



SOCIAL SECURITY BOARD ANNUAL REPORT

2021

COMMEMORATING 40 YEARS
OF SERVICE TO BELIZE

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COMMEMORATING FORTY YEARS OF SERVICE TO BELIZE

TABLE 1. FINANCIAL HIGHLIGHTS 1981 – 2001

Start of Programme with Government Grant	
Government Grant	\$53,895.00
Interest Free Loan	\$114,000.00

	1981 APRIL 1st - DECEMBER 31st	2021 JANUARY 1st - DECEMBER 31st
BRANCH OFFICES	6 Branch Offices	9 Branch Offices, 1 Sub-Office + 1 Headquarters
STAFF	26	328
SSB LOGO		
ACTIVE INSURED PERSONS <i>(Members)</i>	24,958	107,164
ACTIVE EMPLOYERS <i>(392 Stamp; 2,171 Direct Payment)</i>	2,563	11,346
CONTRIBUTION INCOME	\$2,604,610.00	\$117,475,293.00
INVESTMENT INCOME <i>(Realized)</i>	\$90,232.00	\$26,983,367.00
BENEFIT PAYMENTS:		
SHORT TERM	Nil	\$17,481,074.00
LONG TERM	Nil	\$72,788,522.00
EMPLOYMENT INJURY	\$44,100.00	\$4,052,424.00
DISABLEMENT & DEATH	\$75,017.00	\$2,289,526.00
TOTAL BENEFIT PAYMENTS	\$119,117.00	\$96,611,546.00
ADMINISTRATION EXPENSE (AE)	\$329,504.00	\$22,352,755.00
AE as a % of CONTRIBUTION INCOME	12.65%	19.03%
APPEALS	Nil	102
TOTAL ASSETS	\$2,404,370.00	\$619,178,787.00

CHAIRMAN'S REMARKS



I am pleased to present the Social Security Board's Annual Performance Report for Fiscal Year (FY) 2021 that details our accomplishments over the past fiscal year.

Our top priority remained seeking ways to reduce administrative cost, grow the reserves and improving service to our beneficiaries, lobbying for the implementation of the final 1% contribution rate increase, and continuing the work of seeing to fruition our digital and automated service options via the Peransa Project and the on-going 2018-2022 Strategic Plan initiatives.

Despite many challenges, some brought on by the pandemic, innovative workaround solutions were made to allow us to deliver benefit to our beneficiaries through our social insurance and social assistance programmes and enhance our Investment Projects to bring income and or administrative efficiencies in the long term.

IN SUMMARY:

1. Operations of the Short-Term Branch and Employment Injury (EI) branch are financially sustainable on a long-term basis.
2. The Period of Equilibrium (PE) of the Long-Term branch (pensions) is extended until the end of this decade.
3. Higher pensions, Sickness, Maternity, and Injury benefits is available up to the ceiling of \$480.00 per week. A new ceiling of \$520.00 per week would be available once the Minister signs the Ministerial Notice with the effective date. This is recommended to be no later than April 4, 2022.
4. Actuarial cost of administration is declining gradually and approaching the international benchmark of 1.5% of insurable earnings.
5. The conclusion of the PERANSA project in 2022 should allow for optimizing the processing of claims by insured persons and submission of collections by employers and add greater administrative efficiencies to the Human Capital Plan.
6. Pending legal amendments arising from the actuarial parametric recommendations would rationalize the integral operations of the Contributory and Self-Employed scheme, and bring minimum contributions better aligned to minimum wages.
7. In 2021, members of the Board of Directors and Investment Committee formed an Investment Strategy Committee to undertake a review with a view to updating the investment allocation strategy with additional funds earmarked to finance private, or private/public development projects and agribusinesses, enhancing the development of the economy and creating employment. The Committee also reviewed the operations of the Investment Services Department. Effective management of the high Investment liquidity continues as a work in progress.

CORPORATE GOVERNANCE

Our corporate governance system is in a permanent process of review and improvement, adopting recommendations of the Internal and External Auditors, the actuary, and stakeholder representatives on our tripartite Board of Directors.

SSB's good governance practices are intended to ensure that both the Social Security Board's management model and the decisions of the Board of Directors and its Committees are aimed at preserving the long-term interest of our beneficiaries and stakeholder representatives and ensuring the Fund(s) sustainability.

In this regard, based on independent internal and external Auditor evaluations, I affirm that the performance data in this report is complete, reliable, and accurate for both the Social Security Board and the National Health Insurance for which we provide administrative oversight functions under the Regulations.

Yours Sincerely,

NIGELI SOSA (Mrs.)
Chairman
SOCIAL SECURITY BOARD



CHIEF EXECUTIVE OFFICER'S REPORT

INTRODUCTION

ABOUT SOCIAL SECURITY

Pursuant to section 28 of the Social Security Act, Cap.44 of the Substantive Laws of Belize, R.E. 2011 ("Act"), the Social Security Board ("SSB") was established as a statutory corporation, which was assigned control over the Social Security Fund ("Fund") and given specific statutory powers, duties, and functions. Further, as stated by section 28(4) of the Act, the Board was clothed with the powers of a body corporate with perpetual succession and a common seal.

The Social Security Board (SSB) is a social insurance institution providing social protection (see Table 2 - Taxonomy of Social Protection Instruments) to workers in the formal and informal economy (voluntary for the Self Employed) in the form of Short Term, Long Term, and Employment Injury Benefits. In addition to managing the day-to-day operations, SSB is also responsible to grow and protect a sustainable Social Security Fund in order to pay short and long-term benefits to eligible customers.

Social Insurance Coverage: For employed persons aged 14 to 64, including public officers and self-employed persons. Persons aged 65 or older who engage in insurable employment are only covered for work injury benefits as of May 7, 1988, and a reduced contribution of BZ\$2.60 weekly is paid only by the Employer.

Exclusions: Persons engaged in casual labour, persons employed for less than eight (8) hours in a contribution week, and military personnel.

Voluntary coverage for retirement benefits and survivor benefits is available for unemployed persons under the age of sixty-five (65) who have paid at least 150 contributions as an employee since the inception of the social security scheme; these unemployed persons must apply to the Chief Executive Officer for a certificate of voluntary coverage before the end of the twenty-sixth contribution week after ceasing to pay contribution as an employed person.

Social Assistance (refers to the Non-contributory Pension): Women sixty-five (65) years or older and men sixty-seven (67) years or older, and are citizens or permanent residents of Belize, and have inadequate or no source of income (indigent). The Board also fulfils its Corporate Social Responsibility by offering a variety of social assistance programs such as its Scholarship Program, through funding from the Social Security Development Account.





NIGELI SOSA
Chairman



MICHAEL COYE
Government Representative



WENDY CASTILLO
Government Representative



DEBORAH RUIZ
Chief Executive Officer

**INTRODUCING SSB'S
BOARD OF
DIRECTORS**



RUTH SHOMAN
NTUCB's Representative



MARCELLO BLAKE
Employer's Representative



EMOGENE HABET
Government Representative



MICHAEL HYDE
Government Representative

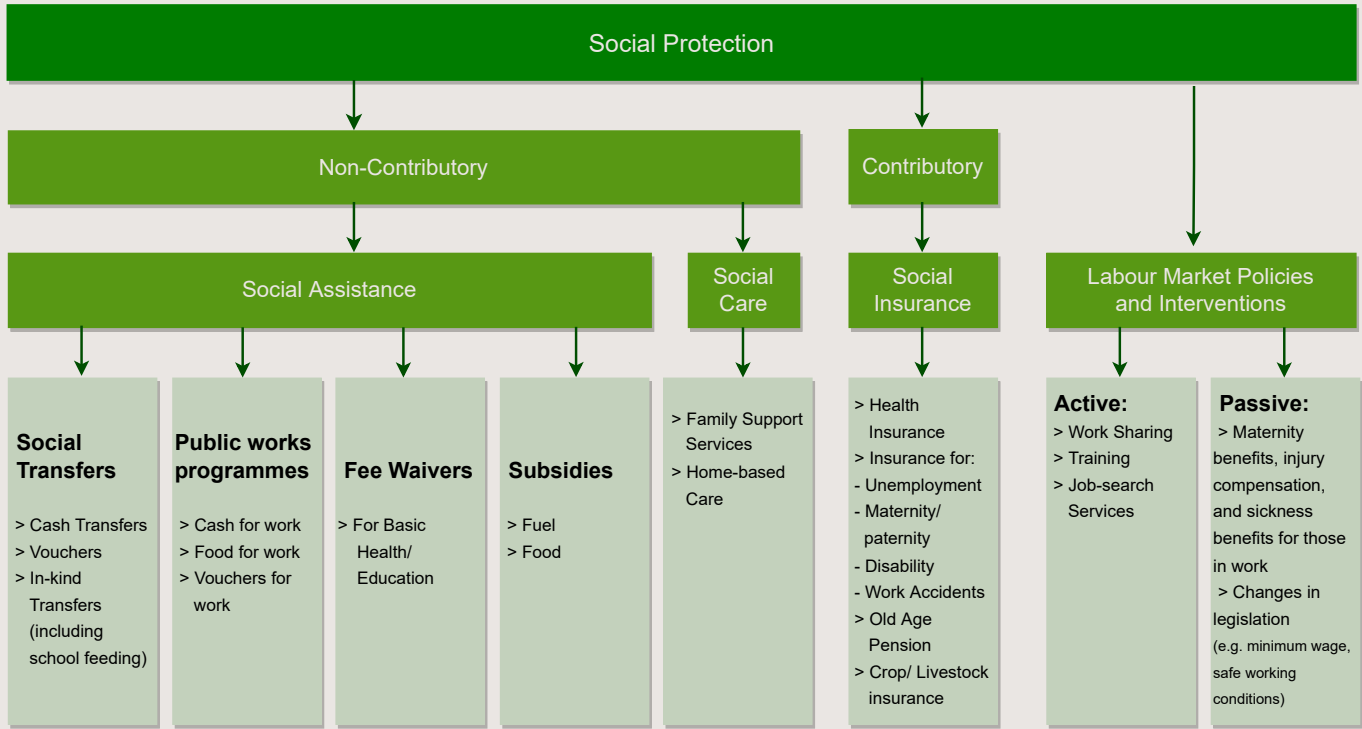


LAWRENCE ELLIS
Employer's Representative



PATRICK BALAN
NTUCB's Representative

TABLE 2 – TAXONOMY OF SOCIAL PROTECTION INSTRUMENTS



Notes: (1) 'Non-Contributory' schemes are defined by the International Labour Organization (ILO) as those that 'normally require no direct (financial) contribution from beneficiaries of their employers as a condition of entitlement to receive benefits' (ILO, 2017). Public work programmes are usually counted as 'non-contributory' even though the recipient contributes labour. (2) Social transfer may be conditional or unconditional. A contribution transfer required the recipient to meet certain behaviours (such as ensuring school attendance) to receive the benefit.

Source: OPM, O'Brien, 2017, p. 7 as cited on GSDRC
Types of Social Protection
<https://gsdrc.org/topic-guides/social-protection/types-of-social-protection/>

LEGISLATIVE AUTHORITIES

The Social Security Board and Trust Fund were established under the Social Security Act, Cap.44 of the Substantive Laws of Belize, R.E. 2011, as amended and the Social Security Regulations.

The Social Security Program in Belize can be categorized under the Bismarckian financial system of social insurance. "The Bismarckian system is based primarily on social insurance contributions; the primary source of provision for the social insurance scheme is by way of individual initiative. The Bismarck system is characterised by the following three (3) points:

1. The insured persons are employees or gainfully employed.
2. The financing is via contributions, graduated according to income.
3. The contributions to be paid are based on wages or salaries."

Source: CESifo DICE REPORT Journal for Institutional Comparisons, Volume 6 No. 4, 2008, p. 70

The funding and legislative authorities needed to carry out SSB's mission comes from joint Employer and Employee contributions; supplemented by realized investment income.

The National Insurance Scheme (NHI) and NHI Fund was established under the Social Security Act, cap 44 of the Substantive Laws of Belize, R.E. 2011, Section 70. The Funding for the National Health Insurance fund comes from the Government of Belize.

ADMINISTRATION

Though the SSB executes a public function, as a statutory corporation it possesses the operating flexibility of a private enterprise. The main features are:

1. It is a Corporate Body.
2. Responsible to the Minister for the overall administration of the Act.
3. Independent Staffing System.
4. Financial Independence.
5. Subject to Judicial review.

The Minister responsible for Social Security provides general supervision.

Ministry of Finance
Sir Edney Cain Building,
Belmopan, Cayo District, Belize, C.A.

The Social Security Board administers both the Social Security and National Insurance programmes.

Social Security Board
PO Box 18, Bliss Parade,
Belmopan, Cayo District, Belize, C.A.

COMPOSITION OF BOARD OF DIRECTORS

Pursuant to paragraph 1 of the Second Schedule, there are ten (10) members of the Board, nine (9) of which are voting members. The CEO of the Board is only an ex officio, "by the nature of the office occupied", member with no voting rights.

The numeric composition is as follows:

1. Five (5) representatives of the government, appointed by the Minister in his discretion.
2. Two (2) persons nominated by the NTUCB, which represents workers.
3. Two (2) persons nominated by the employers' organizations; and
4. CEO of the SSB.



In the absence of the duly appointed Board, all rights, authorities and functions of the Board were conferred on the Minister in accordance with Section seven (7).

Duties of the Board of Directors Include:

- 1. Management of the Fund est. by section 46.
- 2. Determination of Claims and Questions (s.42(1)).
- 3. Conducting an Actuarial Review of the operation of the Act with regards to the financial condition of the Fund (s.45(1)).
- 4. Report to the Minister annually on operations, the financial condition of the Fund, and its adequacy to support benefits (s.45(1)).
- 5. Auditing of the Board's accounts (s. 47(1));
- 6. Submission of budget estimates; annual reporting and accounts (s. 48(1)).
- 7. Management of the SSB's Investment Portfolio (Third Schedule).
- 8. Preparation of Annual Performance Report of all investments of the Fund (para.15 of Third Schedule).



TABLE 3. 2021 BOARD OF DIRECTORS

BOARD OF DIRECTORS		
Government of Belize	Nigeli Sosa	Chairman
	Wendy Casillo	Director
	Michael Coye	Director
	Emogene Habet	Director
	Michael Hyde	Director
National Trade Union Congress of Belize	Ruth Shoman	Director
	Patrick Balan*	Director
	Clifford Marínez	Director
Belize Chamber of Commerce & Industry	Marcello Blake	Director
Belize Business Bureau	Lawrence Ellis	Director

*Term of Office ended in November 2021

BOARD AUTHORITY INCLUDES:

- 1. Power to delegate all or any of its powers under the Act (s.33(1)).
- 2. Power to appoint committees of the Board (s.34(1)).
- 3. Power to appoint, designate recruit, select, and remunerate, including. the CEO, Assistant CEO, Senior Inspector and employ other officers and employees of the Board.
- 4. Power to allocate monies from the Reserve of the Fund for Investment purposes (s. 46(5)).
- 5. Power to allocate monies out of any surplus towards social developmental purposes (s. 46 (3A)).
- 6. Power to impose penalties: where there is a failure by employers to pay contributions (s. 54(1)).
- 7. Power to authorize prosecution of offences created under the Act or the related Regulations (s.55(1) – Authority for Prosecutions).

NECESSARY APPOINTMENTS

When the Board is constituted it must appoint the Deputy Chairman to serve for one year in the first instance (para.3). Mr. Michael Coye was elected to serve as Deputy Chairman.

The Board must also appoint a Recording Secretary, who is required to be one of the officers of SSB (para. 4). Ms. Beulah Santos was appointed to serve as the Board Secretary.

TERM OF OFFICE

All directors serve for a period of two (2) years, except for the Chairman who serves for a period of three (3) years. Directors are eligible for reappointment.

FREQUENCY OF MEETINGS

The Chairman or at least three directors can call as many meetings as necessary, but as a rule of thumb, meetings must be held once a month (para.9(1)). In 2021, the Board held 11 board meetings, 2 special meetings, and 1 joint meeting.

CORPORATE INFORMATION

Website:	www.socialsecurity.org.bz
Headquarters:	Belmopan, Belize
Branch Offices:	9
Sub-offices:	1
Staff Size:	332 employees
Founded:	1st June 1981
Company Type:	Statutory Board
Industry:	Social Insurance Services

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Board relies on the Audit Committee for the provision of assurance to the Board that systems and procedures are in place to protect the SSB's assets and operational performance. The committee held four (4) meetings in 2021. The Members of the Audit Committee were:

1. Mr. Michael Coye - Chairman
2. Mr. Marcello Blake
3. Mr. Patrick Balan
4. Ms. Suad Holder, Internal Auditor, SSB

THE NON-CONTRIBUTORY PENSION COMMITTEE (NCPC)

The NCPC committee was established for the review of applications. The 2021 members of the NCPC Committee were:

1. Reverend Canon Leroy Flowers – Belize Council of Churches
2. Mr. Andre O'Brien – National Council on Ageing
3. Ms. Anna Williams – Ministry of Human Development, Families & Indigenous People's Affairs
4. Ms. Phyllis Moody – SSB Representative

The Committee held 12 meetings in 2021.

SOCIAL DEVELOPMENT ACCOUNT COMMITTEE

The Social Development Committee is established under the authority and accountability to the board to provide social assistance by way of grants aimed to help improve the quality of life and financial grants towards medical procedures/expenses. The Committee held twelve (12) meetings in 2021. The members of the Social Development Account Committee were:

1. Mrs. Nigeli Sosa
2. Ms. Emogene Habet
3. Mr. Michael Hyde

TABLE 4. 2021 SSDA APPROVALS BY CATEGORY

	Amount Approved
Medical Related	\$3,263,149.45
Education	\$26,261.67
Community Initiatives	\$352,440.79
Other, School Projects/Sports	\$13,635.00
Total	\$3,655,486.91

TABLE 5. 2021 SSDA APPROVALS BY MONTH

	Total Approved	Amount Approved	Amount Disbursed
January	8	\$7,100.00	\$7,100.00
February	22	\$40,723.81	\$40,723.87
March	11	\$10,185.05	\$10,185.11
April	12	\$13,602.00	\$13,602.00
May	12	\$169,287.50	\$169,287.50
June	17	\$22,117.54	\$22,117.54
July	40	\$181,182.42	\$161,182.42
August	29	\$3,042,938.50	\$1,542,938.50
September	37	\$38,063.01	\$38,063.01
October	17	\$28,626.96	\$24,969.96
November	17	\$31,885.00	\$31,885.00
December	27	\$69,775.12	\$69,775.12
Total	249	\$3,655,486.91	\$2,131,830.03

INVESTMENT COMMITTEE

The Board relies on the Investment Committee for the provision of recommendations to the board on potential investment opportunities and guidance to grow SSB's fund. The Committee held 12 meetings in 2021. The members of the Investment Committee were:

1. Mr. Reynaldo Magana – Chairman
2. Mrs. Vanessa Briceno – Government Representative
3. Ms. Keisha Williams – NTUCB Representative
4. Mr. Emile Mena – BCCI Representative

BUILDING COMMITTEE

The Committee's main function is to provide oversight to SSB's signature Investment Project. The David L. McKoy Business Centre, situated on Bliss Parade in the City of Belmopan, was completed in May 2021 approximately 28 months after construction commenced. The building was constructed by Fabro's Ltd., following a competitive bidding process, inclusive of project variations at a final cost of \$8.1M. This modern four-story commercial building, of approximately 48,000 square feet, proudly forms part of SSB's Investment Portfolio and was constructed purposefully for generating revenue through rental income while fulfilling the need for office space in the capital city of Belmopan. The construction of this commercial building represents a diversification from the traditional investments such as Government Bonds, Commercial Bank Deposits, and Commercial Loans and was made within the parameters of the Investment Framework (Third Schedule) with the objective of ensuring the long-term sustainability of the fund.

Because of growing concerns during the Defects Liability Period, the Board contracted the services of New Buildings Ltd to do a complete assessment of the building.

The result of this exercise which was peer-reviewed by Young's Engineering Consultancy Ltd resulted in recommendations for necessary enhancements. In essence, the Board was advised there was a need to upgrade components of the building mainly:

1. Structural reinforcement to enhance protection against sustained strong winds,
2. Fire protection works (metal columns),
3. Insulation of the interior curtain walls to address over-heating, and
4. Construction of new restroom and conference facilities for clients and other miscellaneous new works.

Upon completion of the enhancement of works, which is expected to be in the third quarter of 2022, the total capital investment in the David L. McKoy Business Centre would be approximately \$11.1 million. The financial evaluation shows that this investment would achieve an internal rate of return of approximately 5.6%, which remains higher than what the Board receives on average from its investments in Governments Bonds and Commercial Bank deposits. At 5.6% percent, this investment is also above the actuarial recommendations.

