect, process, and disseminate information in a way that is useful to the organization.

BIS are used in a variety of ways, including:

- To support decision-making
- To improve efficiency
- To increase productivity
- To reduce costs

BIS are also used to support business processes, such as:

- Sales and marketing
- Production and operations
- Finance and accounting
- Human resources

BIS are used to support business strategy, such as:

- Market research
- Competitive analysis
- Risk management
- Strategic planning

BIS are used to support business development, such as:

- New product development
- Market expansion
- Business process improvement
- Business model innovation

BIS are used to support business operations, such as:

- Inventory management
- Customer relationship management
- Supply chain management
- Project management

BIS are used to support business performance, such as:

- Financial reporting
- Performance measurement
- Business intelligence
- Data analysis

BIS are used to support business communication, such as:

- Email
- Instant messaging
- Video conferencing
- Social media

BIS are used to support business security, such as:

- Data backup
- Disaster recovery
- Security audits
- Risk assessment

BIS are used to support business compliance, such as:

- Regulatory reporting
- Data privacy
- Business ethics
- Environmental impact

Business Information Systems are used to support business operations, performance, communication, security, and compliance. They are used to collect, process, and disseminate information in a way that is useful to the organization.



SYSTEMIC
RISK MANAGEMENT
REGULATIONS

2011-2012



GENERAL SECURITY MATTERS

THE TRAVEL DOCUMENTS

The various forms and documents needed for travel should be prepared in advance of any trip. It is important to have these documents ready to go, especially when you are in a hurry to leave.

THE TRAVEL DOCUMENTS

The various forms and documents needed for travel should be prepared in advance of any trip. It is important to have these documents ready to go, especially when you are in a hurry to leave.

THE TRAVEL DOCUMENTS

The various forms and documents needed for travel should be prepared in advance of any trip. It is important to have these documents ready to go, especially when you are in a hurry to leave.

The various forms and documents needed for travel should be prepared in advance of any trip. It is important to have these documents ready to go, especially when you are in a hurry to leave.

- 1. Passport
- 2. Visa
- 3. Travel Insurance
- 4. Health Insurance
- 5. Travel Itinerary
- 6. Hotel Reservations
- 7. Car Rental Reservations
- 8. Airline Tickets
- 9. Travel Documents
- 10. Travel Documents
- 11. Travel Documents
- 12. Travel Documents
- 13. Travel Documents
- 14. Travel Documents
- 15. Travel Documents
- 16. Travel Documents
- 17. Travel Documents
- 18. Travel Documents
- 19. Travel Documents
- 20. Travel Documents

TABLE OF CONTENTS

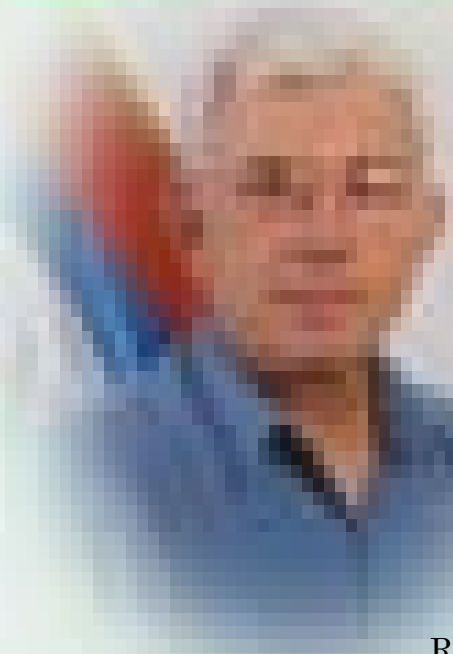
Minister's Message	i
Chairman's Message	ii
Investment Overview	iii
Corporate Data	
Board of Directors	1
Investment Committee	2
NHI Committee.....	3
NCP Committee.....	3
Appeal Tribunal	3
Consultants	3
Working Committees	4
Report on Operations	
Chief Executive Officer's Overview	5
Administrative Development.....	6
Training and Development	6
Accommodations	8
Customer Service	8
Public Relations.....	9
Employment Injury	10
National Health Insurance	11
Information Technology	12
Research and Statistics	13
Registration	13
Contributions	17
Benefits	18
Legal Department.....	21
Investments.....	22

FINANCIAL REPORT 2005





MINISTER'S MESSAGE



2005 was a year of continued improvements at the Social Security Board. Under its customer focused theme “Social Security - Making You Our Number One Priority”, the organization continued working toward the vision of providing the highest standards of quality service to the people of Belize. The organization formed customer service committees at each branch office that focused on making many improvements in direct customer service.

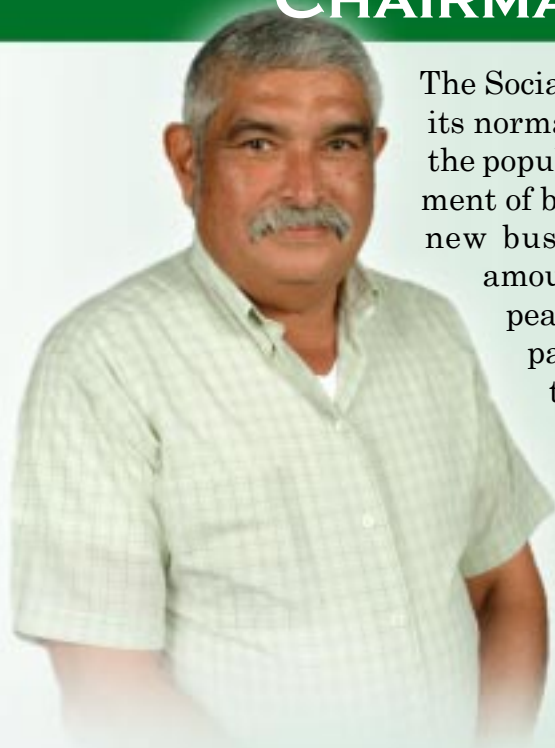
Structurally, progress was also made. With the creation of a Legal Department, the Board now has the ability to better regulate legal contracts and to understand the legislative frameworks which govern the operations of the Board. The Research, Contributions and Development Department was restructured into a Research and Statistics Department, a more technically capable unit, the main focus of which is interpreting the data collected by Social Security’s operations. Additionally the Investment and Mortgage Unit was upgraded to the Investment Department, and strengthened. These three key Departments offer the promise of highly improved efficiency in the management of the scheme.