The members of the Building Committee were:

1. Mr. Lawrence Ellis 2. Ms. Wendy Castillo 3. Mr. Michael Hyde
4. Ms. Nabi Reyes, Manager, Finance Services (Management's Representative).



RESERVE QUESTION COMMITTEE

Reviews and determines whether Contributions requirements or conditions have been satisfied for payment in the first instance by the CEO, who may refer to the Board for final determination, if warranted. The Committee held five (5) meetings in 2021. The members of the Reserve Question Committee were:

1. Mr. Lawrence Ellis
2. Mrs. Ruth Shoman
3. Ms. Emogene Habet
4. Ms. Stephanie Staine, Team Leader, Legal Services, SSB
(*Management's Representative on the Committee*)

APPEAL TRIBUNAL

The Social Security Board's Appeal Tribunal is a 3-person panel to determine appeals against claim decisions in respect to one's entitlement to benefits.

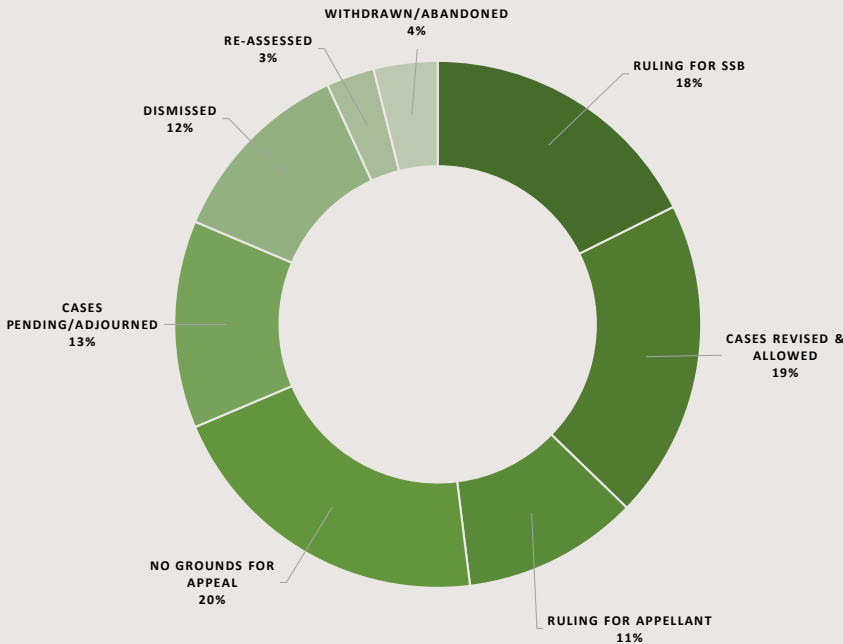
1. Chair
2. Employee's Representative
3. Employer's Representative

To mitigate the effects of the Covid-19 pandemic, while also limiting face-to-face interactions, a majority of appeal tribunal hearings were held virtually. Each Panelist and SSB Representative joined the meeting from their respective offices, while Appellants joined from the comfort of their home using a personal device such as a computer, tablet or phone.

For Appellants who did not have access to the internet or a device, accommodations were made for them to visit the Belize City Branch Office to participate in the hearing. There, they accessed the meeting using a laptop provided by SSB. The Board will continue to provide these options to Appellants in the new year.

In 2021 there were 21 Appeal Tribunal Hearings, out of a total of 102 appeals received, 61 of those were sent to an appeal hearing:

TABLE 6. APPEAL TRIBUNAL HEARINGS BY OUTCOME



Appeal Hearings are held twice per month in person or virtually. Present at each hearing are: The Appeal Tribunal Panel, a Social Security Board Representative and the Clerk to the Appeal Tribunal.

The 2021 Members of the Appeal Tribunal were:

CHAIRMAN:

- Mr. Orson Elrington
Ms. Lissette Staine
- Ms. Andrea McSweaney
Ms. Margaret McKenzie

EMPLOYER'S REPRESENTATIVE:

- Mrs. Karen Godfrey
Mr. William Usher
- Mrs. Marina Young
Mrs. Martha Molina
- Ms. Katherine Meighan
Ms. Cynthia Awe

EMPLOYEE'S REPRESENTATIVE:

- Ms. Ingrid Navarrete
Mr. Marvin Moody
Mr. Rajiv Noralez
Ms. Monica Usher
Mr. Jeffery Trapp
Ms. Addy Aguilar
Mr. Clifford Usher
Ms. Milania Cayetano
Mr. Dean Flowers
- Mr. Guy Neal
Mr. Michael August
Ms. Aislynn Humes
Ms. Lisa McFadzean
Ms. Janine Baptist
Mr. Gerald Henry Jr.
Ms. Gale Garcia
Mr. Luke Martinez
- Mr. Alrid Fuller
Mr. Wayne Lambey
Mr. Glen Crawford
Mr. Andrew Cutkelvin
Ms. Natasha Malcom
Mr. Pablo Gonzalez
Ms. Maria Aban
Ms. Rashida Chavez

MEDICAL BOARDS

Consist of two or more experienced medical practitioners who assess the type and degree of disability with respect to a person's entitlement to benefits.

TABLE 7. MEDICAL BOARD CASES BY BRANCH OFFICE

2021 Medical Boards Conducted by Branch Office

BRANCH OFFICE CONDUCTING MEDICAL BOARD	BRANCH OFFICE REQUESTING MEDICAL BOARD									TOTAL
	Corozal	Orange Walk	Belize City	San Pedro	Santa Elena	Belmopan	Dangriga	Independence	Punta Gorda	
Corozal	10									10
Orange Walk	12	57	2	7						78
Belize City	1	1	82	11		1	2	1	1	100
San Pedro				0						0
Santa Elena					20					20
Belmopan						17	6	3	1	27
Dangriga							19	5	1	25
Independence								4		4
Punta Gorda									0	0
TOTAL										264

**San Pedro does not hold MBO's due to unavailability of doctors.
**Punta Gorda did not hold any Medical Board in 2021.

COMPOSITION OF MANAGEMENT

In 2021 the Board of Directors undertook a competitive recruitment exercise for the position of Chief Executive Officer. Mrs. Deborah Ruiz was the successful candidate. Mrs. Ruiz was appointed with effect from 16th August 2021.

The CEO, via the legislation, is responsible for the day-to-day management of SSB; the BoD provides strategic leadership. However, it has become good practice that the CEO relies on a senior management team, called the Executive Management Team or EMC, to assist in the management. Currently, the EMC is constituted as follows:

1. CEO
2. Chief Information Officer /GM Information and Communication Technology Services
3. GM Corporate Customer Relations Services
4. GM Finance
5. GM Human Resources
6. GM Investments
7. GM National Health Insurance (NHI)
8. GM Policy and Programs
9. GM Service Management (Branch Operations)

The ICT, Finance and Legal managers are also invited to the Executive Management Committee for technical support. The Internal Audit Manager no longer sits on the EMC due to her independent decision-making role but participates as an observer.



SOCIAL SECURITY BOARD

MY SOCIAL SECURITY SELF-SERVICE PORTAL

**ONE ACCOUNT TO MANAGE ALL YOUR
SOCIAL SECURITY INFORMATION**


**CREATE YOUR ACCOUNT
TODAY!**

SSBPORTAL.ORG.BZ

Social Security at your fingertips!



VISION STATEMENT

A SOCIAL
SECURITY
SYSTEM
WITH INCLUSIVE,
FAIR AND DEPENDABLE
COVERAGE FOR
OUR BENEFICIARIES.



MISSION STATEMENT

TO DELIVER A
CUSTOMER-CENTERED
AND FINANCIALLY
SUSTAINABLE
**SOCIAL
SECURITY
PROGRAM**
THAT PROVIDES
LIFETIME COVERAGE
TO OUR BENEFICIARIES.

CORE VALUES

ACCOUNTABILITY

WE ARE RESPONSIBLE, RELIABLE, AND ANSWERABLE TO THE PUBLIC, AS WELL AS TO OUR OWN STANDARDS.

TRANSPARENCY

WE ARE OPEN, STRAIGHTFORWARD AND HONEST, ENSURING VISIBILITY AND CLARITY IN THE PROCESS AND RESULTS. THROUGH TRANSPARENCY, WE PROMOTE AN ENVIRONMENT OF INCLUSIVE COMMUNICATION.

INTEGRITY

WE UPHOLD THE HIGHEST STANDARDS OF ETHICS AND INTEGRITY. THROUGH THIS, WE SHALL ALSO ENDEAVOR TO BUILD TRUST.

RESPECT

WE ARE RESPECTFUL OF ALL PEOPLE, ALL CUSTOMERS, AND OF OURSELVES.

EXCELLENCE

WE ENDEAVOR TO EXCEL IN WHATEVER WE DO, WITH FOCUS ON THE CUSTOMER TO ENSURE THE HIGHEST QUALITY OF SERVICE DELIVERY.

STRATEGIC OBJECTIVES

ENHANCED CUSTOMER EXPERIENCE

WE ENHANCE CUSTOMER EXPERIENCE WHEN THEY ACCESS OUR SERVICES.

ROBUST & FINANCIALLY THRIVING INSTITUTION

IN ORDER TO MEET THE INCREASING DEMANDS IN BENEFITS PAYMENTS, WE MUST ENSURE THAT THE FUND IS FINANCIALLY ROBUST AND THRIVING.

STRENGTHENED REPUTATION & IMAGE

WE MUST CONTINUE TO WORK HARD TO STRENGTHEN OUR IMAGE AND REPUTATION TO MOVE BEYOND THE LEGACY ISSUES THAT UP UNTIL NOW CONTINUE TO PLAGUE US.

EMPOWERED & ENABLED WORKFORCE

OF COURSE, NONE OF THIS WILL BE POSSIBLE, IF WE DON'T EMPOWER AND ENABLE OUR WORKFORCE BY INVESTING IN CAPACITY BUILDING AND STAFF ENGAGEMENT.

IMPROVED HEALTH OUTCOMES

AS NON-COMMUNICABLE DISEASES AND COVID-19 CONTINUE TO IMPACT THE PRODUCTIVITY OF OUR POPULATION, WE MUST DO OUR PART, TO STRATEGICALLY PARTNER WITH NHI, TO IMPROVE THE HEALTH OUTCOMES OF OUR STAKEHOLDERS.

STRATEGIC OBJECTIVES (2018-2022)

STRATEGIC OBJECTIVE 1 - ENHANCED CUSTOMER EXPERIENCE

Notable Achievements

SERVICE MANAGEMENT

2021 was a challenging year due to the COVID-19 pandemic and this drastically limited branch activities on many levels, especially as Employers shifted to comply with the MOHW requirements, ultimately impacting SSB Officers from carrying out on site presentations and outreach. With some adapting, a few Branches were able to engage twenty-five (25) sessions and engaging approximately 700 workers across Corozal, Orange Walk and Independence. In December 2021, a virtual SSB presentation was done for the Belize Chamber of Commerce and Industry for the business sector. This was attended by 90 persons representing 57 businesses across Belize. The presentation was led by the Belize City Compliance Team.

CORPORATE CUSTOMER RELATIONS SERVICES

Launch of Customer Care Center

SSB's Customer Care Center was created to provide real-time support to customers as we transitioned to My Social Security for online registration services and appointments. Live support to new and existing customers in the form of:

- Instant Messaging via SSB's Facebook page at [SSBBelize](https://www.facebook.com/SSBBelize)
- Live Chat via the SSB's website at www.socialsecurity.org.bz
- Email queries via the customer care email at info@socialsecurity.org.bz and My Social Security at support@socialsecurity.org.bz

The Customer Care Team also provided prompt and friendly support for queries related to Benefit Claim Status, Contributions, and other SSB related services. Future plans for expansion and further reach to customers through WhatsApp is expected in 2022.



STRATEGIC OBJECTIVE 2 - ROBUST & FINANCIALLY THRIVING INSTITUTION

Notable Achievements

INTERNAL AUDIT SERVICES

Internal Audit Services provides independent and objective assurance and advice to accomplish the Board's objectives; evaluates and improves the effectiveness of risk management, internal control, and governance processes.

- A risk-based audit plan was approved by the Audit Committee. Audit engagements included primarily high-risk areas relating to financial, operating, compliance, IT, and related activities.

While ensuring its objectivity and independence were maintained within the organization, Internal Audit was responsible for:

- Assisting in facilitating the implementation of Enterprise Risk Management (ERM) system, which resulted in a framework and compilation of departmental and entity risk registers.
- Implementation of Governance, Risk and Control (GRC) matrix in its audit engagement planning process.
- Providing the Audit Committee quarterly engagement reports and follow-up action.
- Secretarial duties for the Audit Committee.
- As per the Internal Audit Charter, Internal Audit Services reports annually to the Board of Directors. The Board continues to support the department's endeavours to provide necessary training in the International Professional Practices Framework and Code of Ethics.

INVESTMENT SERVICES

Investment Services now acts as a direct investor, meaning that it actively identifies investment opportunities and invests directly, rather than through any form of intermediary. With respect to the private sector portfolio, this results in SSB operating like a bank in the direct issuance of loans.

- Procedures to strengthen investment analysis and recommendations.
- Clear documented procedures for assessing investment opportunities and arriving at conclusions have been established to ensure that processes are robust and consistent.
- A strategic plan was developed and is now being implemented to strengthen procedures for monitoring of loans and collections on delinquent loans.
- Watch List and non-performing loans reported to CEO/IC/Board, quarterly



STRATEGIC OBJECTIVE 3 - STRENGTHENED REPUTATION AND IMAGE

Notable Achievements

SSB's 40th Anniversary – 40 Years of Service in Belize

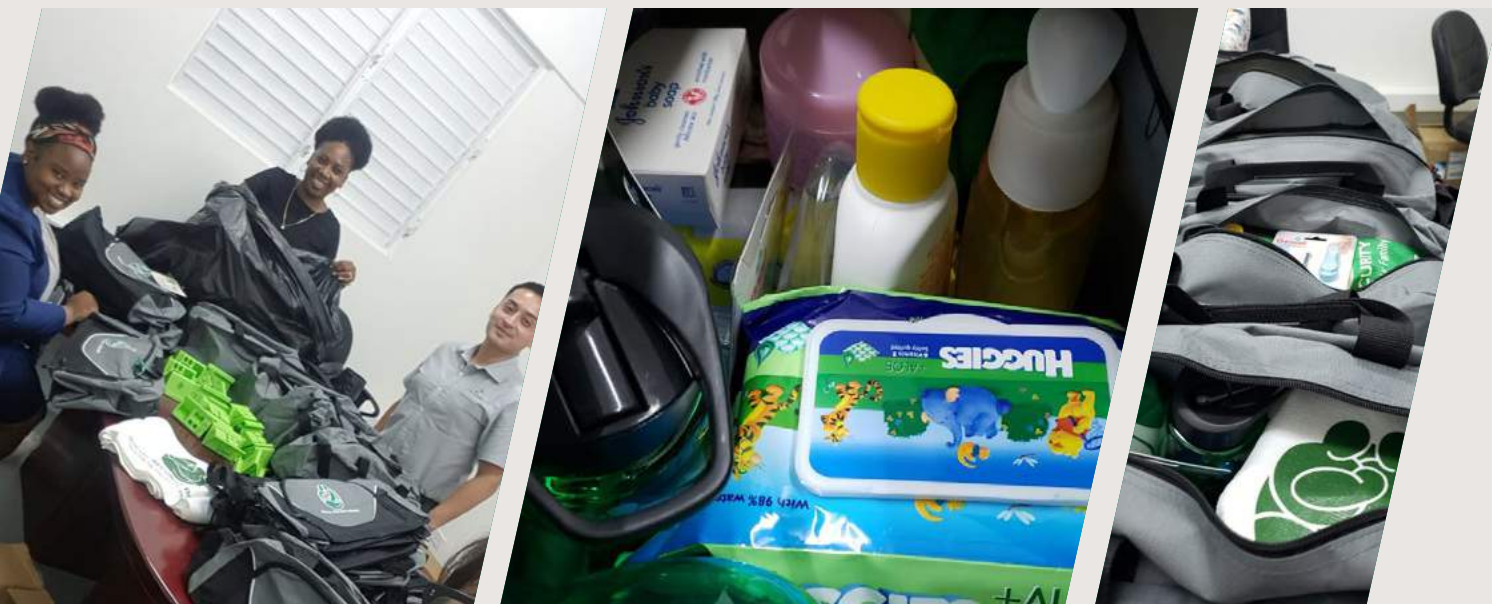
The Social Security Board opened its doors on June 1, 1981 to safeguard the public, employees and self-employed persons in times of illness or incapacity for time away from work. Since its inception, SSB has continued on its mission to empower communities and improve health outcomes. The Social Security Board commemorated forty years of service to Belize by giving back through a series of activities and events.



JUNE 1ST BIRTHDAYS

SSB joined mothers countrywide to celebrate their new-borns that were delivered on the same day as SSB's Anniversary, June 1st. A total of nine (9) mothers were provided SSB care packages that included new mom and baby essentials to help celebrate and care for their new bundles of joy.

- 5 Belize City, 1 Belmopan, 1 San Pedro, 1 Orange Walk



EMPOWERING 40

In realizing the challenges faced due to the COVID-19 pandemic, the Board kicked off the 40th Year with the launch of an intensive skills training program to empower forty members of Belizean communities.

Over the course of eight (8) weeks, forty persons countrywide received certified training from YWCA Belmopan and Belize City facilitators in Cake Decorating, Sewing, Food Preparation and Barbering. This initiative aimed to empower not only the 40 participants but also, their communities and families through new skill sets for the generation of new or additional household income and other employment opportunities for participants.

CLICK & CONNECT

The launch of a live, informative online Facebook show was created to share more detailed information, tips, and insights on SSB's core functions. Viewers get direct access to Social Security experts as well as the opportunity to pose questions during the live question and answer segments. The first episodes of 2021 included topics on How to Apply for Replacements Cards, Claiming for a Sickness Benefit, and Christmas Giveaway in December.



DAVID L. MCKOY BUSINESS CENTRE

As part of the celebrations, SSB also hosted the official opening ceremony of its newest investment project The David L. McKoy Business Centre, a four-storey commercial building in Belmopan that promises to attract additional revenue to the Fund, officially opened its doors. The name David L. McKoy was selected through an official Name the Building contest and honours him as a key player in Social Security's history.

Short Bio:

"David L. McKoy was the first and longest-serving area representative for Stann Creek West. He was a Garifuna union leader from Dangriga Town. In the early 1950's David L. McKoy organized the General Workers Union in the Stann Creek District, using a motorcycle as his main transportation. In 1957 he got elected as Stann Creek West representative and was appointed Minister of Labour. He was the first Minister of Labour in Belize and contributed to the formation of the Social Security program in Belize."



20 YEARS EMPOWERING COMMUNITIES THROUGH EDUCATION

2021 was also an important milestone for SSB Scholarships marking the 20th consecutive year of annual scholarships.

Over the years, SSB Scholarships have grown from offering only High School scholarships, to now include Associate, Bachelor and Vocational Technical scholarships. The interest in reskilling programs increased as the impact of COVID-19 affected many local industries.

The Board renewed its commitment to empowering communities through education and welcomed an additional 56 new scholarship recipients. Programs included areas of study in English, Agriculture, Accounting, Criminal Justice and more.



POLICY AND PROGRAMS (P&P)

Policy and Programs (P&P) division is responsible for the functional direction, advice, and guidance on socio-economic programs, namely Registration, Contribution, Compliance, and Benefits. P&P's 2021 activities included: (Images attached)

- Actively participated in SSB's response to COVID-19 at the corporate, national, and regional levels. Several actions required the leadership and involvement of P&P in the area of monitoring of claims and payments, treatment of quarantine/isolation; periodic updates as MOHW protocols changed.
- Strengthened interagency collaboration with Vital Statistics Unit to deter registration fraud: 23 cases for 2021.
- Participated in the Caribbean Statistics Day with a video presentation on the use, application, importance, and value of Statistics at SSB.
- International Social Security Association (ISSA) Virtual Social Security Forum for the Americas: December 1-3, 2021: Mrs. Leticia Vega represented Social Security Board in the Panel discussion held on December 1, 2021, 'Addressing the challenges for pension systems'. Two questions discussed were:
 1. How did your institution manage the issue of coverage during the last few years?
 2. What kind of services could be improved taking into account the last experiences?
- XLII Ordinary Virtual Assembly of the Consejo de Instituciones de Seguridad Social de Centroamérica y República Dominicana (CISSCAD), December 6-7, 2021. Mrs. Leticia Vega represented Social Security Board with a presentation on the Contribution Reform at the Social Security Board, during the Best Practices segment. Below is a Twitter clipping in Spanish posted by Noticias IGSS (News from the Guatemalan Institute of Social Security).
- The US Embassy Fraud Training to identify fraudulent documents. The hybrid training had the participation of Social Security Board personnel to improve understanding of document security and document fraud trends. Presentations were made by Immigration and Nationality Services, Vital Statistics Unit, and the US Embassy's Office of Overseas Criminal Investigations.