As the Social Security Board moves towards more efficient provision of services to its customers in its various areas of operations, the role that it plays as the country’s leading socio-economic organization is evident. In November, the Social Security Board embarked on a registration outreach campaign in the southern districts of the country, in partnership with the Vital Statistics Unit, with the express objective of increasing registration of the residents to enable them to access benefits under the National Health Insurance.

The Social Security Board, in commencing preparations for its Silver Anniversary, on June 1, 2006, continues to fulfill its mission “to make available timely, cost-effective and top quality services to its stakeholders, ensuring that they enjoy the highest standards of a sustainable social insurance.”

Rt. Hon. Said Musa
Prime Minister,
Minister of Finance and the Public Service

CHAIRMAN'S MESSAGE



The Social Security Board diligently and efficiently continued its normal operational activities in 2005, with registration of the population for their cards, collection of contributions, payment of benefits, and investment of its funds. Registration of new businesses was 1672, while active insured persons amounted to 71,055. Collection of contributions reached a peak of BZ \$50,327,886.00, while BZ\$31,292,036.00 were paid in benefits to the workers of Belize. Normal operations were enhanced by the implementation of new Information Technology Systems enhancing the areas of Registration and Contributions.

In addition to its normal operations, several higher level activities took place aimed at enhancing the efficiency of Social Security's processes. New Investment Guidelines were formulated, using as a benchmark, standards set by the International Social Security Association (ISSA); the Investment Guidelines were commented on by the Actuary, Mr. Hernando Perez Montás, and were presented to the

Board of Directors by the Chief Executive Officer (CEO). Also in late 2005, a second Appeals Tribunal was created to manage appeals.

The developing international profile of Belize's Social Security Board has not been coincidental; the trend began with the nomination of the organization's CEO for the Presidency of ISSA in 2004. Then in 2005, from April 18 to 22, the Board in collaboration with the Inter American Conference on Social Security (CISS) hosted a 5-day Caribbean Conference / Workshop on Occupational Medicine in Belize. On May 12, 2005, a cooperative Agreement between Belize and the Kingdom of the Netherlands on the Export and Enforcement of Social Security Benefits was signed. In September 2005, Belize hosted the XXI Meeting of RESSCAD (Reunion del Sector Salud de Centro America y La Republica Dominicana), with the CEO of the Social Security Board, as the Vice President.

The events at international level further demonstrate the great commitment already made at national level in terms of increasing nationals' access to their benefits, access to better health care, and improved quality of life through occupational health and safety; areas of focus that the Board has been targeting and continues to target.

Yasin Shoman
Chairman
Board of Directors

INVESTMENT OVERVIEW

Despite the moratorium imposed on Investments, the audited financials of the Social Security Board show that the gross investment income for the year 2005, remains comparable to the investment income in 2004. Readers of the financials will note that in 2005, there was a considerable increase in cash at banks. This was as a result of the Board cooperating with Central Government's monetary policies. The surplus funds for the year 2005 were sterilized by depositing them at the Central Bank of Belize. These funds earn an interest rate of 6% and will remain deposited in the Central Bank up to the end of the year 2006.

The exercise of harmonizing and developing the Investment Guidelines continued in 2005. These guidelines, when concluded, will ensure that all investments made by the Board follow procedures recommended by the International Social Security Association, and should be ready for implementation in 2006.

Our investment portfolio remains dynamic and vibrant. Investments with the Development Finance Corporation have commenced to perform and I can report that substantial payments were made towards these accounts. Efforts to eliminate the risk to the fund that exists in connection with the securitization process (St. James National Building Society mortgages) have begun. At the request of the Board, the Government of Belize has agreed to release and discharge the Board from all claims and liabilities which may be made against the Board in relation to the mentioned mortgages. Even though the actual release document is pending, the Investment Committee is confident that it will be received in early 2006. The fund at the end of 2005 stood at \$313,546,747; representing an increase of approximately 6% over 2004. The Investment Committee will ensure that the dynamism and vibrancy continues for the benefit of all Belizeans.

Investments made by the Board in the past have impacted our major industries; the Investment Committee commits itself to continue supporting these industries for the benefit of all Belizeans and the Belizean economy. It is expected that in 2006, the report of the Senate Special Select Committee will be released and their recommendations known. The Investment Committee stands ready to work with the recommendations in an effort to eliminate the perception of non-existent transparency and accountability.

The owners of the fund, the Belizean public, can be assured that the Committee will continue to serve and act in the best interest of the fund.

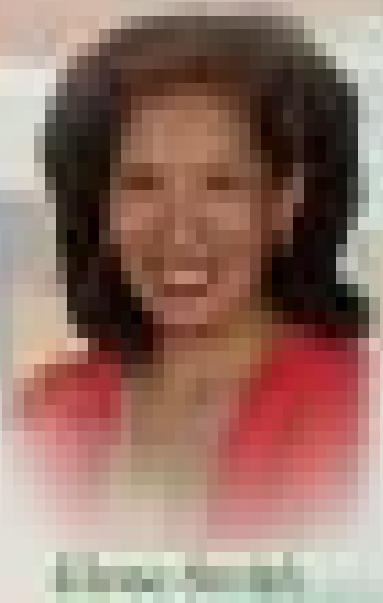
Lourdes Smith
Chairman
Investment Committee



BOARD OF DIRECTORS



INVESTMENT COMMITTEE



CORPORATE DATA

National Health Insurance Committee

Dr. Gregorio Garcia, *Executive Chairman*

Cecil Arnold	Narda Garcia	Dr. Cardo Martinez
Dr. Andre Sosa	Rosalie Gentle	Norman Moore
Dr. Ramon Figueroa	Dr. George Gough	Luis Teck
Canon Leroy Flowers	Sandra Hall	Dr. Errol Vanzie
Maria Elena Contreras, <i>Secretary</i>		