STRATEGIC OBJECTIVE 4 - EMPOWERED AND ENABLED WORKFORCE

Notable Achievements

HUMAN RESOURCES SERVICES (HRS)

Human Resources Services continued to contribute to the strengthening of human resources development and management at SSB. Highlights of the year included:

- The development of competency models for all permanent and contract positions filled in 2021
- Task Force on Working at SSB developed a plan for an employee forum on secondment in order to enhance employee engagement
- Training in Skills Gap Assessment and Training Needs Analysis for Internal Audit Services and Legal Services
- Creation of training program for General Managers and Managers on cascading work objectives from strategic plan to individual employees, for rollout in 2022.
- One employee appeal for the 2020 cycle handled by Performance Review Panel
- Two surveys conducted to get employee feedback on the performance management program – one of General Managers and one organization-wide.
- Continuation of online self-care program based on restorative and other forms of yoga to enhance employee wellness,
- Progress with system set-up for HRIS self-service platform
- Drafting of Staff Payroll Manual in collaboration with the Accountant, Finance Services
- Continued responsibility as the liaison between the Change Leaders team and the Peransa Project Team to ensure timeliness and accuracy of communication with staff as the various features of Peransa continued to roll out.
- Quiz for staff with the aim to recognize and incentivize Staff awareness of SSB's Code of Values, Ethics & Professional Conduct.

INFORMATION & COMMUNICATION TECHNOLOGY SERVICES

During the Pandemic, the beat, as is said, must go on. Information is a central lifeline of everything at SSB and the Central Information Services division ensured that everyone had access to the information necessary to serve the public. The experiences this year during a global pandemic have reinforced and justified SSB's investment and commitment to automating its core operations and moving to a digitized enterprise.

1. Registration - The Registration Functions of the Peransa Platform were deployed in 2019. Since the deployment, those functions have undergone several iterations of enhancements, based on requests from the user community at SSB. Those works continued uninterrupted during the Pandemic.

The registration of Employers via SSB's internal Peransa platform was deployed on December 13, 2021. Staff is now completing Employer registration transactions on the same platform as Insured Persons. With the deployment of Employer Registration (internally), our Inspectorate Team is now able to initiate Employer Registration transactions during on-site visits.

All Inspectors are equipped with a laptop and MiFi device to access the internet while away from the office and can now access the Peransa Platform onsite to initiate a new employer registration, update an employer/owner, and close an employer/owner/business in real-time. Employers will experience further enhancement to this service as the Employer's Portal is deployed online on the My Social Security Portal.

2. My Social Security Portal - The My Social Security Portal construction was deployed early 2021. The portal enables users to interact for Registration services with SSB while limiting direct contact with its front-line employees, thus keeping everyone safer during the Pandemic.

In March 2021, the My Social Security Self Service Portal was launched enabling customers to create a My Social Security Account to interact with their SSB registration record. Access to a My Social Security Account is granted by an SSB branch representative after confirming the identity of the account holder/requester. Once the account is activated, the customer can initiate registration transactions using the online portal such as a record update, card replacement and/or a new registration request for themselves or dependents and booking an appointment to complete the process. A total of 16,537 requests to My Social Security were received from March to December 2021.

As the various features are added to the portal, customers will be able to access more services online and have a complete view of their personal Social Security account for registration, contributions, and benefits.

3. Biometrics - A biometrics data capture and retention framework were integrated into the Peransa Platform to enable SSB to capture the fingerprints of it's Insured Persons and Employers to improve service, reduce fraud, eliminate ghost beneficiaries, and increase security for legitimate beneficiaries. Enhancements included feedback that describes the quality of the biometric capture attained.

4. Employer Management, Contributions, Statements and Payments - Employer Management was 80% completed in 2021, including the deployment of the Employer Back-Office functions. This included:

- Employer Registration
- Employer Information Updates and Management
- Employer Data Migration
- Employer Portal 90% complete

5. Cyber Security - With the support of the CEO, Executive Management Committee (EMC), and the Board of Directors, SSB has embarked on a comprehensive project to close any vulnerabilities and enhance SSB's ability to respond to potential attacks. That project continued in

2021 despite the Pandemic with the completion of the architecture and design of the Vulnerability, Patch Management Program, and Identity and Access Management. This program includes:

- Periodic Vulnerability Scanning and Assessment
- Vulnerability Remediation Plan and Implementation
- Patching Catalog
- Application Testing
- Service Optimization and Automation
- Governance and Reporting
- Exception Management
- Identity and Access Management Logical Architecture and possible vendor mapping.

STRATEGIC OBJECTIVE 5 - IMPROVED HEALTH OUTCOMES

Notable Achievements

The Board through the SSDA was instrumental in making available funding for the procurement of vaccines by the GOB with a commitment of \$5M to be paid over two tranches - \$2.5M was disbursed in 2021 and the other scheduled for 2022. In addition, the Board signed an MOU with KHHM to provide funding for outfitting of an oncology unit and another \$150k for the setup of a revolving fund for the procurement of cancer medications at an affordable rate to citizens.

The staff also engaged in conducting informational presentations to employee/employer organizations covering, sickness and employment injury education.

TABLE 8. CORPORATE RESULTS

Strategic Objective	Outcomes	Key Performance	2021 Target	2021 Achievement
I. Enhanced Customer Experience	Increased accuracy & time to collect benefits.	Short Term claims processed timely	98.0%	97.8%
		Long Term Term claims processed timely	99.0%	98.5%
		Short Term claims processed timely	98.5%	99.0%
		Long Term Term claims processed accurately	90.0%	90.0%
II. Robust & Financially Thriving Institution	Increase Contribution Revenue.	Contribution Collections	\$109,149,321.84	\$117,724,472.76
	Increased returns from Investments.	% of Real Return		4.61%
	Increased Administrative Efficiencies.	Administrative cost as a % of Collections	15%	19%
		Actuarial costs as a % of insurable earnings	1.50%	1.71%
III. Strengthen Reputation & Image	Increased Governance	Strengthen the Audit & Risk Management Functions	Implement Principles of 3 lines Model-Governing Body, Management, Internal Audit	Except for ongoing operational monitoring of activities, the Board incorporates the following controls: control environment, risk assessment, control activities and information and communication integrated in its operating processes.
IV. Empowered & Enabled Workforce	Improved ICT Infrastructure	Peransa delivering against defined capabilities		Employer Registration: - Registration - Data Change - Owner Management - Activity Tracking -Temporary & Permanent Business Closures Partially Complete: Employer/Internal Portal
V. Improved Health Outcomes	Healthier Workforce/ Insured Persons	# of sessions covering sickness benefit & employment injury education *	0	26

*No target set due to Covid-19 regulations

Concerns in 2021 stemmed from:

1. Impact on economy and contributions collections.
2. Investment liquidity Management - Where to safely invest huge liquidity of cash per Investment Framework which is very restrictive.
3. Need to strengthen the Service Delivery framework at the Branches to deliver SS services per standards - registration appointment system.
4. Need to strengthen the functional role of Customer Service to champion customer needs.
5. Need to strengthen Public Relations role to educate customers & stakeholders.
6. A lack of clarity on roles and responsibilities within the organizational structure due to ongoing transformational changes.
7. Transitional work distribution and workflow adjustment due to Covid-19 resulting in phased Rollout of PERANSA.
8. Technical training and increased support.
9. Increase internal communication and collaboration.
10. Covid-19 – Mental health impact on staff and their families.

FINGERPRINT
ENROLLMENT

COMING SOON

Your information
security and
convenience
is our priority

The logo features a large green number '40' with a circular seal integrated into the zero. The seal contains the Social Security Administration's logo and the text 'EST. 1981' and 'SOCIAL SECURITY BOARD'. Below the '40' is a gold ribbon banner with the word 'ANNIVERSARY' in black capital letters.

A close-up of a finger being scanned by a device. The fingerprint surface is overlaid with a glowing blue circuit board pattern, symbolizing digital security and technology.

A small icon of a globe showing the Americas, used as a symbol for the website.

www.socialsecurity.org/bz

Social Security at your fingertips!

OPERATIONS OF SOCIAL SECURITY



COVERAGE

Despite the unique circumstances and challenges faced in 2021, SSB through the Policy & Programmes (P&P) Division focused on delivering the day-to-day centralized operations without ceasing. The National Centralized Operations (NCO) department in the P&P division carried out the following key service requests from the Service Management Division:

- 41,086 registration cards were printed.
- 152 contribution refunds were processed amounting \$88,873.31.
- 149 Benefit grant payments were prepared totaling \$1,722,179.41.
- 13 pension processing cycles were completed totaling the payment of \$61,681,842.09.
- 57 first payments and batches for Proof of Life (P6s) were processed totaling \$579,605.85; and
- 12 monthly NCP pension payments were processed in the sum of \$1,318,500.00.

REGISTRATION OF MEMBERS

Registration refers to the first step taken by employees, employers and self-employed persons to registering to join the SSB program. Upon registration, persons obtain a unique Social Security number, Self-Employed number and/or Employer number for all future interactions with SSB.

During 2021, the overall employment and business activities remained lower than in previous years. The onset of COVID-19 in early 2020 along with strict regulations was a main factor for the decrease in business activity as seen in the drop of active businesses, employers and employees. Tourism, and business sectors have slowly reopened under new health and government mandates.

Active Insured Persons refer to persons who are registered with Social Security, works 8 or more hours in a week and actively contributes toward their Social Security payments either as an Employee or Self-Employed person.

The number of active insured persons (AIP's) also increased during the same period year over year as per the summary below. As can be seen, the number of active insured persons at the end of November 2021 was 76,307 and increase of 2.78% or 2,067 over the 74,240 persons during the same period in 2020.



TABLE 09. ACTIVE INSURED PERSONS BY LABOUR FORCE

	2021
Number of Persons in Labour Force	181,734
Number of Persons Employed in the Labour Force	161,416
Number of Active Insured Persons	107,164
Population	430,191

TABLE 10. INSURED PERSONS, BUSINESSES, EMPLOYERS & SELF-EMPLOYED PERSONS, 2019

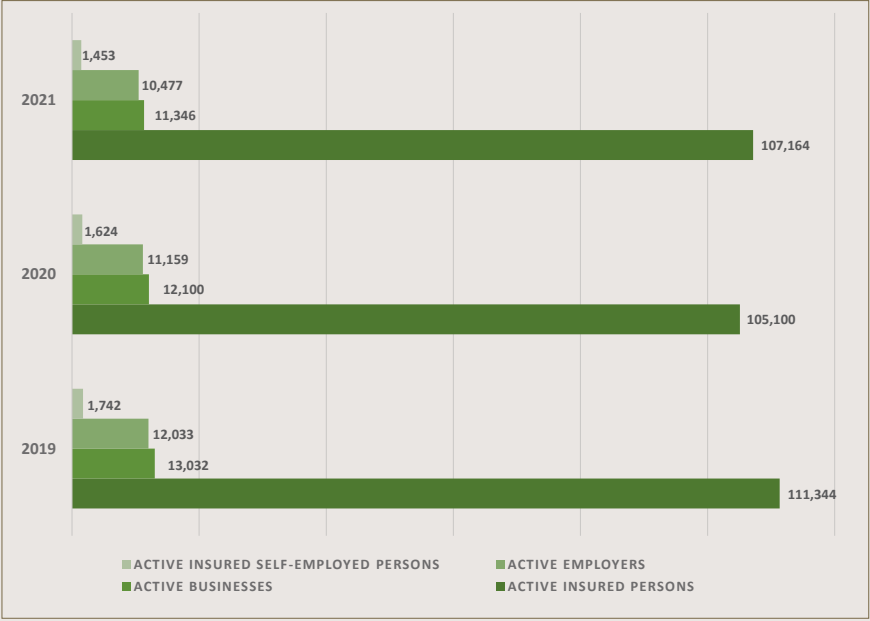
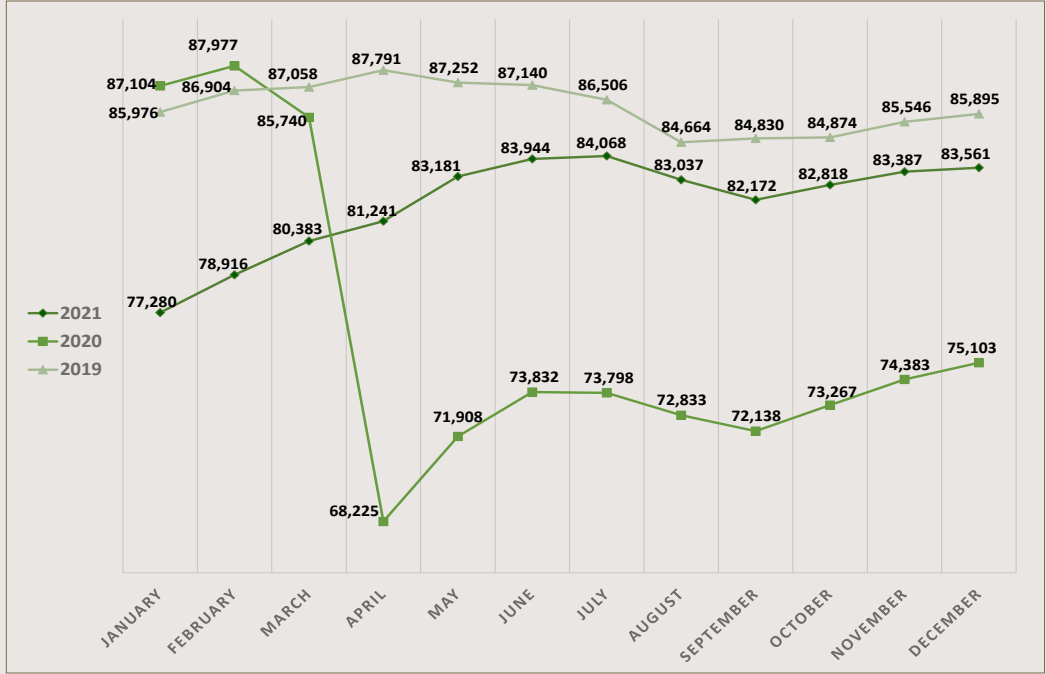


TABLE 11. ACTIVE INSURED PERSONS BY MONTH, 2019 – 2021



COLLECTIONS

CONTRIBUTIONS REVENUE

At the end of December 2021, total contribution revenue amounted to \$117.72M as compared to the annual budget of \$109.15M. This represents a variance of \$8.58M or 7.86%. With respect to assessment of contributions, total assessments were \$4.59M, a negative variance of \$1.49M, or 24.53%, less than the \$6.09M assessed during the same reporting period in 2020.

Current contributions revenue is up by \$8.79M, or 8.49%, over the \$103.57M reported in 2020; this increase was attributed to increases in tourism after the Government mandated the opening of our borders to international tourists.

The increase in Contributions and Benefit Payments made can be attributed to the recent changes in contribution rate from 8.5% to 9% in 2020. However, in late December 2020, the Ministry of Finance deferred the final contribution and benefit increase as a result of COVID-19 and its significant impact on local businesses and industries.

SSB's overall average compliance rate in 2021 increased to 91.94%, or 13.92%, more than the annual average of 79.04% reported at the end of 2020. In January 2021, the total number of active businesses was 6,130 and by the end of December 2021, that number increased to 6,836, an increase of 12%.

TABLE 12. CONTRIBUTIONS COLLECTED VS. BENEFIT PAYMENTS, 2019-2021



OTHER INCOME

Total other income was \$1.86M, a positive variance of \$216K, or 13.14% over the annual budget estimate of \$1.64M. Additionally, other income for the current year also increased by \$348K, or 23.07% as compared to the \$1.51M reported in 2020. This increase is primarily due to the income generated from card renewals and reprints and interest on assessments. At the end of December 2021, there were 41,035 cards printed, an increase of 4,206 more than the 36,829 printed in 2020.

Interest on Assessment averaged at 14% of assessments issued during the year. There was a positive variance of \$160K or 37.28% over the annual budget estimate. Given the increase in assessments issued in 2021, there is a correlation regarding the increase in interest generated from these assessments.

INVESTMENT INCOME

Total income from investments at the end of 4th quarter, 2021, amounted to \$24.880M, a positive variance of 1.144M, or 4.82%, compared to the budget estimate of \$23.736M. However, CY income is down by \$3.44M or 12.18%, over investment income of \$28.329M reported as at 4th quarter, 2020.

The year-to-date positive variance relates to more than budgeted income realized on cash balances in our savings accounts and in Utilities. SSB received \$1.832M from our savings accounts compared to a budget estimate of \$994K, surplus of \$837.8K or 84.27%. In the utility sector, BTL's equity investment income is \$3.825M compared to a budget estimate of \$1.020M, a surplus of \$2.805M, or 275%.

However, the positive variance is reduced by less than budgeted returns for investments in the agriculture, tourism, and financial sectors. As of December 31, 2021, SSB budgeted \$590.30K in investment income for these sectors, but have not recognized any investment income, since there were no approved loans.

INVESTMENTS IN FLOATING

Rate Notes, Treasury Notes, Belize Water Services Ltd - Shares, Citrus Growers & Banana Growers are currently under-performing by \$468.1K. There was also a loss in revenue from Belize Electricity Ltd (\$5.5M debentures were redeemed), which resulted in reduced income of \$96.2K compared to the budget. In addition, provision for loan losses, which is not a budget item, accounted for a negative variance of \$1.385M.

On a year-to-year basis, on December 31, 2021, the Board's investment in term investments have increased by \$496.4K, from \$125.3M to a total of \$125.8M. Investment in term deposits has increased from \$39.9M to \$40.4M, while Investment in GOB Treasury Notes have remained steady at \$85.3M.

At the end of 4th Quarter, 2021, SSB's investment portfolio (net of cash and cash equivalents) decreased by \$4.040M, or .91% from \$443.019M on December 31, 2020, to \$438.978M. In 2020, the investment portfolio decreased by a total of \$22.6M, or 4.86%.

COMPLIANCE

Initiatives to increase compliance monitoring and enforcement of legal action, reduce contribution evasion and fraud, and target high risk businesses and industries and any other compliance related initiatives for 2021 included:

1. In March 2021 Inspectors resumed field visits schedule a minimum of four days weekly to conduct surveys to identify new employers, or identify employers who are evading Social Security payments for employees (not paying or understating payments).
2. Non-filers taken to court criminally and civil for failure to pay contributions for two consecutive months.
3. Inspectors assessed large employers who are delinquent on a monthly basis so that arrears do not accumulate; Town Boards and City Councils were included. Inspectors can request employers to provide records for inspections to be carried out at SSB premises.
4. Inspectors follow up and resolve all persons issued with a Temporary Employment Permit based on the report received from Labor Department. A Monthly progress report was submitted for update to Labor Department.
5. Unapplied GOB contribution payments was a priority focus so as to resolve timely. A monthly activity report was requested to reflect the action taken by the Belmopan Branch to reduce the outstanding balance to zero. Collaboration with GOB will be enhanced for the submission of all contribution statements for payables.

6. Joint surveys were coordinated to target employment that is seasonal, such as tourism, cane farming, citrus farming, and informal business such as trucking, roadside business like food vending etc., and transportation (city bus etc.), Asian and Indian businesses that are known to be evasive, as well as employment in the Mennonite Communities. Simultaneous surveys will be coordinated at least 3 times annually.

7. Northern Branches (Corozal and Orange Walk) to effectively execute their existing plan to manage cane farming guided by delivery listing from BSI and group listing from the Association. Strategy to accurately identify group leaders and individual farmers to reduce the risk of unnecessary exposure among all farmers. The presenting of documents at the Office by cane farmers will be discouraged and instead, monitoring will be done through scheduled field visits complemented by telephone calls.

8. Monthly surveys of all Business Processing activities (BPOs). They are known to have a high turnover of employees, and for not paying contributions for the first two weeks of employment for new employees (training period), as well as employees working from home due to the pandemic.

9. Continue to promote sign-up and use of the Online Contributions Portal (OCP) for electronic payment. Monthly random checks are done internally to confirm that OCP is fully functional. The branch submits monthly data on new businesses signed on to OCP.

10. Publishing of Employers in arrears in Newspapers and other media outlets. Consult with the new Arrears Sub-Committee of the Board.