Non-Contributory Pension Committee

Canon Leroy Flowers, *Chairman*

Maria Elena Contreras, *Secretary*

Evan Dakers

Hazel Hutchinson

Appeal Tribunal

Edwin Flowers SC, *Chairperson*

Magali Marin Young, *Chairperson*

Employers' Representatives

Mark Lizarraga	Amparo Noble	Tony Soberanis
Joseph Loskot	Gustavo Perrera	David Usher
Larry Maclaren	Adrian Roe	Michael Williams
Emile Mena	Myrna Shoman	

Insured Persons' Representatives

Denfield Andrewin	Lisa Hoare	Anthony Sabal
Simeon Arana	William Lamb	Dorla Stuart
Leslie Bennett	Eleanor O'Brien	Wilford Williams
Liston Hall		

Consultants

Legal Consultant:	Shoman & Chebat
External Auditor:	Marion J. Usher, CPA
Actuarial Consultants:	Hernando Perez Montás, Consultares Actuariales, SA.

CORPORATE DATA

Working Committees

Forms Committee

Members:

Yolanda Sabido
Marta Hendrikx
Deborah Ruiz
Ismelda Waite
Valerie Savery

Vetting Panel:

Dalila Castillo
Maria Elena Contreras
Norberto Depaz
Dr. Ramon Figueroa
Arlene Neal

Human Resources Committee

Olivia Dakers

Marta Hendrikx

Deborah Ruiz

Customer Service Committees

Corozal Branch

Mirta Campos
Florically Riverol
Tanya Coleman
Dana Cayetano
Marie Chavarria
Rita Mejia

Orange Walk Branch

Laura Leiva
Ida Rejon
Luis Tun
Lester Mendez
Milton Hoare
Maria Castillo

Belize City Branch

Rosana Duran
Carol Moss
Germin Avila
Mariano Lino

San Pedro Branch

Jacqueline Medrano
Lisa Foreman
Celia Ramclam
Janelle Rivero
Jose Garcia
Jorge Puc

Belmopan Branch

Lourdes Wade
Arlet Patnet
Daniel Chan
Agueda Castaneda
Herbert Nicascio

Santa Elena Branch

Indira Ireland
Yvonne Price
Elston Hyde
Ina Guzman
Fatima Frutos
Evelyn Mai

Dangriga Branch

Marjelli Manzanilla
Janet Ford
Estella Pech
Charity Gordon
Jose Arrango
Judith Puc

Independence Branch

Nathan Young
Narda Martinez
Marie August
Alvaro Requena
Anna Tuyud

Punta Gorda Branch

Elaine Sho
Vanessa Madrid
Hansel Warrior

CEO'S OVERVIEW



In 2005, with the theme “Social Security, Making You Our Number One Priority”, the institution once again embarked on setting new trends and benchmarks in the world of Social Security and in the corporate world of Belize.

Highlights of operational improvements that were made in 2005 are profiled within this report. With the installation of the Contributions Management System (CMS) in 2004, came the potential for electronic transfer of contributions data from employers to the Social Security Board. An alliance was formed with the Atlantic Bank, and discussions began with other financial institutions to enable online contributions pay-

ments as well. In the area of employment injury, Social Security launched a long-term Occupational Safety and Health (OSH) Program, with the appointment of OSH Officers at selected Branch Offices. As a further development of our customer focus, Customer Service Representatives were appointed at key Branch Offices, Customer Service Committees were formed, and the building of Information Kiosks was begun.

The goodwill orientation of this corporate citizen was further concretized with the introduction of a Sixth Form Scholarship Program, through which 17 scholarships were awarded in 2005. Preparation began for Social Security’s Silver Anniversary, and the two international level gatherings to be hosted in Belize in 2006 – the International Social Security Association Regional Conference for the Americas and the Seventeenth CARICOM Heads of Social Security Meeting.

Internal development and modernization also took place, as negotiations continued with the staff union to replace the increment system with a performance bonus system; the first ever organization-wide basic skills testing was conducted; and steps were taken to implement a total quality management (TQM) and continuous quality improvement (CQI) work philosophy.

Through these and numerous other improvements in the operations and administration of the organization, the overarching goal of providing optimal customer service to our insured persons will be reached. This report gives you information in narrative, statistical, and financial formats, providing insight into the many ways that we continue striving to give Belize’s workers top quality service.

Narda Garcia
Chief Executive Officer

REPORT ON OPERATIONS

Administration Division

Administrative Development

Social Security's continued growth in 2005 was a natural development of the Board's five-year strategic plan. The Administration Division, comprised of the Human Resources, Public Relations, and Customer Service Departments, has the responsibility of enabling top quality service throughout the organization. This section of the annual report highlights the main contributions of the Administration Division in the year.



The Division centralizes monitoring and reporting of achievement of the Key Performance Indicators (KPIs) and targets set for the organization to work towards every year. The 2005 performance monitoring and evaluation showed an 86% target achievement, that is, of 28 targets, 24 were achieved / met. Key Performance Indicators are tied to the eight Strategic Objectives delineated in the organization's strategic plan. In 2004, a performance bonus system, linked to the achievement of organizational targets, was partially implemented, and in 2005, negotiations continued with the staff union to replace the 'increment' compensation system for general staff with the performance bonus system.

In 2005, Total Quality Management (TQM) training was provided to management and supervisors, as the official start of the implementation of TQM in the organization, and by the end of the year, vertically aligned TQM Committees were formed at all the branch offices. The continuous quality improvement (CQI) documenting process begun in 2004, continued in 2005. Reports of 21 CQIs carried out at Branch Offices in 2005, as well as 37 proposals for implementation in 2006 were received. Breakthrough achievements have also been made through the implementation of new information systems for core operations in the past couple of years.