11. SDM and Compliance Lead/Team continue to dialogue with Magistrate on the management of SSB cases to boost settlement of arrears. Consult with CEO for ongoing discussions between SSB Chairman and Chief Magistrate.

12. Public Education by CCRS and Inspectors nudging employers on the importance of paying contributions by the 14th for all employees and submitting statements as per law. The campaign should also include the effects of the payment/ non-payment as it relates to the employee.

13. Monitoring monthly waiver of interests. Consult with CEO for discussion with BoD for possible capping of percentage of interest to be waived.

HRS, SM and Finance to continuously review safety protocols for field workers and ensure proper PPEs are always available and accessible



BENEFITS

For each month in 2021, the Benefits Expenditure were higher than what was paid in the similar months of 2020. In December 2021, Benefits Payment stood at \$8,941,296.00, an increase of 9.4% (\$766,442) when compared to \$8,174,854.00 in similar month of 2020. Similarly, the Cumulative Benefits Payment for the year 2021 grew by 13.7% (\$11,647,375) to \$96,831,736 up from \$85,184,361 in 2020. This rise in benefits expenses primarily due to Retirement benefits. However, the \$11,647,375 growth in benefits expenditures in January to December 2021 is chiefly due to increases in Retirement (\$6,696,532), Sickness (\$2,539,516), Survivors' (\$1,097,440) and APV Disablement Benefit Expenses (\$1,008,651). Noteworthy, declines in benefit expenses in January to December 2021 are in Maternity Allowance of \$303,176, Medical Care of \$215,852, and Non-contributory Pension of \$207,441 helped to offset this year-to-date increase.

The Actual Benefit Expenditure to Current Contribution Ratio stood at 0.725 in December 2021. Sickness Benefits, Funeral Grant due to Natural Causes, and APV Disablement benefits exceeded their Expected Benefit Expenditure in the last month of 2021. However, the Actual Benefit Expenditure to Current Contribution Ratio at the end of 2021 stood at 0.823. Sickness, Funeral Grant due to Natural Causes, and Survivors exceeded their Expected Benefit Expenditure during this period under review.

A total of 60,169 benefit claims were processed in the January - December 2021 period. This represents a growth of 18.3% (9,295 claims) above the 50,874 claims processed in a similar period of 2020. This growth in the number of claims processed of 9,295 claims during this period under review is evident in all branches except for the Corozal Branch, where Belize, Belmopan, and San Pedro recorded the highest increases of 3,692 claims, 1,632 claims, and 1,423 claims, respectively. The Corozal Branch processed 268 fewer claims in 2021 when compared to the similar period of 2020. Of the total benefit claims processed in the year 2021, 89.3% of the benefit claims were allowed for payment. The Orange Walk Branch recorded the highest allowance rate of 93.5%, followed by the Punta Gorda and Belize City Branches with allowance rates of 92.3% and 91.5%, respectively. Conversely, the Corozal, Belmopan, and San Pedro Branches recorded the highest disallowance rates of 16.9%, 14.7%, and 12.5% respectively.

TABLE 13. SUMMARY OF BENEFIT CLAIMS BY CATEGORY, 2019 – 2021

	2021	2020	2019	% Difference (2021 over 2020)
Sickness	43,727	36,697	52,755	19.16%
Maternity Allowance	1,625	2,250	2,411	-27.78%
Maternity Grant	2,113	2,579	3,104	-18.07%
Days Paid for Sickness Benefit	340,031	277,968	306,411	22.33%
Retirement Pension	8,848	8,030	7,034	10.19%
Survivors Pension	2,256	2,079	1,859	8.51%
Invalidity Pension	585	531	505	10.17%
Injury Benefit	2,049	1,991	2,999	2.91%
Days Paid for Injury Benefit	33,266	30,381	40,979	9.50%
Disablement Pension	498	478	467	4.18%
Death Benefit	126	131	134	-3.82%

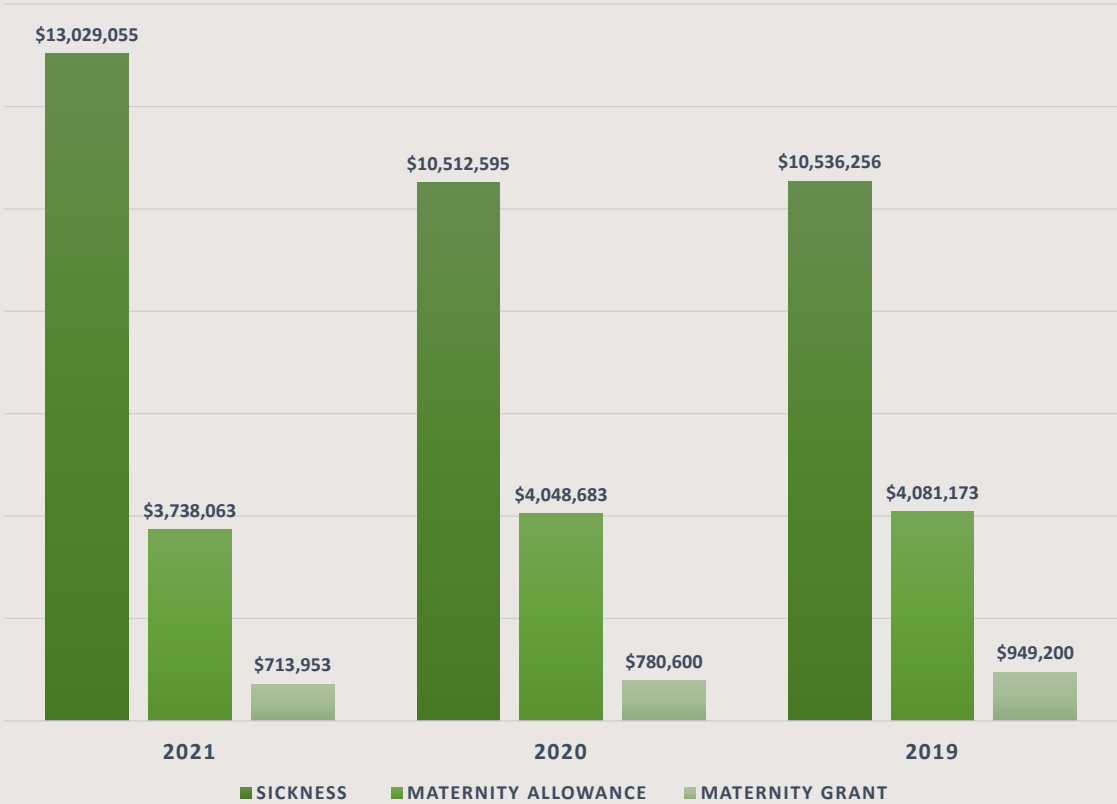
SHORT TERM BENEFITS

Short Term Benefits include payments for Sickness and Maternity Benefit, which refers to both Maternity Allowance during maternity leave and Maternity Grant, a one-time payment, on the birth of the child. Fathers are also eligible for Maternity Grant in instances where their spouse did not qualify.



Noteworthy changes in 2021, chiefly due to the growth of Benefit payments for Sickness benefit, offset by a decline in Maternity Allowance.

TABLE 14. SHORT TERM BENEFIT PAYMENTS, 2019 – 2021

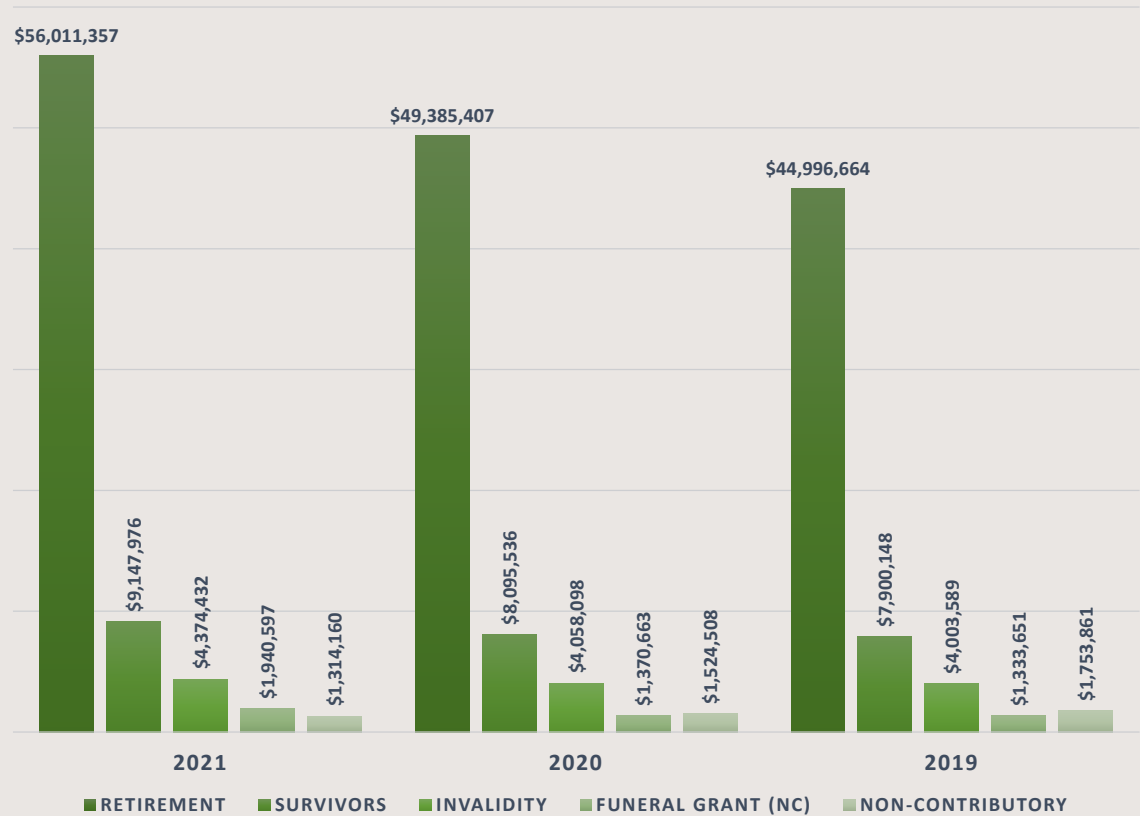


LONG TERM BENEFITS

Long Term Benefits include payments for Survivors', Invalidity, Retirement, Funeral Grant (Natural Causes) and Non-Contributory pensions.

The increase in Long Term benefit payments were primarily in Retirement, and Survivors' Pension. Once again, this was offset by a slight decline in benefit payments for Non-Contributory pensions in 2021.

TABLE 15. LONG TERM BENEFIT PAYMENTS, 2019 – 2021

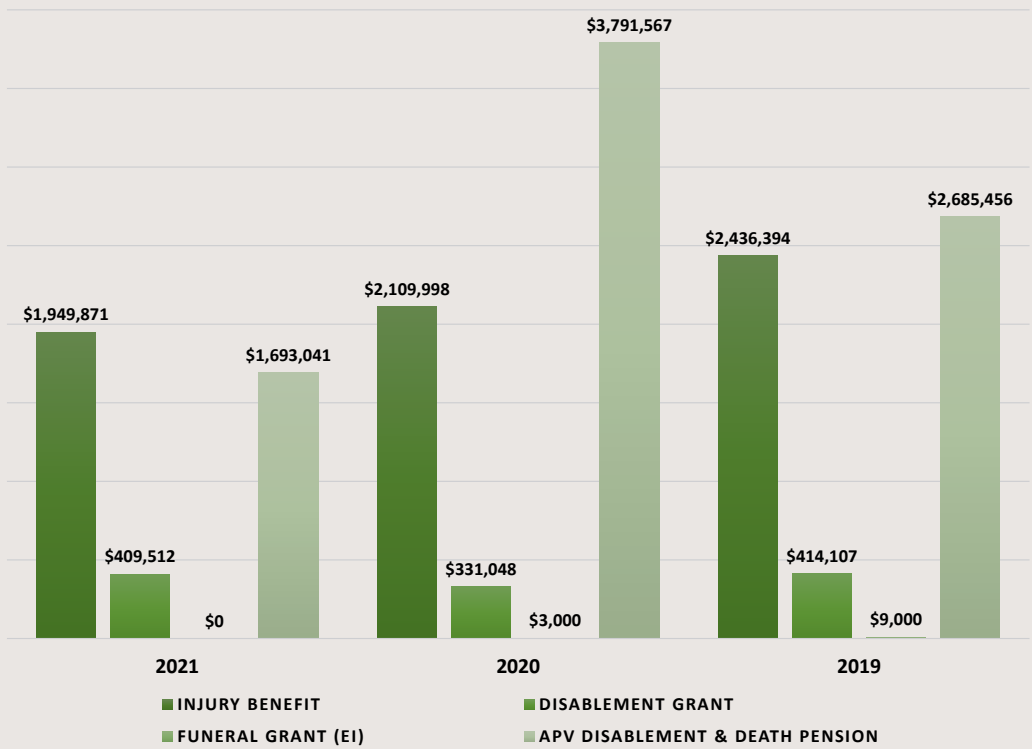


EMPLOYMENT INJURY

Employment injury benefit coverage includes Employment Injury, Disablement and Death benefits as a result of an accident on the job.

The chart shows a significant increase in APV Disablement Benefit in comparison to the year before. Changes were also seen Employment Injury related Funeral grants with factors in the shift from in-office to work-from-home or hybrid approaches in the workforce as a result of the pandemic and safety regulations.

TABLE 16. EMPLOYMENT INJURY BENEFIT PAYMENTS, 2019 – 2021



EI – EMPLOYMENT INJURY



COVID-19 IMPACT

A significant increase in COVID -19 related claims in the sum of \$4.4M was related to many factors such as entrance of new COVID-19 variants, super spreader events, and the coun-try's eventual return to work, school and so on. In both years 2020 and 2021, COVID-19 cases trended highest in ages of 20 to 39 years.

In 2021, a total of 8,681 claimants received COVID-19 related benefits for time away from work due to testing positive for the virus and due to mandatory quarantine or isolation for possible exposure. COVID claims increased as seen in the months from November and December 2020 with another wave of cases in September to December 2021.

SSB increased its support to facilitate the transition from physical to electronic benefit claim submissions which was paramount for the safety of staff, customers and their families. The Customer Care Team provided real-time assistance via the new Live Chat now available on SSB's website.

TABLE 17. COVID-19 RELATED CLAIMS AWARDED BY BENEFIT TYPE

COVID-19 Related Claims Awarded by Benefit Type

	2021p			2020		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Short Term Claims	6,295	5,560	11,855	2,039	1,498	3,537
Sickness Benefit	6,295	5,560	11,855	2,039	1,498	3,537
Long Term Claims	190	52	242	66	10	76
Survivors' Pension	48	1	49	6	0	6
Survivors' Grant	11	1	12	5	0	5
Funeral Grant (NC)	131	50	181	55	10	65
Total Claims						

Source: Ben_Claim, Ben_Claim_Continue and Claim_Information Tables from Data Warehouse
Date Processed: March 21, 2022
Processed by: Policy and Research
© 2022 Social Security Board.
p- provisional
nc - natural causes

TABLE 18. COVID-19 RELATED SICKNESS CLAIMS AWARDED BY BRANCH OFFICE & GENDER

COVID-19 Related Sickness Claims Awarded by Branch Office and Gender

BRANCH OFFICE	2021p			2020		
	MALE	FEMALE	TOTAL CLAIMS	MALE	FEMALE	TOTAL CLAIMS
COROZAL	138	95	233	119	69	188
ORANGE WALK	510	287	797	509	249	758
BELIZE CITY	2,191	2,357	4,548	563	508	1,071
SANTA ELENA	565	350	915	136	117	253
DANGRIGA	314	189	503	50	27	77
PUNTA GORDA	181	126	307	69	42	111
BELMOPAN	1,251	1,432	2,683	240	272	512
INDEPENDENCE	708	383	1,091	212	112	324
SAN PEDRO	437	341	778	141	102	243
TOTAL						

Source: Ben_Claim and Ben_Claim_Continue Tables from Data Warehouse
Date Processed: March 21, 2022
Processed by: Policy and Research
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p- provisional

TABLE 19. COVID-19 RELATED SICKNESS CLAIMS AWARDED BY AGE GROUP AND GENDER

COVID-19 Related Sickness Claims Awarded by Age Group and Sex

AGE GROUP	2021p			2020		
	Male	Female	Total Claims	Male	Female	Total Claims
14 - 19	83	41	124	23	5	28
20 - 24	951	740	1,691	295	219	514
25 - 29	1,265	1,147	2,412	414	339	753
30 - 34	1,140	1,152	2,292	392	298	690
35 - 39	873	821	1,694	277	216	493
40 - 44	677	654	1,331	198	146	344
45 - 49	555	473	1,028	185	143	328
50 - 54	401	324	725	135	84	219
55 - 59	255	159	414	76	35	111
60 - 64	95	49	144	44	13	57
TOTAL	6,295	5,560	11,855	2,039	1,498	3,537

Source: Ben_Claim and Ben_Claim_Continue Tables from Data Warehouse
Date Processed: March 21, 2022
Processed by: Policy and Research
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INVESTMENTS

2021 INVESTMENT PORTFOLIO: \$449,325,849

Investment is a core function of SSB since the returns on investments is the main source of income for SSB after contribution income and what will drive the sustainability of the LTB branch reserves. The satisfactory and profitable returns on investments of the Social Security Fund are used to subsidize payments, especially long-term benefits.

Investments play a major part in sustaining and growing our economy. These investments are made in key economic sectors: banking, utilities, housing, agriculture, real estate, tourism, financial institutions, education and other sectors. These investments have impacted our major industries to the benefit of all Belizeans and the Belizean economy.

Lending is a core business activity for Social Security Board (SSB) after collecting contributions and paying out benefits. Its lending portfolio is the largest asset and a predominant source of revenue but also carries a significant exposure to credit risk. Although specific loan agreement terms and conditions vary, one of the most critical elements controlling the performance and risk of the loan portfolio is the interest rate. Until now SSB has been using the traditional loan pricing model which considers a borrower's financials, business plan, management, and industry trends as well as the loan term, security, and competition. SSB also rejects most high-risk borrowers. However, financial institutions have started to manage their risks more effectively by adopting the risk-based pricing method: estimate the specific risks of each borrower and offer different interest rates to different borrowers.

The Social Security Board has experienced a reduction in contributions to the scheme as a result of COVID19 which has ravaged economies worldwide. Stock markets have lost value and in many countries' factories, airports, offices, schools and shops have been closed to try to contain the virus. Workers are worried about their jobs and investors fear companies will default on their debts.

In the absence of a shortfall in contributions, increased cost of benefits and pensions, reduced rates on fixed deposits, and moratorium on principal repayments, it is imperative that the SSB seek new avenues through which and in which to invest. Investment Services, along with the Board's Strategy Committee over the last few months, has examined the investment potential and made strategic recommendations.



The Social Security Act, Chapter 44 of the Laws of Belize Revised Edition 2000-2003 sets out, in Section 49 of the Act, the objectives of the Investment Framework of the Board. For quick reference, the text of the Act is outlined below.

OBJECTIVES:

- Assure the availability of sufficient assets to pay benefits and liabilities when due.
- Maximize the total rate of return within prudent and acceptable levels of risk and liquidity.
- Ensure adequate diversification to avoid losses and to preserve capital.
- Grow assets at a rate to keep pace with inflation and a reasonable level of growth in benefits.
- Assure the full utilization of assets in a cost effective and efficient manner; and
- Positively impact on the economic growth and development of the economy.

Investment Services plays a crucial role in the sustainability of the Social Security Board by ensuring that funds are utilized for sound investments that yield adequate returns at acceptable levels of risk and liquidity. The Investment Services Department's strategic re-prioritization incorporates four priority goals for focus over the next four years.

STRATEGIC GOAL 1: OPTIMAL ASSET ALLOCATION

- Determine an appropriate asset-mix
- Employ Tactical asset allocation
- Employ Dynamic asset allocation

STRATEGIC GOAL 2: INCREASED INVESTMENT LOANS TO THE VARIOUS ECONOMIC SECTORS

- I. Target and attract customers in priority sectors
- II. Support new and existing businesses to grow and maintain jobs
- III. Create and manage new business opportunities to deliver social and economic benefits including job opportunities

STRATEGIC GOAL 3: EXCELLENCE IN CUSTOMER SERVICE AND DELIVERY

- I. Use technology to deliver service more efficiently and effectively and to provide timely and accurate information
- II. Implement Electronic Document Management System
- III. Increase the use of the intranet/internet for loan applications

STRATEGIC GOAL 4: STRENGTHEN INVESTMENT SERVICES

- I. Strengthen Investment Services – train, develop, and retain superior employees
- II. Adopt a culture of service excellence
- III. Implementation of Risk Management

In 2021 the Investment Services main focus was to identify opportunities to achieve financial goals that will help safeguard and maintain Social Security benefit coverage for current and future beneficiaries.