Revision or new development of most departmental Operational Manuals took place in 2005, under the guidance of the Division. All the manuals were provided on compact disc to all members of management for standardization of processes. The Division also monitored the submission of annual operational plans and budgets for the upcoming year.

Training and Development

As a customer oriented organization, training activities in 2005 captured the focus of the organization on Total Quality Management.

REPORT ON OPERATIONS

Ninety percent (90%) of staff were **Skills Tested** in four important areas of skill and knowledge - Microsoft Word, Microsoft Excel, English, and written and oral Spanish. This is the first ever exercise of organization wide skills testing, and the findings will assist in several respects, including: determining those staff members who can contribute to training fellow staff or to accomplishing work most effectively in their respective Branch or Department, due to their high degree of skill; determining those employees who need to be trained in the various skills areas; and determining suitable means of equipping staff with an adequate level of skill in the four areas that were tested. The provision of an online training facility is being considered to assist staff to self train in weak skills.

Senior and Middle Managers received training in **Total Quality Management**, which provided participants with conceptual principles, techniques, tools and skills for on-the-job application. This training helped fine-tune the substance of continuous quality improvement reports and proposals prepared by members of management. As TQM is a management approach which takes time to be fully embraced and implemented, training will continue and expand to all levels of personnel.

Data for Decision Making Methodology Training provided the skills and knowledge for properly utilizing data available, especially by modern automated systems, to formulate the basis of informed and calculated decision making for immediate, medium and long-term forecasting and projections. This training targeted Managers and Administrators.

The skills and knowledge to strategically manage through monitoring and evaluation techniques, based on performance goals and objectives set on a short, medium and long term perspective, were imparted to Managers and Administrators through training in **Monitoring and Evaluation**.

Training in **Occupational Safety & Health (OSH)** continued and was provided to OSH Inspectors and the Employment Injury Coordinators, who are collectively responsible to ensure employers develop and maintain an effective safety and health program in the workplace.

Branch Managers and Inspectors received a dynamic training in **Legal Proceedings**, enabling them to be more effective by improving skills and becoming more knowledgeable with the legal processes which are crucial to improving employers' compliance with Social Security.



To achieve key performance indicators, increase efficiency through the elimination of processing errors, and review of the Long-term Benefits Process, training in **Long-term Benefits Process** was held for staff involved in the processing and decision making of Long-term Benefit claims.

REPORT ON OPERATIONS

Customer Service training was also afforded to Social Security's newly appointed Customer Service Representatives in February. This training entailed topics such as "Handling customer complaints", "Keys to good customer service" and "What makes a good Customer Service Representative?" Also included in this training program was an overview of their Public Relations functions and roles, which included hands on training in mail merging, designing of flyers, banners and posters, database creation and inventory control. These are all skills which should enable these officers to effectively take up their new customer service representation role.

Accommodations

In the continuous effort to provide the best quality services to our stakeholders, the Social Security Board invests in making infrastructural improvements as part of its regular output.

The construction of the new Orange Walk Branch Office building was commenced in 2005. This new building will have enough office space to accommodate the growing staff needs of that branch office, and will provide the residents of Orange Walk Town and surrounding areas a modern and comfortable environment in which to conduct their Social Security business.

In keeping with the objective of protecting the Board's assets, and with the end result of eliminating the shortage of storage space, and enhancing the accuracy of an inventory system, a storeroom was constructed at the headquarters in Belmopan. Also, hurricane shutters were acquired and installed at the Belmopan Headquarters, Dangriga and Independence Branch Office buildings.

In addition to enhancing the accommodations and work environment for our customers, we are continuously seeking ways in which to achieve ever higher standards of excellence in customer service generally.

Customer Service

The two-person Customer Service Department, still lean, efficient, and highly impacting after two years of existence created positive improvements within the organization in 2005. Customer Service Representatives (CS Reps) were put in place at all the branch offices with the exception of the Punta Gorda branch office, training was provided to the CS Reps, the first Customer Service Kiosk was designed and installed at the Belize City Branch Office in July 2005, and the first CS Rep forum was conducted on August 3rd. The Customer Relations Management System was also upgraded to allow use by the CS Reps in logging customer complaints.

The department has been instrumental in organizing and implementing internal and external events and programs, including the annual staff Christmas Party.

REPORT ON OPERATIONS

In 2005, the department prepared a Sixth Form Scholarship Program proposal, which was presented to and approved by the Board; it also managed both the High School and Sixth Form Scholarship Program work. It assisted in the organization of the Occupational Safety and Health Caribbean Conference that took place from 18th to 22nd April, 2005, as well as the Pre-RESSCAD Meeting that took place from 21st to 22nd July 2005.

The Department Manager, as Chairperson of the Forms Committee, enabled the revision and improvement of Sickness, Maternity and Funeral Benefit Claim Forms. Additionally the annual external and internal customer satisfaction surveys were conducted in the last quarter of 2005.

Public Relations

In 2005, the Public Relations Department was subject to a number of staff changes, which infused the department with new creative blood. Our five-member department has forged new ground in community activity taking up a more visible role in the public eye. The Department was tasked with more active on-the-ground event planning and positive image marketing. Social Security has become a household name, which is the overarching goal of the Department.

A Media Usage Survey, to identify the type of media that our customers prefer was conducted in 2005. Knowledge of the indicated preferences of our customers enabled a more targeted approach to advertising in a way that would touch most of the client segments more effectively. This new, targeted approach is indicative of a fluid and functional full service Public Relations Department.

Highlights of the department's public education efforts in 2005 include:

- Advertising of the four-day claiming period
- Campaign to promote card renewal
- A new campaign on payment of contributions
- Advertising of the Golden Citizens' Program, and customer focused training was offered to businesses that are part of this goodwill program
- Implemented a "Cost Tracker" system to track real-time expenditure of the Department
- Advertising of the Scholarship Programs

The Social Security Board's active participation in community events continued in 2005 with participation in:

- The National Agriculture and Trade Show
- First appearance in Alliance Against AIDS' Graduation Ceremony

REPORT ON OPERATIONS

- Celebration of our 24th Anniversary with open days country-wide, organized and implemented by staff members
- The second annual Ride Across Belize, organized and implemented by staff members, benefited the Youth Hostel and Stella Maris School; the 12,500 Belize Dollars contributed by staff, businesses and individuals, was matched by the Board
- First appearance of the Social Security Board in the Belize Producers Convention Exposition (BELPRO CONEX)



The Public Relations Department, like other units of the Social Security Board is working towards creating an environment of Continuous Quality Improvement for internal and external customers alike, by supporting the public relations work of all arms of the organization.