The Investment Mix table below is the breakdown of SSB’s assets within the portfolio. Having a diversified mix of assets allows for increased sources of investment returns as well as reducing investment risk.

SSB’s Investment Portfolio in the Utilities Sector including communication services make up 53% of Social Security Board’s total portfolio. These companies traditionally have a higher dividend pay-out and have exhibited stable growth. Income generated from the investment in the utilities sector accounted for 65% of the total portfolio income. An additional 15% of income was generated from passive investments such as Treasury Notes and Floating Rate Notes.

Investment impediments

- Human resources
- Security cover
- Pricing
- Turnaround times
- Advertising when commitments made for loans

TABLE 20. INVESTMENT MIX, 2019 – 2021

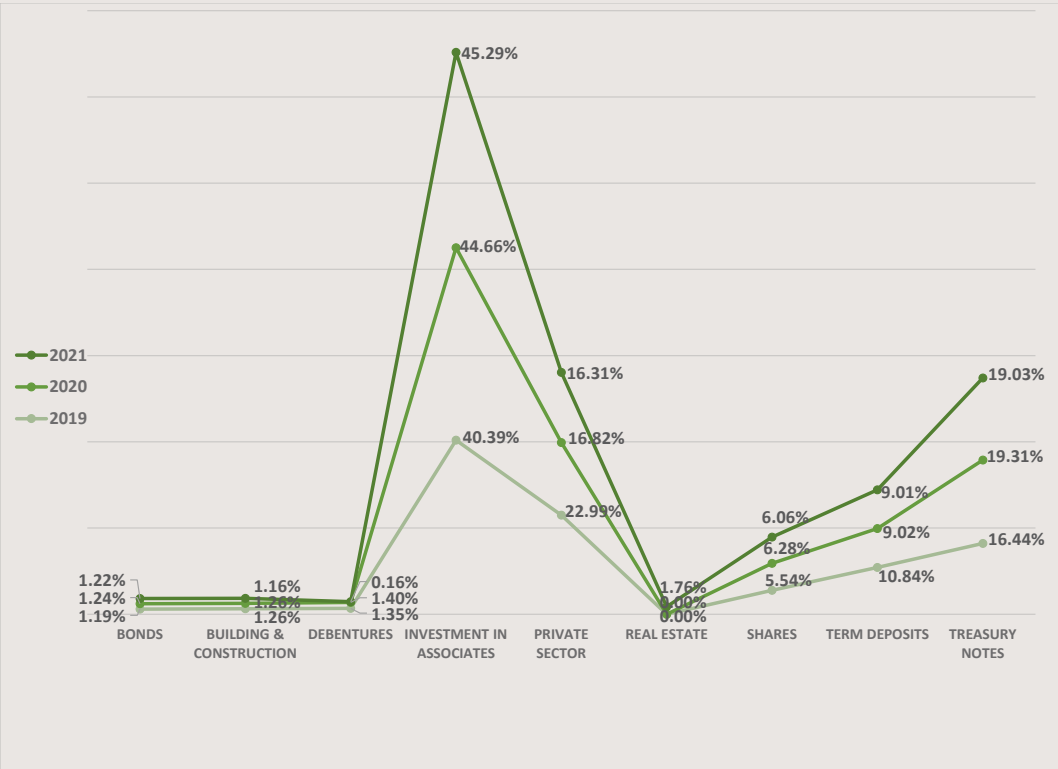
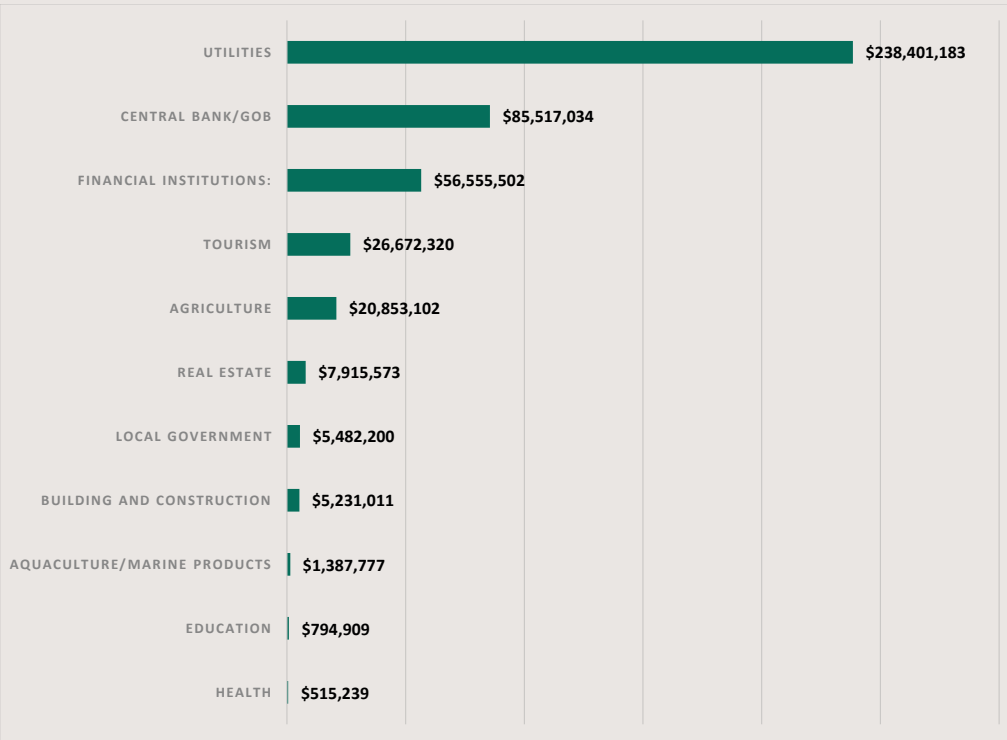


TABLE 21. INVESTMENT BY SECTORS



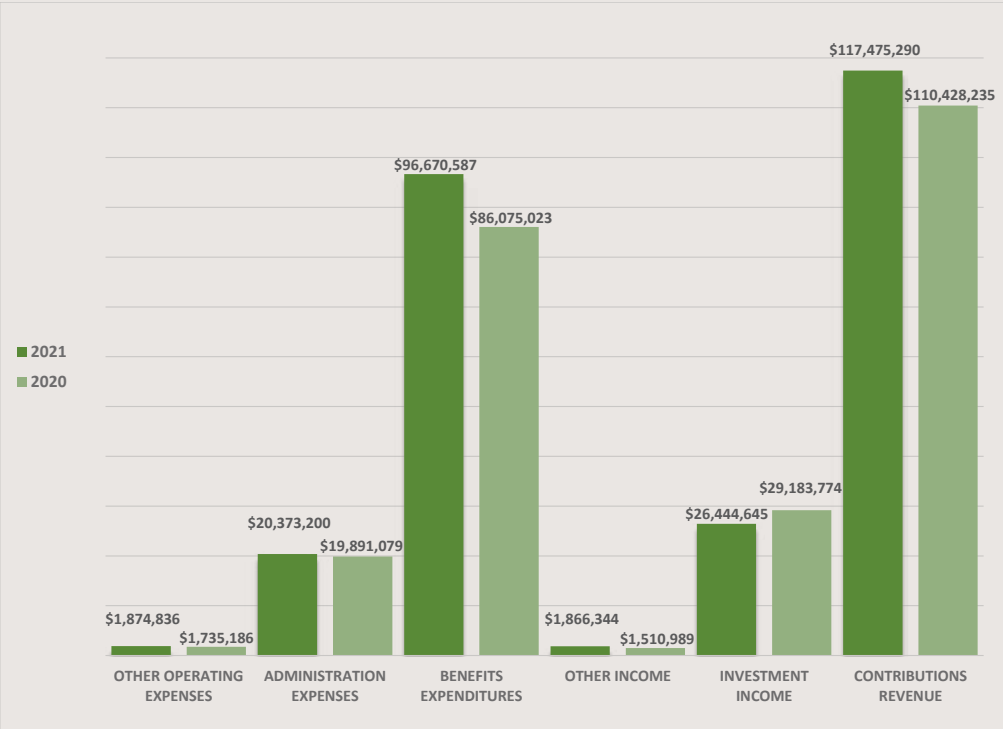
COST OF ADMINISTRATION

Total operating expenses in 2021 increased to \$22.3M from \$21.6M in 2020. The increase in operating expenses is attributable primarily to higher (i) computer licenses and software assurance costs for PERANSA, which increased by 31.4% from 2020, and (ii) a 28.8% increase in other charges.

In 2021, SSB embarked on a campaign to our Employers to use the online portal for the payment of Social Security contributions, as opposed to visiting the branch offices. As such, online payments in 2021 increased by 29% to \$54.9M from \$42.6M.

Total administration expenses amounted to \$20.28M compared to the annual budget estimate of \$23.20M. This is a favorable variance of \$2.92M, or 12.60% for the current year. However, current year expenses are \$389K, or 1.96% more than the \$19.9M incurred during the same reporting period in 2020.

TABLE 22. ADMINISTRATIVE EXPENSES



Given the continued COVID-19 pandemic and the work from home arrangements in place in 2021, operating expenses were reduced due to these measures. Several of the initiatives planned for 2021, including the recruitment of approved staff, trainings, consultations, meetings, and general staff activities were all deferred and as such, expenses in these line items will show considerable variances when compared to annual budget estimates. Some areas to note are below:

Maintenance Expenses - Total maintenance expenses totalled \$499K for the period under review. This is 14.10% under the approved budget estimate. However, maintenance expenses were \$25K, or 5.7%, greater than the \$472K reported for the same period in 2020. Major projects completed during the year include:

TABLE 23. MAINTENANCE PROJECT EXPENSES

PROJECT	TOTAL SPENT
Painting of Belize City Branch Building	\$35,900.00
Electrical Upgrades (Corozal, Belize City)	\$32,857.40
Mold remediation and Insulation (San Pedro & Dangriga)	\$44,343.75
Painting of Santa Elena Branch Office	\$11,773.55
Bollards around DLM and HQ Office	\$27,453.00
Sanitization and Barriers (Covid-19 Measures)	\$19,737.45

Computer License and Renewals - Licenses and software assurance cost increased by \$345K, or 31.77% in 2021 over the \$1.08M reported at the end of 2020. This increase in cost relates to the monthly cost of licenses for the portions of the Peransa modules that are already in service. From January – December 2021, the cost of these licenses amounted to just over \$543K.

Bank Charges - Charges incurred on transactions processed on behalf of the Social Security Board has amounted to \$365K during the period January – December 2021. This amounts to 13.45% or \$43K more than the approved budget of \$322K for the same period. Given the continued Covid-19 pandemic, the SSB has an on-going campaign to our Employers to use the online facilities instead of visiting the office and as such, payments online have increased by 29% or \$12.24M year over year from \$42.62M in 2020 to \$54.87M in 2021. Charges associated with these online payments similarly increased from \$199K in 2020 to \$237K in 2021.

Other transactions that attract bank fees includes wire transfers and payroll processing charges.

Subscription Expenses - Annual expenses at the end of December 2021 amounted to \$122K, or 57.3% more than the annual budget estimate for the year. This variance arose due to SSB's re-engagement with the CISS and ISSA organizations after we had suspended the payment of membership fees in 2020. Payment was made in May and December 2021 respectively. Total membership fees totalled \$42K. In addition to this, our Training Unit also purchased online subscription for tools which allows them to create online training content since staff were unable to meet face to face.

Personnel Emoluments – Personnel Emoluments expenses were 5.74% lower or \$708K less than the annual budget estimate for 2021. This variance was mainly due to budgeted positions that were not filled in 2021, including the Chief Operations Officer, GM Investments, and the Risk Manager. these were not filled, and funds will be carried over to 2022.

In 2021, there was a continued freeze on recruitment; as such, upon termination of or resignation by an employee, there was no staff replacement. Below is a breakdown of line items affecting this GL account:

TABLE 24. PERSONNEL EMOLUMENTS

	ACTUAL 2021	BUDGET 2021	VARIANCE		FULL YEAR 2020
			\$	%	
BASE SALARIES	\$ 10,584,908.02	\$ 11,047,045.76	\$ 462,137.74	4.18%	\$ 10,631,802.35
OVERTIME	\$ 41,417.09	\$ 72,000.00	\$ 30,582.91	42.48%	\$ 37,860.34
ACTING ALLOWANCES	\$ 253,815.99	\$ 235,147.98	\$ 18,668.01	(7.94%)	\$ 210,024.98
RESPONSIBILITY ALLOWANCE	\$ 49,920.81	\$ 100,557.01	\$ 50,636.20	50.36%	\$ 46,941.50
PASSAGE GRANT	\$ 390,177.64	\$ 429,858.90	\$ 39,681.26	9.23%	\$ 418,975.21
GRATUITY	\$ 196,515.59	\$ 250,230.75	\$ 53,715.16	21.47%	\$ 201,234.58
SEVERANCE	\$ 3,660.86	\$ 75,000.00	\$ 71,339.14	95.12%	\$ 35,558.97
PERFORMANCE AWARD	\$ 125,018.76	\$ 141,000.00	\$ 15,981.24	11.33%	\$ 37,656.82
PERSONNEL EMOLUMENTS	\$ 11,645,434.76	\$ 12,350,840.40	\$ 705,405.64	5.71%	\$ 11,620,054.75

TRANSFER AND OTHER ALLOWANCES

As per details below, savings realized in 2021 under Transfer and Other Allowances was due to the deferral of the procurement for uniforms due to the time constraints. Additionally, due to the number of staff members who were either placed in isolation or contracted Covid, the amount paid out as an attendance bonus at the end of December 2021 was significantly less than the budget estimate of \$331K. The Collective bargaining negotiations have been delayed and are expected to be concluded in 2022. A breakdown for this line item is found below:

TABLE 25. TRANSFER & ALLOWANCES

	ACTUAL 2021	BUDGET 2021	VARIANCE		FULL YEAR 2020
			\$	%	
HOUSE RENT	\$ 422,443.54	\$ 461,000.00	\$ 38,556.46	8.36%	\$ 450,639.45
RELOCATION GRANT	\$ 1,500.00	\$ 2,500.00	\$ 1,000.00	40.00%	\$ 6,000.00
UNIFORM ALLOWANCE	\$ 16,413.93	\$ 276,400.00	\$ 259,986.07	94.06%	\$ 5,382.24
HARDSHIP ALLOWANCE	\$ 61,883.87	\$ 64,550.00	\$ 2,666.13	4.13%	\$ 64,700.00
LONG SERVICE	\$ 92,500.00	\$ 99,500.00	\$ 7,000.00	7.04%	\$ 143,000.00
HONORARIUMS	\$ 375.00	\$ 1,500.00	\$ 1,125.00	75.00%	\$ 700.00
CASHIER ALLOWANCE	\$ 16,408.92	\$ 17,320.00	\$ 911.08	5.26%	\$ 15,522.46
OTHER ALLOWANCES	\$ 108,968.00	\$ 172,422.91	\$ 63,454.91	36.80%	\$ 111,109.28
ATTENDANCE BONUS	\$ 225,335.26	\$ 331,583.03	\$ 106,247.77	32.04%	\$ 258,782.54
TRANSFER AND OTHER ALLOWANCES	\$ 945,828.52	\$ 1,426,775.94	\$ 480,947.42	33.71%	\$ 1,055,835.97

Overall, the management cost-saving strategies employed have realized \$3.5M in savings in four years. This is an ongoing commitment to stakeholders to bring down the cost of administration over the long term whilst making the organization more efficient.

TABLE 26. COST SAVING

	2018	2019	2020	2021	TOTAL
Closure of Sub Offices		\$ 144,181.00	\$ 144,181.00	\$ 144,181.00	\$ 432,543.00
Direct Deposit Services	\$ 90,710.18	\$ 97,994.50	\$ 125,392.65	\$ 100,548.02	\$ 414,645.35
Changes to SSB card policy		\$ 825,625.00	\$ 682,525.00	\$ 774,000.00	\$ 2,282,150.00
Cable		\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 21,600.00
Passage Grant Savings		\$ 26,600.00	\$ 46,616.15	\$ 87,668.97	\$ 160,885.12
Savings on reduction of vacation Days	\$ 5,580.91	\$ 10,625.02	\$ 18,029.48	\$ 19,031.71	\$ 53,267.12
Temporary Staff Reduction			\$ 151,840.00		\$ 151,840.00
	\$ 96,291.09	\$ 1,112,225.52	\$ 1,175,784.28	\$ 1,132,629.70	\$ 3,516,930.59

*Does not include 2021 NHI Figures





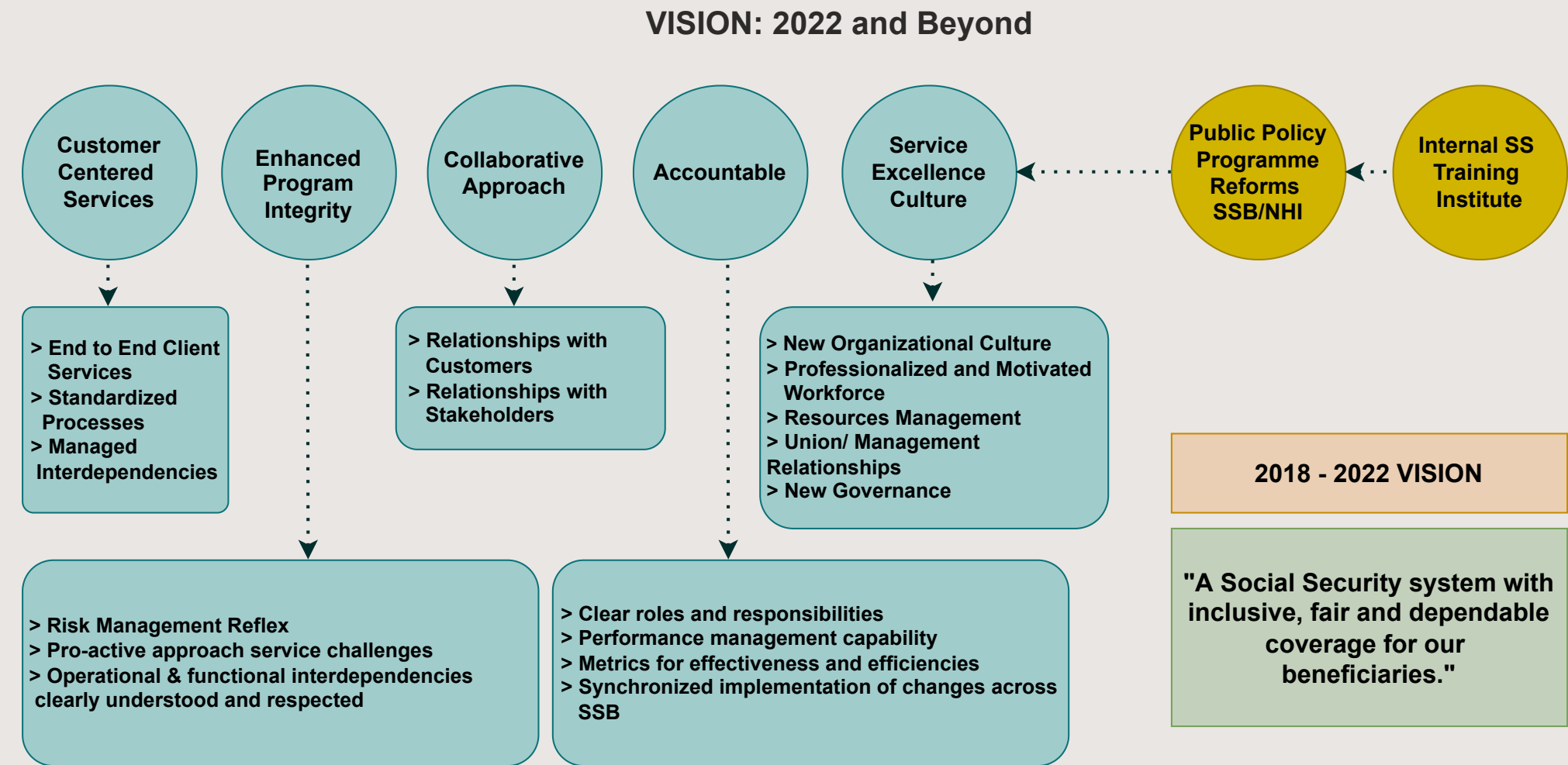
FORWARD PLANNING

The Board of Directors and Management held a Strategic Review exercise in October 2021. The purpose of the Workshop was:

- 1. The Preparation for the budget exercise for 2022
- 2. To provide guidance to the EMC for priorities to be established for 2022.
- 3. Where necessary, revise the Strategic objectives to make them more relevant given the new dynamics being experienced as a result of COVID-19 pandemic.