National Health Insurance / Employment Injury Division

Employment Injury Benefits Branch

The National Health Insurance and Employment Injury (NHI/EI) Division had significant developments in 2005 that enabled its two Departments to move ahead with their efforts to affect the health of workers and the population at large.

There was a significant reduction in the number of Employment Injury claims made and allowed from 2004. The number of claims allowed was reduced by 15%. The primary cause of this reduction is due to strict implementation of policy/legal guidelines regarding the “late claims”. However, there seems to also have been a reduction in “fraudulent” claims being made. This would also explain the reduction in the overall number of EI claims from 2004 to 2005, by 11%. The introduction of the Occupational Safety and Health (OSH) program, which is in its infancy stages, may have had a minor effect. The only two Branch Offices showing small increases in overall claims received were Santa Elena and Belmopan; and in claims allowed, Belmopan and Punta Gorda.

REPORT ON OPERATIONS

Table 1
Employment Injury Claims Allowed By Branch

BRANCH	2004	2005
TOTAL	2365	2020
COROZAL	367	304
ORANGE WALK	407	321
BELIZE	460	383
SAN PEDRO	142	127
BELMOPAN	130	143
SANTA ELENA	280	273
DANGRIGA	214	183
INDEPENDENCE	318	234
PUNTA GORDA	47	52

Source: SSB

National Health Insurance

Belize's Cabinet made a decision in 2005 that the National Health Insurance (NHI) should first roll out to the southern districts instead of the originally planned northern districts. The poverty assessment report was the justification for this change in plans. In the meantime, extensions to the contracts for the southside providers were signed to cover the period until March 31, 2006. In addition, there was a policy decision to eliminate co-payment for the elderly population 65 years and older, for pharmaceutical products. Membership growth for Primary Care Providers (PCP's) has been constant.

Preparatory activities geared towards the implementation of NHI in the southern districts included:

1. Establishment of a Public Relations (PR) Committee comprised of the Social Security Board (SSB), the Ministry of Health (MOH), and the Government Press Office, to develop the PR Plan for the south.
2. Presentations made to medical personnel, public and private, in both Stann Creek and Toledo Districts.
3. Visits to potential clinic sites to conduct precursory evaluation of physical facilities and to establish estimates of initial investment required.



REPORT ON OPERATIONS

4. Support for the intense registration activity, starting in November.
5. Signing of Memorandum of Understanding between the Government of Belize and SSB, regarding the financial contribution for NHI for the next three years.
6. Signing of contract with Infogest for modifications to the information system, in order to accommodate the new “Service Model” in the south. This includes modifications in order to interface with the MOH’s Belize Health Information System (BHIS).

Information Technology Department

We live in a time of information technology revolution. SSB is presently strongly participating in this significant development. New technological tools are being put in place to allow us to deal with bits of disjointed information and to make them a complete body of information. Our systems will allow us to achieve a superior quality of customer service and to give our customers the assurance that we are working at today’s pace for them.

In 2005 we fully implemented the CMS (Contributions Management System) countrywide. Prior to the implementation, the data from the OSAS system had been transferred to the new platform and the users had been trained to use the application. Since its implementation, we have continued to modify the system to respond to the users. The system is in use at all branches and the major modules are now very stable. A large number of reports were generated as the new program inspired personnel to input to its continued development.

As a major support, our SAN (Storage Area Network) was expanded to host the data that was being molded and quickly growing. Since the data was becoming so demanding, along with the installation of our new department (R & S department); SPSS was acquired, installed and configured as one of their major tools in researching data. Also, as part of that new system, a data-warehouse was configured. This allows bulk data to be processed during normal working hours and without affecting the country’s production by slowing it down.

We also initiated a parallel phase in moving over from our payroll and HR systems. Now with AccPac – an accounting package - we have both modules linked and since they share data, many double-entry processes have been eliminated. IT also took on a small project of creating ID cards for the Belize Tourism Board.

The Board of Directors has addressed the demands of our customers and users by supporting and approving these enhancements and developments. Modules and enhancements to our systems are now being developed to meet the challenges of tomorrow’s expectations.

REPORT ON OPERATIONS

Benefits and Registration Division

Research and Statistics Department

Over its 24 years of operation, the SSB accumulated an enormous quantity of data used to make projections and support administrative and policy decisions affecting not only the daily management of the organization, but its future direction as well. As the scheme expanded and matured, it became evident that, to utilize its data wisely and effectively, it needed to be gathered and analysed on a more consistent, structured, and precise basis.

In early 2005, the Board of Directors approved the creation of the Research and Statistics (R & S) Department to be headed and staffed by qualified and experienced statistics personnel. A Department Manager was hired in April 2005 and the Department was structured; operational plans, manuals and job descriptions were created, and interviews for statisticians were conducted. Personnel was selected and offered employment as of January 2006.

The purpose of the R & S Department would be to serve as the sole source of SSB research and statistical information for use internally and externally. Some of the major functions of the department would be to provide input in the creation of realistic targets, production of an annual statistical publication and production of statistical reports for use by management and the actuary.

Benefits and Registration Department

Registration

Since its introduction in January 2000, the new Social Security Card has increasingly been used by businesses and the general public as the preferred identification document. The card will also be used to access health services under the National Health Insurance (NHI) program, scheduled to begin its implementation with the rollout to the two southern districts.

Registration Coverage

With a life of five years, a large number of cards reached expiration date in 2005. Throughout the year, 16,006 persons were issued a card for the first time and 17,498 expired cards were renewed. At the end of the year, 216,027 persons or 74.0% of the population held valid cards. Persons with valid cards in 2005 include individuals of all ages in possession of non-expired cards at the end of 2005. There are many registered individuals with expired cards not included in the count, an indication that the Board's

REPORT ON OPERATIONS

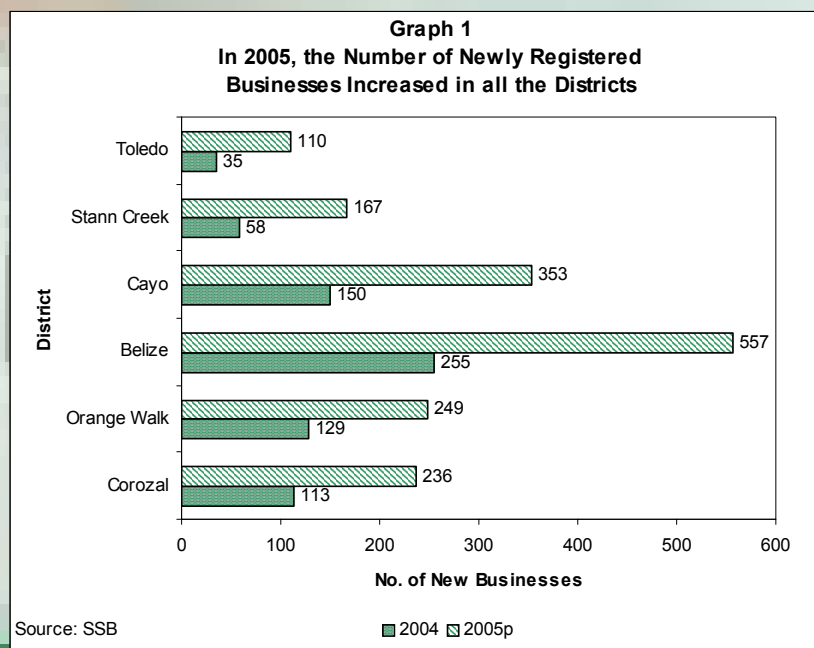
accomplishment extends beyond the present coverage.

The registration focus for the Social Security Board (SSB) in 2005 was ensuring that mechanisms were put in place for the population of Belize to be in possession of valid Social Security Cards in the shortest possible time, with priority given to the Toledo and Stann Creek Districts. Out of this priority, the Registration Outreach Project (ROP) was conceived. Funded by SSB, the ROP was a joint registration project between SSB and the Vital Statistics Unit (VSU) which carried, on weekends, the registration processes of both SSB and VSU in the remote villages of the south of the country. The project began in Toledo in November 2005, with an overwhelmingly positive response from the residents of rural Toledo.

Registration of Businesses

All the districts experienced an increase in the number of newly registered businesses between 2004 and 2005 (see Graph 1). The district with the largest increase was Belize, with 302 more new businesses registered in 2005.

Most of the newly registered businesses were “private households with employed persons”, 16.9% (see Table 2). The increase in private homes’ employment is a positive economic and social indicator, as it reflects both the businesses’ ability to pay for such workers and is also parallel to the increase of women in the employed population. “Construction” recorded the second highest figure with 14.1% of the total newly registered. Other industries which showed significant numbers in registration were “Agriculture, Hunting and Forestry”, “Hotels and Restaurant” and “Wholesale and Retail, Repair” with 13.3%, 12.1%, and 11.7% of the total newly registered businesses, respectively.



REPORT ON OPERATIONS

Table 2
Belize: New Businesses Registered with Social Security
by Industry for 2005

INDUSTRY	New Businesses	
	Absolute	%
Total	1,672	100.0
Private Households with Employed Persons	282	16.9
Construction	240	14.4
Agriculture, Hunting and Forestry	226	13.5
Hotels and Restaurants	202	12.1
Wholesale and Retail, Repair	196	11.7
Real Estate, Renting and Business Activities	78	4.7
Manufacturing	69	4.1
Other Community, Social and Personal Activities	65	3.9
Transport, Storage and Communications	64	3.8
Financial Intermediation	15	0.9
Public Administration	14	0.8
Education	12	0.7
Health and Social Work	9	0.5
Electricity, Gas and Water Supply	6	0.4
Fishing	5	0.3
Mining and Quarrying	4	0.2
Do Not Know or Not Stated	185	11.1

Source: SSB

p - provisional

Active Insured Persons

In 2005, the total number of persons actively contributing to the SSB was 71,055 (see Table 3), a 3.4% decrease from the previous year. Among the active insured persons, 65.1% were males. The 2005 Labour Force Survey (Central Statistical Office, 2005), likewise showed that males were the larger group in the employed labour force.

The age group with the highest number of the insured population in 2005 was the 25 to 34 years bracket; representing 32.7% of the total (see Table 3). The 2005 insured population had a mean age of 32.2 years.

REPORT ON OPERATIONS

Table 3
Belize: Active Insured Persons by Age, Sex and Year

Age Group	Years					
	2004			2005p		
	Female	Male	Total	Female	Male	Total
14-24	6,449	11,273	17,722	7,092	12,636	19,728
25-34	9,068	15,561	24,629	8,517	14,748	23,265
35-44	6,214	10,562	16,776	5,624	9,823	15,447
45-54	3,102	6,244	9,346	2,681	5,691	8,372
55-64	901	2,647	3,548	738	2,339	3,077
65+	224	1,303	1,527	165	1,001	1,166
Total	25,958	47,590	73,548	24,817	46,238	71,055

Source: SSB

p - provisional

The “Agriculture, Hunting and Forestry” industry was the leading sector for actively insured employees in 2004 and 2005 (see Table 4). This sector recorded 13,921 active insured employees in 2005 and represents 16.9% of the total insured. This industry includes sugar cane, citrus, banana, livestock, logging and other related activities. The second largest sector, with 11.5% of active insured persons, was the “Wholesale and Retail, Repair” industry; this indicates that trade related employment is a noteworthy stake in the Belizean economy.