An assessment of where we were and alignment to existing Vision and Mission was done and the outcome was that these strategic components were still very much relevant for action.

TABLE 27. FORWARD PLANNING





National Health Insurance

NATIONAL HEALTH INSURANCE

CHAIRMAN'S REMARKS

It is imperative as a country we pursue a health system that promotes universal access to quality health care. With the high incidence and prevalence of non-communicable diseases (NCDs) and the presence of COVID 19 in Belize, a strong primary health care system becomes the backbone of quality health care. The National Health Insurance which began 20 years ago has slowly continued to expand its services aiming to provide equity access to quality primary healthcare regardless of financial status, specific needs, risks, and vulnerabilities with respect to gender, culture, diversity, and special condition. As the expansion of this scheme continues, the impact of benefits will be perceived exponential because health is a condition of interdependence and requires collective access to its achievement. Access to health services, better income, higher education, safe water and greater family and community support are determinants intertwined to good health. As improvement in these determinants are achieved, people's health, well-being, and quality of life will progress. Investment in quality health is ensuring a better economy, a higher productivity at work, a better education, and the general well-being of the population. Presently a population of approximate 140,000 people are enrolled in the NHI program with many on the waiting list. As we continue determined to provide full coverage it is important that efficiency, efficacy, accessibility, quality, and sustainability of the program be the vision. Existing NHI coverage has increase access to improved quality of care, has caused reduction of out of the pocket expenses and enhanced key health indicators. The mix-model of care provided in Belize city, where private, NGOs and public health providers participation has shown to be the most efficient and effective in health delivery services. Thus, this will be the archetype implemented nationwide. With the firm conviction that health is a basic human right and commitment of "universal health coverage" the Government of Belize is resolute in ensuring healthy lives and promoting well-being for all at all ages. Amid the current economic status and the disruption cause by COVID 19, sustainability of an NHI nationwide program is a challenge we will need to overcome. A lag in its extension to the rest of the country generates inequities between members and non-members and lead to duplicities which counters the trend towards better allocation of resources. Thus, the special attention and careful planning focused on areas of budgetary opportunity and fiscal space sources to ensure national rollout coverage and reduce equity gaps in health were of utmost importance in 2021 and continues to be of priority in 2022. National Health Insurance the solution for universal health coverage.



NHI EXPANDED COVERAGE:

Presently the NHI Scheme covers about 40% of the entire Belizean population which includes the Southern Region (SR), Belize City South Side, and as of 2013, the Corozal District. In 2020 with the advent of the COVID pandemic and its impact on the country's economy and social structure, an adjustment to the package of services being purchased in the Southern Belize and the Corozal District had to be made, removing some of the support services purchased from the Public Sector PCP's.

Given that the NHI budget for 2021/2022 had increased to its pre-COVID levels, the NHI Technical Team developed a proposal to re-introduce support services to both the SR and Corozal utilizing a different strategy that involves purchasing services from the private sector. This proposal sought to redefine the zoning in the Corozal District and offered the least non-productive Chunox PCP presently contracted from MOH&W to the private sector. The proposal endorsed by the NHIC and approved by the SSB Board will be implemented in January 2022.

INTEGRATION OF PRIVATE SECTOR HEALTH SERVICES FOR THE COROZAL DISTRICT

Chunox PCP- In an effort to improve efficiency, quality of services and increase access to basic health services, NHI has introduced the private/public sectors mix of providers in the Corozal District. The private sector will cover specific support services and primary care services of the Chunox Primary Care Provider (PCP) and Sarteneja Satellite Clinic. Chunox PCP has been tendered out to a private provider in a formal bidding process. The successful applicant of the bid was the Northern Medical Plaza group. They will be providing care to the geographic area designated as the Chunox catchment area, including Sarteneja. Initially, a registration drive will be undertaken for the first two months after which they will officially start to provide services.

Imaging Services

Mammography services for the screening for Breast cancer will be available for all NHI registered members in the Corozal district. Northern Medical Plaza is the approved NHI provider. Ultrasound services primarily for prenatal care will also be provided by Northern Medical Plaza for registered members by referrals from PCPs. Services will be advertised at each clinic as soon as it is available.

Laboratory Services

Lab services will be provided by Trustlife Clinical Laboratory and will cover San Narciso PCP and Presbyterian Medical Clinic registered members. ProHealth Clinical Laboratory will provide services for the Corozal PCP registered members. Each provider will be responsible to advertise and ensure coverage. The services include a lab panel for Diabetes and Hypertension, as well as Prostate Specific Antigen (PSA), a test for the screening of Prostate Cancer. In addition, BFLA Laboratory has been contracted to provide the processing of PAP smears for all NHI registered persons in Corozal District. Pap Smear services will be provided at the San Narciso, Presbyterian Medical Clinic, Corozal, and Chunox PCPs.

Pharmacy Services

Medications for diabetics and hypertensives will now be provided through NHI for registered members by referrals of prescriptions from attending doctors to in-house pharmacies.

MENTAL HEALTH PROJECT

The Covid-19 pandemic has had a significant impact on the socio-economic fabric of every country, and health services have had to completely re-organize in order to be able to handle the surge of cases coming to the facilities. Belize was no exception. The National Health Insurance scheme over the past year has partnered with the Ministry of Health and made available to the health care providers at NHI contracted facilities support in the fight against the pandemic.

While everyone seems to perceive the significant burden that is placed on frontline workers, it is not the same when you hear the stories coming from them, the experiences they went through, and the mental and physical stress they have had to endure! And most of them are still afflicted by the accumulated emotional trauma of seeing neighbors, family members, and friends, being

wheeled into Covid-19 wards and dying right in front of them, and the feeling of helplessness that engulfs them. Many of the frontline workers themselves became infected and some suffered the long-lasting effects, and became Covid-long haulers themselves!

The mental health of our health care workers and patients required urgent attention. This was vital, therefore, NHI implemented the mental health project to identify and address the mental health needs of PCP Staff. The Rapid Assessment were administered at all health facilities contracted by NHI Clinics. Those staff that merited treatment plans for Anxiety and Depression were contacted individually by consultant and therapy provided. Basic Psychosocial Skills and Mental Health GAP trainings were conducted to assist health care providers in identifying patients for referral to consultant.

NON-COMMUNICABLE DISEASES- DIABETES MELLITUS GUIDELINE

Another of the effects of the pandemic has been the neglect of other important services for the population, such as Cardiovascular and Non-Communicable Diseases (NCD's) NHI in conjunction with MOHW, considers that it is important to begin the process of re-normalization of services to focus more on the neglected services and strengthening the management of NCDs.

The Guideline on the Management of Diabetes in Belize developed in 2010 was adapted from the manual "Managing Diabetes in Primary Health Care in the Caribbean". The need for a review of this guideline for healthcare providers has become critical in Belize as morbidity and mortality related to this disease continue to be of significance over the last decade and most recently the impact which the Covid-19 Pandemic has had on persons with NCD's.

This guideline is intended for use in health centers and other institutions at the primary health care level countrywide as well as in all contracted National Health Insurance clinics. All physicians from health facilities contracted by NHI participated in training sessions facilitated by consultants. The review of this guideline was made possible through a Technical Cooperation by PAHO/WHO and has been submitted to MOHW for endorsement.

FINANCIAL SUSTAINABILITY:

Costing Tool Enhancements – Technical Cooperation with PAHO/WHO

NHI has completed a study that will inform policy makers of the potential cost of rolling out NHI countrywide! The costing tool has been enhanced and can define multiple scenarios of packages of services for the expansion of NHI, allowing for the package of services covered to be tailored as necessary by services and regions.

Fiscal Space Update: Technical Cooperation PAHO/WHO

The fiscal space analysis of 2019 identified and evaluated sustainable government budgetary financing options in Belize. However, assumptions made pre COVID-19 pandemic are no longer valid, and thus a revised and updated version of the fiscal space analysis is needed. Fiscal space studies usually focus on sources of revenue generation, and allocation and/or re-distribution of budgets, and do not necessarily involve an association with expenditures. At present, given the current pandemic situation, one of the innovations intended to be incorporated in new fiscal space analyses seeks to associate current or new available resources with specific activities necessary to mitigate the pandemic, including vaccination and public health control measures, and more generally, with activities that allow the sustainable use of essential health services while under a pandemic. This means, pandemic-related expenditures are expected to be an integral part of all estimations and projections made through this fiscal space analyses and instrumental is the development of a proposal for the expansion of NHI.

Exchange of Best Practices in Universal Health Coverage

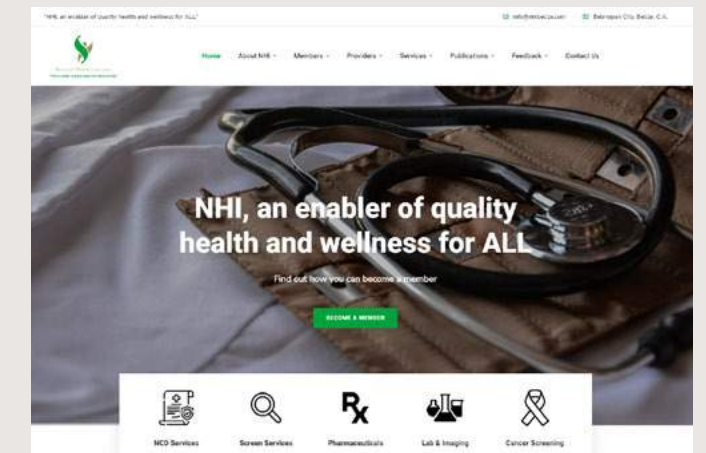
In pursuance of Governments commitment to roll out the National Health Insurance, a team comprised from NHIC, MOHW and MOF travelled to Costa Rica to discuss and observe "best practices" of the Costa Rican Health Service model. Costa Rica has traditionally boasted among the best health indicators in the region and have also made significant strides in moving towards Universal Health Access and Coverage. They have been able to separate the function

of Regulator and Provider, becoming more effective and efficient in providing their population with quality services, at all levels. The team explored their financing model and long term sustainability. The experience and knowledge garnered will be instrumental in the policy options to be presented to Government for the NHI Roll Out. Through a Technical Cooperation request the PAHO/WHO coordinated a virtual conference with the Uruguay Ministry of Health. This is also part of the effort to explore other best practices in the Region. Uruguay has also been identified as a regional leader in implementing a National Health Insurance scheme.

OPTIMIZING SERVICES THROUGH TECHNOLOGY:

ICD 11 Implementation

The RAWA ICD-11 Tool was launched live for general availability on June 21,2021. Prior to this launch, all doctors at NHI contracted facilities participated in a training and piloting phase that aimed to introduce and expose them all to the use and benefits of the International Classification of Diseases, 11th Revision (ICD-11) and its integration in RAWA. RAWA implements the



ICD-11 via the World Health Organization (WHO) API architecture; this means that medical professionals at Health facilities contracted by NHI will have the most up-to-date catalogue of ICD-11 codes readily available as part of their normal workflow in RAWA. Doctors and nurses can now take advantage of the ICD-11, which according to the World Health Organization (WHO), is the scientifically up-to-date global standard for health data, clinical documentation, and statistical aggregation with multiple uses including primary care. We thank all the medical teams who made this project a success.

Development of the TELERAWA Module

NHI has developed and is about to launch a new TELE-module in RAWA. TELERAWA will be piloted for implementation in 2022. The use of digital tools for improving the efficiency in service delivery is critical for the continuity of care. TELERAWA is an electronic medical record that meets the MOHW's standard for the proper documentation of a clinical encounter. In addition, this module can be used for the documentation of telemedicine which increases timely access to appropriate interventions including faster access and access to services that may not otherwise be available in more remote areas, or where due to a public health threat, service provision is disrupted. The COVID-19 pandemic has highlighted a case where the latter is applicable. The role of telemedicine in not only addressing the gaps in access to health care in more remote areas as was originally intended for, but has now become a significant tool in reducing overcrowding of health facilities and more effective means of ensuring continuity of care during future public health challenges.

NHI website

The NHI website has been developed and will be launched in 2022. The objective is to reach a larger audience disseminating knowledge and creating public awareness of the NHI Program.

MONITORING AND EVALUATION ON THE COMPLIANCE OF NHI PROVIDER CONTRACTS

Corozal and Southern Region Ministry of Health Providers Contracts

The Corozal and Southern Region Ministry of Health facilities contracted must comply with facility standards established by the Ministry of Health. These facilities of been in breach of meeting facility standards and the human resources as per staff profile. The NHIC and SSB agreed on 10% deductions from their monthly payments due to non-compliance with contract terms in October 2021.

This has resulted in Corozal PCP addressing these outstanding issues and since December 2021 they have been receiving full payment. Southern Region, however, has had changes in Administration and remain non-compliant.

Dispensing Fee Model Pharmacy Contracts

In an effort to ensure efficiency gains the NHIC has approved that as of April 1st, 2022 all NHI contracted pharmacies in Belize City South Side will become dispensing fee models. Four of seven pharmacies are dispensing fee models. NHI procures #38 of the most utilized medications for Non-Communicable Diseases from Pharmaceutical Suppliers at tender cost and duty- free exemptions, which are then then delivered to these NHI contracted pharmacies. An established monthly fee by contractual agreement is paid to pharmacies for the dispensing of these medications. This fee is pre-determined for the contract period and is dependent on the quantity of medications that the pharmacy dispenses.

Three do not presently have dispensing fee contract of which two qualifies for this model due to the number of referrals dispensed which have increased in last 3 years. The other one due to small volumes dispensed does not qualify and is not cost effective. This contract will not be renewed. NHI has informed all contracted pharmacies of the NHIC decision to convert them all to Dispensing Fee contracts for 2022.

Pharmacy Audits

Reconciliations at all Dispensing Fee Model Pharmacies are conducted every 2 months by NHI. If compliance of contracts is not met penalties are applied. In addition, an annual audit of NHI Pharmacy warehouse and all Dispensing Fee Model Pharmacies is executed by Internal Audit Services to ensure that physical counts match RAWA Pharmacy Module reports.

INSTITUTIONAL STRENGTHENING - STAFF CAPACITY BUILDING

Global Fund Principal Recipient (PR)

NHI will become the Principal Recipient (PR) of the Global Fund HIV 2022-2024 Grant. The Global Fund is a partnership designed to accelerate the end of AIDS, tuberculosis and malaria as epidemics. As an international organization, the Global Fund mobilizes and invests more than US\$4 billion a year to support programs run by local experts in more than 100 countries! Belize has been successful in the past in accessing such funds in support of National HIV/AIDS response and now COVID-19. As the new local PR, NHI seeks to further expand its capacity in the areas of Programmatic and Financial Management, Procurement and Monitoring and Evaluation that will in the future, prepare the NHI Unit for the full rollout of services applying these additional skills. NHI has collaborated with UNDP the past PR during the critical Grant Making process and continues to do so in the transition phase.

NATIONAL HEALTH INSURANCE FINANCIALS 2021

The Government of Belize's Contribution to National Health Insurance for 2021 was \$17,725,000.00. NHI's expenditure by specific services was \$13,245,717.00. In comparison to 2020, 7.8% less. This can be attributed to a disruption in Ophthalmology services and a decrease in referrals to support services due to the pandemic. Administrative expenses for 2021, \$982,672.00, have increased from 6% to 7% this is attributed to the increase the in cost of computer licenses and filling of a vacant established post. NHI reserves are at \$6.9 million for 2021. Important to mention, is that 93% of total NHI expenditure is for the purchase of health services for 140,000 registered members.

TABLE 28. GOVERNMENT OF BELIZE'S CONTRIBUTIONS 2008-2021

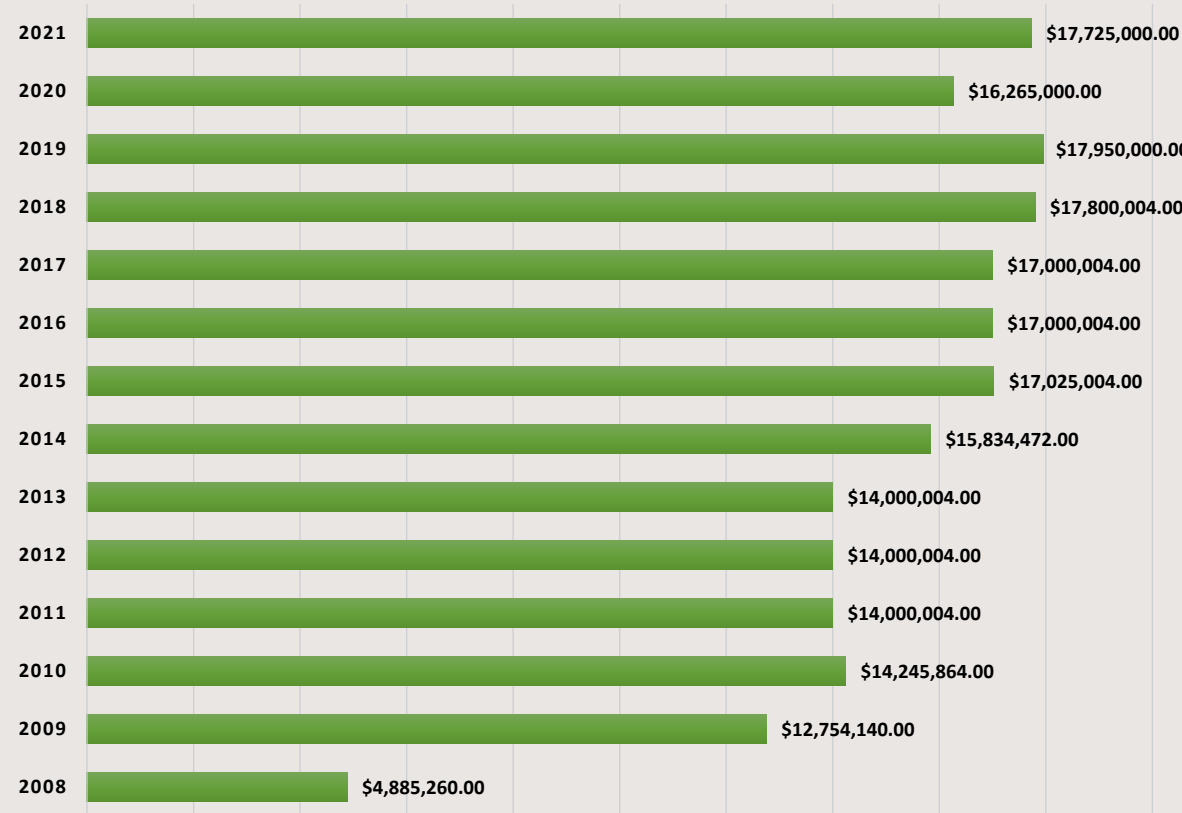


TABLE 29. NHI EXPENDITURES

	2021	2020	2019
HOSPITAL DELIVERIES SR	\$ -	\$ 64,200.00	\$ 213,000.00
IMAGINE	\$ 399,189.00	\$ 389,218.00	\$ 633,000.00
KPI	\$ -	\$ 421,097.00	\$ 422,000.00
LAB TESTS	\$ 831,694.00	\$ 862,000.00	\$ 1,469,000.00
OPHTHALMOLOGY	\$ 125,530.00	\$ 67,150.00	\$ 271,000.00
PRIMARY CARE PCP	\$ 10,565,956.00	\$ 11,453,000.00	\$ 12,152,000.00
PHARMACY	\$ 988,908.00	\$ 886,000.00	\$ 1,069,000.00
PHARMACEUTICAL COST	\$ 329,659.00	\$ 227,201.00	\$ -
PRIMARY OPERATING COST	\$ 4,781.00	\$ 4,079.00	\$ -
TOTAL	\$ 13,245,717.00	\$ 14,373,945.00	\$ 16,229,000.00

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors: Social Security Board

Opinion

We have audited the financial statements of Social Security Board, which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of profit, statement of comprehensive income, statements of changes in reserves and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Social Security Board as at December 31, 2021 and 2020, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs), and requirement of the Financial and Accounting Regulations of the Social Security Act, Chapter 44, Revised Edition 2020.

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Social Security Board in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Social Security Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Social Security Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Social Security Board.

hlb.bz

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HLB Belize, LLP is an independent member of HLB, the global advisory and accounting network

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during the audit.

HLB Belize, LLP

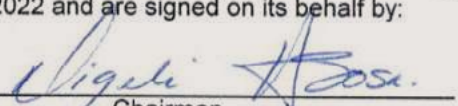
**Chartered Accountants
Belize City, Belize
June 30, 2022**

SOCIAL SECURITY BOARD

STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

ASSETS	Notes	2021	2020
CURRENT ASSETS:			
Cash and cash equivalents	2g. 2h. 4.	\$ 106,032,616	\$ 73,474,121
Short term investments	2g. 2i. 5.	25,361,044	48,703,674
Investment income receivable	2g. 6.	15,862,587	14,843,264
Office supplies	2j. 2r.	794,941	687,870
Accounts receivable	2g. 2k. 7.	4,380,588	5,627,411
Prepayments	2l.	509,600	257,708
Loan principal receivable current portion	2g. 10.	5,284,708	4,171,708
Total current assets		<u>158,226,084</u>	<u>147,765,756</u>
NON-CURRENT ASSETS:			
Investment in associates	2m. 8.	203,514,299	197,839,328
Long term investments	2g. 9.	134,035,202	116,355,001
Loan principal receivable - net	2g. 10.	73,215,022	75,949,316
Held for sale	2r. 11.	10,990,603	10,990,603
Other assets	2r. 12.	991,200	1,014,000
Intangible assets - net	2n. 2r. 13.	951,285	1,000,371
Investment properties - net	2o. 2p. 2r. 14.	7,915,573	-
Fixed assets - net	2q. 2r. 15.	29,339,519	36,175,250
Total non-current assets		<u>460,952,703</u>	<u>439,323,869</u>
TOTAL ASSETS		\$ 619,178,787	\$ 587,089,625
LIABILITIES AND RESERVES			
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable and accruals	2g. 16.	\$ 8,710,540	\$ 7,054,644
Severance payable current portion	2t. 17.	266,832	246,833
Total current liabilities		<u>8,977,372</u>	<u>7,301,477</u>
NON-CURRENT LIABILITIES:			
Pension liability	2s. 18.	1,997,673	1,489,736
Severance liability	2t. 17.	3,254,608	2,967,002
Total long term liabilities		<u>5,252,281</u>	<u>4,456,738</u>
Total liabilities		<u>14,229,653</u>	<u>11,758,215</u>
RESERVES:			
Short term contingency reserve		22,620,463	20,578,954
Long term benefits reserve		456,444,909	439,263,405
Employment injury benefit reserve		106,110,328	98,966,332.00
Disablement and death benefits reserve	2u.	12,162,839	11,335,793
National health insurance fund		7,275,910	3,780,800
Natural disaster fund		2,301,076	2,051,076
Social development account		31,282	844,062
Pension reserve	2s. 18.	(1,997,673)	(1,489,012)
Total reserves		<u>604,949,134</u>	<u>575,331,410</u>
TOTAL LIABILITIES AND RESERVES		\$ 619,178,787	\$ 587,089,625

The financial statements on page 3 to 8 were approved and authorized for issue by the Board of Directors on June 30, 2022 and are signed on its behalf by:

 Chairman
 Director

The notes on pages 9 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

STATEMENTS OF PROFIT
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

	Notes	2021	2020
INCOME			
Contributions:	2v.		
Employers and employed persons		<u>\$ 117,475,293</u>	<u>\$ 110,428,236</u>
Other income:			
Net investment income	19.	26,801,136	28,329,569
Other income – net	20.	1,866,345	1,510,988
Contributions to National Health Insurance Fund	2w. 21.	17,740,000	16,265,215
Total other income		<u>46,407,481</u>	<u>46,105,772</u>
TOTAL INCOME		163,882,774	156,534,008
EXPENDITURES			
Benefits:	2x.		
Short term benefits branch		17,481,071	15,341,878
Long term benefits branch		72,788,522	64,434,212
Employment injury benefits branch		4,943,086	3,092,753
Disablement and death benefits		2,289,526	2,252,198
National Health Insurance benefits		13,181,172	14,373,944
Total benefits		<u>110,683,377</u>	<u>99,494,985</u>
Operating expenses:			
Administration	22.	20,821,554	20,389,904
Establishment	23.	1,094,370	981,594
Financial		395,368	318,052
National Health Insurance Fund operating expenses	24.	1,035,756	884,797
Staff pension		41,463	(62,709)
Total operating expenditures		<u>23,388,511</u>	<u>22,511,638</u>
TOTAL EXPENDITURES		134,071,888	122,006,623
EXCESS OF INCOME OVER EXPENDITURES		\$ 29,810,886	\$ 34,527,385

The notes on pages 9 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

	Notes	2021	2020
EXCESS OF INCOME OVER EXPENDITURES		\$ 29,810,886	\$ 34,527,385
OTHER COMPREHENSIVE INCOME:	2u.		
APV disablement benefits		2,120,019	608,569
APV death benefits		463,684	40,138
		2,583,703	648,707
Actuarial (loss) on defined benefits plan		(467,198)	(620,963)
Total other comprehensive income		2,116,505	27,744
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 31,927,391	\$ 34,555,129

The notes on pages 9 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

STATEMENTS OF CHANGES IN RESERVES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

	Short term Benefits Branch	Long term Benefits Branch	Employment Injury Benefits Branch	Disablement and Death Benefits Reserve	National Health Insurance Fund	Natural Disaster Fund	Social Development Assistance Account	Pension Reserve	Total
Balance, December 31, 2020	\$20,578,954	\$439,263,405	\$ 98,966,332	\$11,335,793	\$3,780,800	\$2,051,076	\$ 844,062	\$(1,489,012)	\$575,331,410
Transfer to Social Development Account and Natural Disaster Fund	-	-	(1,746,887)	-	-	250,000	1,496,887	-	-
Transfer from Social Development Assistance Account	-	-	-	-	-	-	(15,877)	-	(15,877)
Social Development Assistance Fund Expenditures	-	-	-	-	-	-	(2,293,790)	-	(2,293,790)
Reallocation of NHI expenses	5,814	19,704	2,444	-	(27,962)	-	-	-	-
Excess of income over expenditures / (expenditures over income)	2,035,695	17,161,800	8,888,439	(1,756,657)	3,523,072	-	-	(41,463)	29,810,886
Other Comprehensive	-	-	-	2,583,703	-	-	-	(467,198)	2,116,505
Balance, December 31, 2021	\$22,620,463	\$456,444,909	\$ 106,110,328	\$12,162,839	\$7,275,910	\$2,301,076	\$ 31,282	\$(1,997,673)	\$604,949,134

The notes on pages 9 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

STATEMENTS OF CHANGES IN RESERVES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

	Short term Contingency Reserve	Long term Benefits Reserve	Employment Injury Benefits Reserve	Disablement and Death Benefits Reserve	National Health Insurance Fund	Natural Disaster Fund	Social Development Account	Pension Reserve	Total
Balance, December 31, 2019	\$14,480,503	\$423,888,360	\$ 87,145,606	\$12,291,799	\$2,774,326	\$1,801,076	\$ 813,708	\$ (930,758)	\$542,264,620
Transfer to Social Development and Natural Disaster	-	-	(1,768,693)	-	-	250,000	1,518,693	-	-
Social Development Assistance Fund Expenditures	-	-	-	-	-	-	(1,488,339)	-	(1,488,339)
Excess of income over expenditures / (expenditures over income)	6,098,451	15,375,045	13,589,419	(1,604,713)	1,006,474	-	-	62,709	34,527,385
Other Comprehensive	-	-	-	648,707	-	-	-	(620,963)	27,744
Balance, December 31, 2020	\$20,578,954	\$439,263,405	\$ 98,966,332	\$11,335,793	\$3,780,800	\$2,051,076	\$ 844,062	\$ (1,489,012)	\$575,331,410

The notes on pages 9 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

	2021	2020
OPERATING ACTIVITIES		
Excess of income over expenditures	\$ 29,810,886	\$ 34,527,385
Adjustments to reconcile excess of income over expenditures to net cash provided by operating activities:		
Actuarial present value provision	2,583,703	648,707
Amortization expense	141,210	347,335
Depreciation expense	1,407,220	1,154,572
Interest income	(13,191,547)	(16,691,692)
Loss on disposal of fixed assets	5,011	19,186
Expected credit losses	1,845,044	2,710,922
Service cost of defined benefit plan	(33,712)	(92,102)
Severance expense	352,252	240,973
Net interest on defined benefit liability	74,451	29,393
Result from equity accounted investments	(15,452,783)	(14,347,217)
Operating gain before working capital changes	7,541,735	8,547,462
Net changes in working capital:		
Office supplies	(107,071)	(167,880)
Accounts receivable	1,244,973	(313,599)
Prepayments	(251,892)	43,781
Held for sale	-	76,340
Other assets	22,800	14,400
Accounts payable and accruals	1,655,896	(533,063)
Pension liability	-	724
Cash provided by operating activities	10,106,441	7,668,165
Severance paid	(44,647)	(89,233)
Net cash provided by operating activities	10,061,794	7,578,932
INVESTING ACTIVITIES		
Long term investments	(17,680,201)	26,378,887
Loan principal receivable	(223,357)	28,726,351
Short term investments	23,342,630	(28,861,228)
Additions to fixed assets	(2,494,760)	(7,240,536)
Increase in intangible assets	(92,124)	-
Proceeds from disposal of fixed assets	2,687	26,753
Interest received	12,173,681	15,438,868
Dividends received	9,777,812	2,158,002
Net cash provided by investing activities	24,806,368	36,627,097
FINANCING ACTIVITIES		
Disbursements from social development fund	(2,309,667)	(1,488,339)
Net cash used in financing activities	(2,309,667)	(1,488,339)
Net change in cash and cash equivalents	32,558,495	42,717,690
Cash and cash equivalents, January 1	73,474,121	30,756,431
Cash and cash equivalents, December 31	\$ 106,032,616	\$ 73,474,121

The notes on pages 9 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2d. Use of estimates and judgements (Continued)

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate assumptions for the measurement of ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Actuarial valuation of defined benefit plan

The cost of defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All valuations are made by a qualified actuary.

2e. Change in accounting policies

The accounting policies adopted are consistent with those used in the previous financial year.

Amendments issued but not yet effective

The amendments that are issued, but not yet effective, up to the end of the reporting period are disclosed below.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

Effective for annual reporting periods beginning on or after 1 January 2023.

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

Effective for annual reporting periods beginning on or after 1 January 2022

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2e. Change in accounting policies (Continued)

The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Effective for annual reporting periods beginning on or after 1 January 2023

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

Annual Improvements**IFRS 9**

Effective for annual reporting periods beginning on or after 1 January 2022

The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The annual improvement will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

IFRS 16

Effective for annual reporting periods beginning on or after 1 January 2022

The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The annual improvement will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

f. Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Board at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the income statement.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Foreign currency transactions and balances - (Continued)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss.

2g. 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.

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Board becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled, or expired. Financial assets and financial liabilities are initially measured at fair value.

i. Classification and initial measurement of financial assets

Except for those receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of receivables which is presented within lending operations expenses.

ii. Subsequent measurement of financial assetsFinancial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2g. Financial instruments (Continued)

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. For financial assets included in this category see Note 26.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The category also contains an equity investment. The Board accounts for the equity investments at FVTPL and did not make the irrevocable election to account for the investment in Atlantic Bank Limited (ABL), Citrus Products of Belize Limited (CPBL) and Belize Water Services Ltd. (BWSL) at fair value through other comprehensive income (FVOCI).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by using a valuation technique where no active market exists.

iii. Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables.

Recognition of credit losses is no longer dependent on the Board first identifying a credit loss event. Instead the Board considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2)
- Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.
- 12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2g. Financial instruments (Continued)

Definition of default and credit-impaired assets

The SSB defines a financial instrument as in default, when it meets one or more of the following criteria:

- The borrower is more than 90 days past due on its contractual payments
- The borrower is in long-term forbearance
- The borrower is deceased
- It is becoming probable that the borrower will enter bankruptcy

This criteria has been applied to all financial instruments held by the SSB and are consistent with the definition of default used for internal risk management purposes. The default definition has been applied consistently to model the Probability of Default, Exposure at Default, and Loss given Default throughout the SSB's expected loss calculations.

Measuring ECL- Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining lifetime of the obligation.
- EAD is based on the amounts the SSB expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.
- LGD represents the SSB's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis.

Trade and other receivables and contract assets

The Board makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

In calculating, the Board uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Board assess impairment of Accounts receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2g. Financial instruments (Continued)

iv. Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the SSB designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. For financial liabilities that fall into this category see Note 26.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within Interest on borrowing expenses or finance income.

2h. Cash and cash equivalents

Cash and cash equivalents represent cash on hand, bank deposits and short term highly liquid investments with original maturity of three months or less.

2i. Short term investments

Short term investments represent term deposits, Government of Belize (GOB) Treasury notes and any other investment with original maturity dates of more than three months but less than one year.

2j. Office supplies

Office supplies are stated at the lower of cost and net realizable value, cost being determined on the actual cost of the supplies.

2k. Accounts receivables

Includes assessments of contributions, dividends receivable and other miscellaneous receivables recorded on the accrual basis.

2l. Prepayments

Prepayments represent insurance, license, property tax and other cost paid in advance of their intended use or coverage. Prepayments are expensed in the period the service is received.

2m. Investments in associates

Associates are investments in entities where SSB has the power to exercise a significant influence, but they do not have control or joint control through participation in the financial and operational decisions of the entity.

Usually the stockholding is 20% to 50% of the voting rights. Investments in associated entities are accounted for under the equity method and include goodwill identified on acquisition, net of any accumulated impairment loss.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2m. Investments in associates (Continued)

Under the equity method, the investment in the associate is carried on the statement of financial position at cost plus post acquisition changes in SSB's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The income statement reflects the Board's share of the results of operations of the associate. When there has been a change recognized directly in the equity of the associate, SSB recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between SSB and the associate are eliminated to the extent of the interest in the associate. SSB's share of profit of an associate is included in the income statement as Investment income. This is the profit attributable to equity holders of the associate and, therefore, is profit after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates of SSB are prepared as follows, Belize Electricity Limited as at December 31, 2021, and Belize Telemedia Limited as at March 31, 2021. Whereby, one associate differs from SSB's reporting period. However, adjustments are made for the effects of any significant events or transactions that occurred between the date of the associate's financial statements, and SSB's financial statements. When necessary, adjustments are made to bring the accounting policies in line with those of the SSB. After application of the equity method, SSB determines whether it is necessary to recognize an additional impairment loss on its investment in its associates.

SSB determines at each reporting date, whether there is any objective evidence that the investment in each associate is impaired. If this is the case, SSB calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit of an associate' in the income statement. Upon loss of significant influence over the associate, SSB measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

2n. Intangible assets

Intangible assets comprise basically the contractual rights and expenses incurred on specific projects with future economic value, are valued at cost, less accumulated amortization and losses by reducing the recoverable amount where applicable. Intangible assets are recognized only if it is likely that they will generate economic benefits to the Board, are controllable under the Board's control and their respective value can be measured reliably.

Intangible assets that have finite useful lives are amortized over their effective use or a method that reflects their economic benefits, while those with indefinite useful lives are not amortized; consequently, these assets are tested at least annually as to their recovery (impairment test).

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2n. Intangible assets (Continued)

The estimated useful life and amortization methods are reviewed at the end of each financial year and the effect of any changes in estimates are recorded in a prospective manner.

Internally generated intangible assets, during the research phase, have their expenditure recorded in expenses of the period when incurred. Expenditure on development activities (or stage of development of an internal project) is recorded as intangible assets if and only if it meets all of the requirements of the standard. Initial recognition of this asset corresponds to the sum of the expenditures incurred from when the intangible asset has passed to meet the recognition criteria required by the standard.

Intangible assets generated internally, are recorded at cost value less amortization and loss on the accumulated impairment. The Board's intangible assets comprise mainly of acquired software licenses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

2o. Investment property

Investment properties are properties held to earn rentals or for capital appreciation, or both, and are accounted for using the cost model.

Investment properties other than land, are depreciated using the straight line method over the estimated useful life of the assets as follows:

Buildings	40 - 50 years
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Repairs and maintenance are charged against income. Improvements which extend the useful life of the assets are capitalized. When investment properties 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.

2p. Leased assets

SSB as a lessor

As a lessor, SSB classifies its leases as either operating or finance leases.

An assessment is done as to whether it transfers substantially all the risks and rewards of ownership. Those assets that do not transfer substantially all the risks and rewards are classified as operating leases.

Rental income is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

SSB leases out investment properties under operating leases.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2q. Fixed assets

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

Buildings	40 - 50 years
Furniture & fixtures	5 - 10 years
Office equipment	3 - 10 years
Computers and accessories, hardware and software	3 - 5 years
Motor vehicles	4 years
Building renovations - major	20 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.

An item of fixed assets and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

2r. Impairment of non financial assets

At each reporting date, management reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, management estimates the recoverable amount of the cash generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in the income statement in the year the asset is derecognized.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2s. Pension fund

The Board, as of January 1, 1991, operates a pension scheme which is separately administered by a Board of Trustees. The scheme, which is a defined benefit 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 contributions of 4.3% of pensionable salaries are charged against income in the year they become payable.

Actuarial gains and losses for the defined benefit plan is recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods.

2t. Severance payable

Severance payable represents the accrual of salaries payable to employees in the event of their resignation or termination. SSB recognizes termination benefits in accordance with the Labour Act (the Act) Chapter 297 of the Laws of Belize Revised Edition 2020.

2u. 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.

2v. Income recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Board, and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Board assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

The Board has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

i. Investment income

Investment income is accounted for on the accrual basis, except for dividends, which are recognized when received. Income from associates is accounted for by the equity method.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2v. Income recognition (Continued)

ii. Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in Investment Income and Other income in the income statement.

Interest non-accrual policy

The Board does not take credit for interest income on any loan having principal or interest arrears in excess of 90 days, which loans are considered non-performing. To ensure that borrowers' accounts reflect all interest owed, interest continues to be accrued but the interest on non-performing loans is credited to a provision against loan interest receivable (see Note 6) rather than to interest income.

iii. Dividends

Revenue is recognized when the Board's right to receive the payment is established.

iv. Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue due to its operating nature.

Basis of apportionment of income

(i) Contributions

Section 14(1) of the Financial and Accounting Regulations, Social Security (Financial and Accounting) Amendment Regulations, 2021 provides that all contributions shall be distributed among the Benefits Branches in the following proportions:

	2021	2020
Short Term Benefits Branch	19.00%	22.50%
Long Term Benefits Branch	72.00%	65.00%
Employment Injury Benefits Branch	9.00%	12.50%

(ii) Other Income

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.

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.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2w. Government contributions

Government contributions and support are accounted for when the Board complies with reasonable security conditions set by the government related to contributions, and assistance received. The Board records via the statement of income, as reducing spending according to the nature of the item, and through the distribution of results on statement of income or earnings in reserve accounts.

When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the Board receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments.

When loans or similar assistance are provided by government or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grants.

2x. Benefit payments

- i. SSB recognizes costs associated with payments in the period the beneficiary or recipient is entitled to receive the payment.
- ii. Liabilities are accrued on benefits for past periods that have not completed processing by the close of the fiscal year, such as benefit payments due but not paid pending receipt of pertinent information.

2y. 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 Board 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 Board as a whole.
- iii. Administrative expenses are taken to mean all expenses properly incurred in the administration of the Board.

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

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2z. Taxes

Income tax, property tax and stamp duty

Section 64 (2) of the Social Security Act, Chapter 44, Revised Edition 2020 exempts the Board from income tax, property tax and stamp duty.

General sales tax

General Sales Tax of 12.5% is a tax on consumer spending that is collected at the point of sale of a business' good or service. SSB pays General Sales Tax as a regular consumer.

3. FINANCIAL RISKS

Financial risk factors

The Board's activities expose it to a variety of risks in relation to financial instruments: market risk (interest rate risk and price risk), credit risk and liquidity risk.

The Board's overall risk management program seeks to maximize the returns derived for the level of risk to which the Board is exposed and seeks to minimize potential adverse effects on the Board's financial performance. The Board's policy allows it to use financial instruments to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on purchased long term equity and debt securities is limited to the fair value of those positions.

The management of these risks is carried out by the investment manager under policies approved by the Investment Committee and Board of Directors and the General Manager of Finance. The Board has specific limits on these financial instruments to manage the overall potential exposure.

In accordance with IFRS 7, an entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the reporting date.

The Board uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below:

a. Price risk

The Board's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Social Security Act (Chapter 44) of the Substantive Laws of Belize, the Investment Committee and the Board of Directors.

The Act also limits a single investment to be no more than 20% of the total amount of the Reserves, including economically targeted investments.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

3. FINANCIAL RISKS (CONTINUED)

The Board's policy requires that the overall market position is monitored on a weekly basis by the Board's Investment Manager and is reviewed on a quarterly basis by the Investment Committee and Board of Directors. Compliance with the Board's investment policies are reported to the Investment Committee on a monthly basis.

b. Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The Board holds fixed interest securities to maturity that expose the Board minimally to fair value interest rate risk. The Board also holds cash and cash equivalents that expose the Board to cash flow interest rate risk. The Board's policy requires the General Manager of Finance to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities.