“Construction”, “Hotel and Restaurants”, and “Extra-Territorial Organisations and Bodies” were the only industries with increased numbers of active insured persons in 2005. The largest increase in 2005 was 13.0% in the “Construction” industry. This is symbolic of expansion and economic growth within that sector. The growth of 11.8% in the “Hotel and Restaurant” industry can be explained by increasing developments in the tourism sector.

REPORT ON OPERATIONS

Table 4
Belize: Active Insured Persons by Industry and Year

INDUSTRY	Active Insured Persons			
	2004		2005p	
	Absolute	%	Absolute	%
Total	88,126	100.0	82,372	100.0
Agriculture, Hunting and Forestry	14,666	16.6	13,921	16.9
Wholesale and Retail, Repair	10,048	11.4	9,456	11.5
Hotel and Restaurants	7,208	8.2	8,056	9.8
Public Administration	8,949	10.2	7,521	9.1
Construction	6,644	7.5	7,505	9.1
Manufacturing	7,172	8.1	6,894	8.4
Real Estate, Renting and Business Activities	5,160	5.9	4,846	5.9
Transportation, Storage and Communication	5,334	6.1	4,739	5.8
Other Community, Social and Personal Activities	5,816	6.6	4,599	5.6
Fishing	3,460	3.9	3,259	4.0
Education	4,665	5.3	3,206	3.9
Health and Social Work	2,777	3.2	2,645	3.2
Financial Intermediation	2,139	2.4	2,123	2.6
Private Households with Employed Persons	1,817	2.1	1,549	1.9
Electricity, Gas, and Water Supply	1,004	1.1	733	0.9
Mining and Quarrying	300	0.3	286	0.3
Extra-Territorial Organizations and Bodies	190	0.2	206	0.3
Do Not Know or Not Stated	777	0.9	828	1.0

Source: SSB
p - provisional

Please note that there was a total of 73,548 active insured persons in 2004 and 71,055 in 2005. Several of them worked in more than one industry within the year, resulting in the total frequency in industries of 88,126 and 82,372 for 2004 and 2005, respectively.

Contributions

Contributions in 2005 amounted to \$50.3 million (see Table 5), a \$3.6 million increase from the previous year. Over 75% of this increase occurred in the Cayo District, where the contributions collected grew from \$11.9 million in 2004 to \$14.7 million in 2005. This increase could be attributed to the introduction of the online contributions payments credited to the Belmopan Branch Office.

REPORT ON OPERATIONS

Table 5
Belize: Contributions Collected by District and Year
(BZ\$)

District	Year	
	2004	2005
Total	46,681,397	50,327,886
Corozal	2,950,572	3,188,550
Orange Walk	2,473,982	2,378,530
Belize	24,489,913	24,873,471
Cayo	11,887,978	14,651,128
Stann Creek	4,167,780	4,416,477
Toledo	711,172	819,730

Source: SSB

The Orange Walk District had a decrease in the contributions collected in 2005. Cane farmers in the Orange Walk District are increasingly changing their harvesting methods from labour intensive manual gathering to reaping groups with mechanical harvesters; changes in the sugar industry can impact the contributions collected.

Benefits

In 2005, the total cost of benefit expenditures was \$31.3 million, a modest increase of \$0.4 million from the previous year (see Table 6). A total of \$1.1 million increase in benefit expenditures occurred in Non-contributory Pensions, National Health Insurance and all benefit branches, except Employment Injury Branch (EIB). A \$0.7 million decline in benefit payments in the EIB helped to balance the increase previously mentioned. The total number of new claims allowed increased from 26,893 in 2004 to 28,378 in 2005 (see Table 7). The total disallowed new claims in 2005 grew by 1,012.

The Branch of Short Term Benefits (STB) includes Sickness and Maternity Benefits. The easing of qualifying conditions for STB, the expansion of periods of benefit coverage, the increase in benefit rates due to an increase in insurable earnings ceilings, and the increased public information efforts of SSB have all contributed to a dramatic rise in the number of claims over the past five years.

REPORT ON OPERATIONS

During the year in review, over 25,000 STB claims were paid to qualifying insured persons (see Table 7). Increases in both allowed and disallowed new cases were parallel to the rise in the number of sickness claims.

Table 6
Belize: Type of Benefit Payments by Year
(BZ\$)

Benefit	Year		% Change
	2004	2005	
Total	30,924,169	31,292,036	1.2
Short Term	7,872,402	7,912,055	0.5
Sickness	4,335,613	4,412,500	1.8
Maternity Allowance	2,441,044	2,506,045	2.7
Maternity Grant	1,095,745	993,510	-9.3
Long Term	11,929,077	12,411,847	4.0
Retirement	7,428,736	7,873,354	6.0
Survivors	2,492,461	2,409,361	-3.3
Invalidity	1,312,902	1,459,284	11.1
Funeral Grant (NC)	694,978	669,848	-3.6
Employment Injury	4,638,578	3,931,361	-15.2
Injury	2,389,478	1,909,623	-20.1
Disablement Grant	566,460	362,274	-36.0
Disablement Pension	1,101,597	1,052,517	-4.5
Death Benefit	573,543	602,447	5.0
Funeral Grant (EI)	7,500	4,500	-40.0
Non-contributory Pensions	2,009,527	2,131,955	6.1
National Health Insurance	4,474,585	4,904,818	9.6

Source: SSB

NC - Natural Cause; EI - Employment Injury

The year 2005 was the first full year that STBs were processed and paid through the new Benefits Processing System which was implemented in the latter part of 2004. The system provided SSB with timely and accurate management reports and statistical information for prompt and effective decision making. It facilitated the monitoring of claims and the establishing of controls to reduce the average days of incapacity for Sickness Benefit from 11.2 days per case in 2004 to 6.8 days per case in 2005. The greatest impact of the new processing system, however, was in the delivery of service to customers, through its dramatic reduction in customer waiting time. Sickness Benefit claims, which took up to two weeks to process, prior to the introduction of the new system, were paid within an average of 2.3 days of receipt of claim in 2005. Ninety three percent of all Funeral and Maternity Grant claims were paid within one day of receipt of claim, making the new system one of the wisest administrative investments made by SSB.

REPORT ON OPERATIONS

Table 7
Belize: Number of New Benefit Claims by Type and Year

Benefit	New Claims			
	Allowed		Disallowed	
	2004	2005 ^p	2004	2005 ^p
Total	26,893	28,378	3,453	4,465
SHORT TERM	23,260	25,124	2,879	3,885
Sickness	18,819	20,674	2,417	3,429
Maternity Allowance	1,159	1,185	104	101
Maternity Grant	3,282	3,265	358	355
LONG TERM	1,068	1,091	110	121
Retirement Pension	187	176	17	8
Retirement Grant	172	187	27	24
Survivors Pension	90	75	3	13
Survivors Grant	70	68	14	10
Invalidity Pension	41	44	16	19
Invalidity Grant	20	12	5	9
Funeral Grant (NC)	488	529	28	38
EMPLOYMENT INJURY	2,565	2,163	464	459
Injury Benefit	2,365	2,020	433	452
Disablement Pension	15	16	0	0
Disablement Grant	183	116	31	6
Death Benefit	1	8	0	0
Funeral Grant (EI)	1	3	0	1

Source: SSB

p - provisional; NC - Natural Cause; EI - Employment Injury

One of the major focuses of any social security system is its Long Term Benefits (LTB) Program, which provides coverage to insured contributors, by means of pensions, for the eventualities of invalidity, old age and death. In 2005, SSB maintained its commitment to its pension program. 2,360 retirees, 310 invalids and 1,634 survivors (widows, widowers, children and parents) of deceased insured persons received the social protection of SSB pensions in 2005. 184 cases for Survivor's and Disablement benefits did not meet the contribution requirements for pensions and were awarded grants. 529 Funeral Grants were also paid. The expenditure for the LTB Branch exceeded \$12.4 million, an increase of four percent in 2005 (see Table 6).

Apart from its usual LTB pensions, SSB also paid Non Contributory Pensions (NCP) to 2,455 elderly females, 65 years and older, at a cost of approximately \$2.1 million in 2005. The NCP program, a poverty alleviation program instituted by the Government, provided its recipients not only with a safety net but also with a sense of dignity in their golden years.

REPORT ON OPERATIONS

Legal Department

As the SSB grew and developed over the years, so did the complexity of its operations, resulting in a demand for the introduction of new areas of internal support services. One of the highest demands was for legal services.

Executives and Managers requested legal advice and interpretation as well as the preparation of legal documents on a continuous basis. In early 2005, the Board of Directors approved the creation of a Legal Department headed by an attorney – at – law. A Department Manager was hired in November 2005 and the task of structuring the Department and identifying its personnel needs was carried out. Staffing of the Department was set for 2006.

The Department would provide the organization with everyday internal legal services. Two priority tasks identified for the Department were the streamlining of the Appeals Process and a comprehensive review of the entire SSB legislation to make the services more applicable to the present needs of the beneficiaries and to strengthen its administration. The streamlining of appeals was completed in early December 2005. It resulted in a set of guidelines and a code of conduct for the Appeal Tribunals to follow, and provided training to new tribunal members representing employers and employees. The review of the legislation was set for 2006.

Appeals

If the cash benefits paid by SSB will serve their purpose of partly replacing wages lost, they need to be paid at the time the loss of wages occurs. To ensure timely payment, legislation is in place governing the time to claim benefits. This legislation, previously ignored, was enforced effective November 2004. Despite the supporting public information which accompanied this decision, there was a sharp increase in the number of claims disallowed due to non – compliance, particularly in respect of Sickness and Injury Benefit claims (see Table 7). This resulted in a corresponding increase in appeals made.

Any insured person, dissatisfied with the decision of Social Security with respect to his or her claim to a benefit has the right to appeal that decision to the Social Security Appeal Tribunal. The tribunal is comprised of an attorney as chairperson, a representative of employers and a representative of employees. Because of the expiration of their appointments, it became necessary to appoint new tribunal members in 2005.

In order to cope with the unprecedented increase in the number of appeal cases, the Board recommended the appointment, by the Minister responsible for Social Security, of two chairpersons.

REPORT ON OPERATIONS

The Board also appointed two extensive panels of employer and employee representatives, after consultation with organizations representing employers and employees. The new tribunals became operational in December 2005. A total of 93 appeal cases were heard in 2005; 67 were ruled in favour of Social Security and 26 in favour of the appellants.

Investments

The investment portfolio dropped from \$258.1 million in 2004 to \$254.8 million in 2005 (see Table 8). This 1.3% decrease in investments occurred primarily in the Housing, Banking, and Agricultural sectors. A \$15.0 million deposit at the Central Bank as sterilized funds prohibits a possible annual growth by approximately 6%. Mortgages in the Housing sector are reduced due to mortgagors paying towards their loans or paying off their loans. There was also a \$2.2 million provision for loss on investments.

Investments in the Utilities and Tourism sectors grew during the same period. The significant increase in the Utilities sector can be mainly attributed to the \$10.0 million investment in Sunshine Holdings Limited.

Table 8
Belize: Investments by Sector, 2004 and 2005
(BZ\$)

Sector	2004		2005	
	Absolute	%	Absolute	%
Total	258,142,351	100.0	254,818,560	100.0
Banking	71,032,020	27.5	65,339,445	25.6
Housing	80,205,736	31.1	69,369,695	27.2
Utilities	35,777,061	13.9	50,781,874	19.9
Agriculture	32,789,428	12.7	30,343,317	11.9
Education	13,138,284	5.1	13,098,770	5.1
Real Estate	12,951,572	5.0	12,839,057	5.0
Tourism	9,156,605	3.5	12,231,758	4.8
Finance Institutions	3,050,167	1.2	3,050,167	1.2
Others	41,478	0.0	6,477	0.0
Less Provision for Loss on Investments	-	-	-2,242,000	-0.9

Source: SSB