The Board has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Board invests.

In accordance with the Board's policy, the Investment Manager monitors the Board's overall interest sensitivity on a weekly basis; the Investment Committee reviews it on a monthly basis.

c. Credit risk

The Board is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. The main concentration to which the Board is exposed arises from the Board's investments in debt securities. The Board is also exposed to counterparty credit risk on cash and cash equivalents, amounts receivable from associates, debtors and other receivable balances.

The Board manages credit risk by holding funds with reputable financial institutions and also setting limits on the amount loaned. They ensure the loan is properly collateralized, considering the borrower's leverage and the seasonality of the business by including restrictions in the loan agreements.

In accordance with the Board's policy, the Investment Manager monitors the Board's credit position on a daily basis, and the Investment Committee reviews it on a monthly basis.

Collateral

Collateral is held to mitigate credit risk exposures and risk mitigation policies determine the eligibility of collateral types. The Board defines collateral as the assets or rights provided to the Board by the borrower or a third party in order to secure a credit facility. The Board would have the rights of secured creditor in respect of the assets/contracts offered as security for the obligations of the borrower/obligor.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

3. FINANCIAL RISKS (CONTINUED)

The Board ensures that the underlying documentation for the collateral provides the Board appropriate rights over the collateral or other forms of credit enhancement including the right to liquidate, retain or take legal possession of it in a timely manner in the event of default by the counterparty. The Board also endeavors to keep the assets provided as security to the Board under adequate insurance during the tenor of the Board's exposure. The collateral value is monitored periodically.

Types of collateral taken by the Board

Collateral types that are eligible for risk mitigation include: cash; residential, commercial and industrial property; fixed assets such as land, plant and machinery; marketable securities; third party guarantees; and letters of credit.

The Board determines the appropriate collateral for each facility based on the type of product and risk profile of the counterparty. In case of corporate and small and medium enterprises financing, fixed assets are generally taken as security for long tenor loans and current assets for working capital finance. For project finance, security of the assets of the borrower and assignment of the underlying project contracts is generally taken. In addition, in some cases, additional security such as pledge of shares, cash collateral, charge on receivables with an escrow arrangement and guarantees is also taken.

For personal loans, the security to be taken is defined in the investment policy for the respective types of loans. Housing loans and automobile loans are secured by the security of the property/automobile being financed. The valuation of the properties is carried out by an empaneled appraiser at the time of sanctioning the loan.

The Board extends unsecured facilities to clients for certain products such as derivatives, credit cards and personal loans. The limits with respect to unsecured facilities have been approved by the Board of Directors. The decision on the type and quantum of collateral for each transaction is taken by the credit approving authority as per the credit approval authorization approved by the Board of Directors. For facilities provided as per approved product policies (retail products, loan against shares etc.), collateral is taken in line with the policy.

For certain types of lending, typically mortgages and asset financing, the right to take charge over physical assets is significant in terms of determining appropriate pricing and recoverability in the event of default.

Collateral is reported in accordance with our risk mitigation policy, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral and the nature of the underlying product or risk exposure.

Where appropriate collateral values are adjusted to reflect current market conditions, its probability of recovery and the period of time to realize the collateral in the event of possession. The collateral values reported are also adjusted for the effects of over collateralization.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

3. FINANCIAL RISKS (CONTINUED)

Loans and advances

The requirement for collateral is not a substitute for the ability to pay, which is the primary consideration for any lending decisions. In determining the financial effect of collateral held against loans neither past due nor impaired, we have assessed the significance of the collateral held in relation to the type of lending.

For loans and advances to SSB's employees and customers (including those held at fair value through profit or loss), the Board held the following amounts of collateral, adjusted where appropriate as indicated above.

December 31, 2021	Consumer Loans			Commercial Loans			TOTAL		
	Value	Total	Not individually impaired loans	Individually Impaired loans	Total	Not individually impaired loans	Individually Impaired loans	Total	Not individually impaired loans
Collateral		7,165,640	6,648,302	517,338	108,763,256	100,089,656	8,673,600	115,928,896	106,737,958
	Loans	6,377,753	5,745,175	632,578	80,802,406	73,074,829	7,727,577	87,180,159	78,820,004
									8,360,155
December 31, 2020	Consumer Loans			Commercial Loans			TOTAL		
	Value	Total	Not individually impaired loans	Individually Impaired loans	Total	Not individually impaired loans	Individually Impaired loans	Total	Not individually impaired loans
Collateral		7,400,739	6,908,463	492,276	124,326,824	115,653,224	8,673,600	131,727,563	122,561,687
	Loans	6,589,270	6,020,949	568,321	80,385,656	72,638,563	7,747,093	86,974,926	78,659,512
									8,315,414

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

3. FINANCIAL RISKS (CONTINUED)

d. Liquidity risk

Liquidity risk is the risk that the Board may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

As a result, the Board may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The Board manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form with staggered maturity dates, separating short term investments and long-term investments. The Board's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30 to 90 day periods at a minimum. At December 31, 2021, current financial assets exceeded current financial liabilities by \$148,211,003 (2020: \$139,765,534).

In accordance with the Board's policy, the General Manager of Finance monitors the Board's liquidity position on a weekly basis, and the Investment Manager reviews it on a daily basis.

The table below analyses only the current financial assets and current financial liabilities of the Board into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date.

	Within 1 Month \$	1 to 3 months \$	3 months to 1 year \$	Total \$
Current Assets				
Cash and cash equivalents	106,032,616	-	-	106,032,616
Short term investments	-	10,327,447	15,033,597	25,361,044
Investment income receivable	792,459	805,170	14,264,958	15,862,587
Accounts receivable	1,984,286	833,369	1,562,933	4,380,588
Current portion loans receivable	281,335	1,036,282	3,967,091	5,284,708
Total current assets	109,090,696	13,002,268	34,828,579	156,921,543
Current Liabilities				
Accounts payables and accruals	2,815,101	715,927	5,179,512	8,710,540
Total current liabilities	2,815,101	715,927	5,179,512	8,710,540
Net liquidity gap, December 31, 2021	106,275,595	12,286,341	29,649,067	148,211,003

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

3. FINANCIAL RISKS (CONTINUED)

d. Liquidity risk (Continued)

	Within 1 Month \$	1 to 3 months \$	3 months to 1 year \$	Total \$
Current Assets				
Cash and cash equivalents	73,474,121	-	-	73,474,121
Short term investments	-	-	48,703,674	48,703,674
Investment income receivable	652,252	1,182,390	13,008,622	14,843,264
Accounts receivable	810,793	1,954,189	2,862,429	5,627,411
Current portion loans receivable	148,112	1,404,883	2,618,713	4,171,708
Total current assets	75,085,278	4,541,462	67,193,438	146,820,178
Current Liabilities				
Accounts payables and accruals	1,855,851	611,490	4,587,303	7,054,644
Total current liabilities	1,855,851	611,490	4,587,303	7,054,644
Net liquidity gap, December 31, 2020	73,229,427	3,929,972	62,606,135	139,765,534

e. Operational risk

The Board is exposed to operational risk which can lead to financial losses through error, fraud or inefficiencies. The Board mitigates this risk by periodically revisiting its internal controls, adhering to its operational policies and procedures, and reliance on the internal audit function.

4. CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
Cash on hand	\$ 6,120	\$ 6,584
Cash at local banks	<u>106,026,496</u>	<u>73,467,537</u>
	\$106,032,616	\$ 73,474,121

5. SHORT TERM INVESTMENTS

	<u>2021</u>	<u>2020</u>
Term Deposits	\$ 20,478,844	\$ 25,353,674
Treasury Notes	2,000,000	23,350,000
Municipal Bonds	<u>2,882,200</u>	-
	\$ 25,361,044	\$ 48,703,674

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

6. INVESTMENT INCOME RECEIVABLE

	2021	2020
Sunshine Holdings Limited	\$ 13,728,335	\$ 12,526,982
Other loans and mortgage portfolios	2,379,411	2,404,116
Certificate of deposits	621,352	780,134
Floating rate notes	191,333	191,333
	<u>16,920,431</u>	<u>15,902,565</u>
Less: Expected credit losses	<u>(1,057,844)</u>	<u>(1,059,301)</u>
	<u>\$ 15,862,587</u>	<u>\$ 14,843,264</u>

Expected credit losses are comprised of:

Beginning balance as at January 1	\$ 1,059,301	\$ 973,477
Net remeasurement of expected credit loss	(1,457)	85,824
Ending balance as at December 31	<u>\$ 1,057,844</u>	<u>\$ 1,059,301</u>

7. ACCOUNTS RECEIVABLE

	2021	2020
Accounts receivable	\$ 2,364,887	\$ 2,929,313
Assessment of contributions	3,237,855	3,836,006
Total receivable	<u>5,602,742</u>	<u>6,765,319</u>
Less: Expected credit losses	<u>(1,222,154)</u>	<u>(1,137,908)</u>
	<u>\$ 4,380,588</u>	<u>\$ 5,627,411</u>

Expected credit losses are comprised of:

Beginning balance as at January 1	\$ 1,137,908	\$ 1,459,909
Net remeasurement of expected credit loss	1,850	1,582
Recoveries	82,396	-
Write off	-	(323,583)
Ending balance as at December 31	<u>\$ 1,222,154</u>	<u>\$ 1,137,908</u>

8. INVESTMENT IN ASSOCIATES

	2021	2020
Belize Electricity Limited (31.26% ownership)		
Beginning balance as at January 1	\$ 115,510,135	\$104,935,920
Income from associate	12,732,217	12,732,217
Dividend received from associate	(8,632,012)	(2,158,002)
Ending balance as at December 31	<u>\$119,610,340</u>	<u>\$115,510,135</u>

	2021	2020
Belize Telemedia Limited (34.31% ownership)		
Beginning balance as at January 1	\$ 82,329,193	\$ 80,714,193
Income from associate	4,845,000	1,615,000
Dividend received from associate	(1,145,800)	-
Adjustments done by Associate (see explanation below)	(2,124,434)	-
Ending balance as at December 31	<u>\$ 83,903,959</u>	<u>\$ 82,329,193</u>
Total investment in associate, end of year	<u>\$203,514,299</u>	<u>\$197,839,328</u>

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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8. INVESTMENT IN ASSOCIATES (CONTINUED)

**Summarized financial information of Belize Electricity Limited (in thousands of Belize dollars)
for December 31, 2021**

	2021	2020
Total current assets	\$ 98,178	\$ 147,198
Total non-current assets	545,372	525,216
Total assets	<u>643,550</u>	<u>672,414</u>
Total current liabilities	69,073	73,042
Total non-current liabilities	187,085	214,308
Total liabilities	<u>256,158</u>	<u>287,350</u>
Total equity	<u>387,392</u>	<u>385,064</u>
Total liabilities and equity	<u>643,550</u>	<u>672,414</u>
Profit before tax	<u>38,346</u>	<u>55,049</u>
Business tax	<u>(4,062)</u>	<u>(4,042)</u>
Income from continuing operations	34,284	51,007
Other comprehensive income	-	-
Total comprehensive income	<u>\$ 34,284</u>	<u>\$ 51,007</u>

**Summarized financial information of Belize Telemedia Limited (in thousand of Belize dollars)
for March 31, 2021.**

	2021	2020
Total current assets	\$ 62,705	\$ 59,069
Total non-current assets	284,572	345,065
Total assets	<u>347,277</u>	<u>404,134</u>
Total current liabilities	46,695	92,797
Total non-current liabilities	57,660	78,843
Total liabilities	<u>104,355</u>	<u>171,640</u>
Total equity	<u>242,922</u>	<u>232,494</u>
Total liabilities and equity	<u>347,277</u>	<u>404,134</u>
Profit before tax	<u>18,586</u>	<u>11,785</u>
Business tax	<u>(5,290)</u>	<u>(9,255)</u>
Profit from continuing operations	13,296	2,530
Other comprehensive income	-	-
Total comprehensive income	<u>\$ 13,296</u>	<u>\$ 2,530</u>

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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8. INVESTMENT IN ASSOCIATES (CONTINUED)**Adjustments done by Associate - Belize Telemedia Limited**

- a. Belize Telemedia Limited (BTL) restated deferred income for 2019. During 2021 the Group discovered that amortization of deferred income had been erroneously recorded in its financial statements in prior reporting periods. This resulted in an increase of liabilities for the Associate as at March 31, 2019 of \$3.02 million.

Based on the Board's equity investment in BTL as at December 31, 2019 and 2020 adjustments resulted in charge of \$1.04 million to investment balance.

- b. Belize Telemedia Limited (BTL) restated deferred income for 2020. During 2021 the Group discovered that amortization of deferred income had been erroneously recorded in its financial statements in prior reporting periods. This resulted in an increase of liabilities as at March 31, 2020 of \$4.32 million.

Based on the Board's equity investment in BTL as at 2020 adjustments resulted in charge of \$1.09 million to investment balance.

9. LONG TERM INVESTMENTS

	<u>2021</u>	<u>2020</u>
Belize City Council Municipal Bonds	\$ 2,600,000	\$ 5,482,200
Debentures	700,000	6,200,000
Government of Belize Treasury Notes	83,517,034	62,203,873
Term Deposits	20,000,000	14,628,723
Shares	27,218,168	27,840,205
Total long term investments	<u>\$134,035,202</u>	<u>\$116,355,001</u>

10. LOAN PRINCIPAL RECEIVABLE

	<u>2021</u>	<u>2020</u>
Mortgages	\$ 5,415,523	\$ 5,624,496
Private sector	80,702,174	80,225,619
Staff loans	1,029,960	1,101,419
Total loans	87,147,657	86,951,534
Less: provision for credit losses	<u>(8,647,927)</u>	<u>(6,830,510)</u>
Total loans - net	78,499,730	80,121,024
Less: current portion	<u>(5,284,708)</u>	<u>(4,171,708)</u>
Total long term loans - net	\$ 73,215,022	\$ 75,949,316

	<u>2021</u>	<u>2020</u>
Provision for credit losses is comprised of:		
Beginning balance as at January 1	\$ 6,830,510	\$ 4,289,411
Net remeasurement of expected credit loss	1,844,651	2,623,516
Write off	<u>(27,234)</u>	<u>(82,417)</u>
Ending balance as at December 31	<u>\$ 8,647,927</u>	<u>\$ 6,830,510</u>

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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10. LOAN PRINCIPAL RECEIVABLE (CONTINUED)

At December 31, 2021, individually impaired loans amounted to 9.59% of total loan receivables (December 31, 2020 - 9.56%).

Mortgages received from the Ministry of Infrastructure Development and Housing at December 31, 2021 totaled \$211,047 (December 31, 2020 - \$222,265).

11. HELD FOR SALE

	<u>2021</u>	<u>2020</u>
Vista Del Mar Housing Project		
Remaining lots acquired from Vista Del Mar	\$ 179,354	\$ 179,354
Rocky Point Properties	175,015	175,015
San Pedro, Ambergris Caye		
3,491 acres land	<u>10,636,234</u>	<u>10,636,234</u>
	<u>\$ 10,990,603</u>	<u>\$ 10,990,603</u>

Land properties held in the name of Social Security Board that are held for sale. These properties are measured at the lower of carrying amount and fair value less costs to sell.

12. OTHER ASSETS

	<u>2021</u>	<u>2020</u>
Homeland Development Limited		
2021: 826 (2020: 845) plots of land	<u>\$ 991,200</u>	<u>\$ 1,014,000</u>

An agreement was signed with Social Security Board and Homeland Development Limited dated May 7, 2002 for service that should be delivered to such person that are insured under the funeral scheme. As per agreement Homeland shall sell Social Security Board 1,000 plots permitting the use by SSB. The purchase price was \$1,200,000.

13. INTANGIBLE ASSET

	<u>2021</u>	<u>2020</u>
Cost		
Brought forward, January 1	\$ 3,420,617	\$ 3,420,617
Cost capitalized during the year	<u>92,124</u>	<u>-</u>
Carried forward, December 31	<u>3,512,741</u>	<u>3,420,617</u>
Accumulated amortization		
Brought forward, January 1	2,420,246	2,072,911
Amortization	<u>141,210</u>	<u>347,335</u>
Carried forward, December 31	<u>2,561,456</u>	<u>2,420,246</u>
Total	<u>\$ 951,285</u>	<u>\$ 1,000,371</u>

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

14. INVESTMENT PROPERTIES

Cost	Buildings	Furniture and fixtures	Office equipment	Total
Brought forward, January 1	\$ -	\$ -	\$ -	\$ -
Transfer from fixed assets	7,393,159	14,439	728,261	8,135,859
Carried forward, December 31	7,393,159	14,439	728,261	8,135,859
Accumulated depreciation				
Brought forward, January 1	-	-	-	-
Additions	107,826	735	111,725	220,286
Carried forward, December 31	107,826	735	111,725	220,286
Total	\$ 7,285,333	\$ 13,704	\$ 616,536	\$ 7,915,573

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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15. FIXED ASSET

	Land	Buildings	Furniture and fixtures	Office equipment	Computers and accessories, hardware and software	Motor vehicles	Work in progress	Total
Cost								
Brought forward, January 1, 2021	\$ 6,716,299	\$ 23,482,354	\$ 1,982,057	\$ 2,697,349	\$ 6,454,877	\$ 551,465	\$ 12,849,464	\$ 54,733,865
Additions	-	2,695	22,048	152,433	1,859,093	153,500	304,991	2,494,760
Disposals	-	-	(3,821)	(99,130)	(84,370)	(25,000)	-	(212,321)
Transfer to investment properties	-	-	-	-	-	-	(8,135,859)	(8,135,859)
Carried forward, December 31, 2021	6,716,299	23,485,049	2,000,284	2,750,652	8,229,600	679,965	5,018,596	48,880,445
Accumulated depreciation								
Brought forward, January 1, 2021	-	8,772,736	1,682,918	2,097,376	5,586,062	419,523	-	18,558,615
Additions	-	501,391	66,538	184,142	375,338	59,525	-	1,186,934
Disposals	-	-	(3,651)	(95,639)	(80,333)	(25,000)	-	(204,623)
Carried forward, December 31, 2021	-	9,274,127	1,745,805	2,185,879	5,881,067	454,048	-	19,540,926
Net book value								
December 31, 2021	\$ 6,716,299	\$ 14,210,922	\$ 254,479	\$ 564,773	\$ 2,348,533	\$ 225,917	\$ 5,018,596	\$ 29,339,519

	Land	Buildings	Furniture and fixtures	Office equipment	Computers and accessories, hardware and software	Motor vehicles	Work in progress	Total
Cost								
Brought forward, January 1, 2020	\$ 6,715,499	\$ 23,470,073	\$ 2,994,254	\$ 2,774,213	\$ 6,435,991	\$ 522,515	\$ 6,150,050	\$ 49,062,595
Additions	800,000	30,281	22,025	133,852	215,459	138,705	6,699,414	7,240,536
Disposals	-	(18,000)	(1,034,222)	(210,716)	(196,573)	(109,755)	-	(1,569,266)
Carried forward, December 31, 2020	6,716,299	23,482,354	1,982,057	2,697,349	6,454,877	551,465	12,849,464	54,733,865
Accumulated depreciation								
Brought forward, January 1, 2020	-	8,305,350	2,644,448	2,110,897	5,388,987	477,688	-	18,927,370
Additions	-	472,596	69,034	173,543	387,809	51,590	-	1,154,572
Disposals	-	(5,210)	(1,030,564)	(187,064)	(190,734)	(109,755)	-	(1,523,327)
Carried forward, December 31, 2020	-	8,772,736	1,682,918	2,097,376	5,586,062	419,523	-	18,558,615
Net book value								
December 31, 2020	\$ 6,716,299	\$ 14,709,618	\$ 299,139	\$ 599,973	\$ 868,815	\$ 131,942	\$ 12,849,464	\$ 36,175,250

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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15. FIXED ASSET (CONTINUED)

Work-in-progress listed above consists of the following:

	<u>2021</u>	<u>2020</u>
Belmopan commercial building	\$ 65,309	\$ 7,569,844
PERANSA platform development and ancillary costs	4,953,287	5,091,350
Others	-	188,270
	<u>\$ 5,018,596</u>	<u>\$ 12,849,464</u>

16. ACCOUNTS PAYABLE AND ACCRUALS

	<u>2021</u>	<u>2020</u>
Mortgage securitization program	\$ 2,679,150	\$ 2,679,150
Benefits payable	2,975,871	1,297,769
Accrued expenses and other liabilities	3,055,519	3,077,725
	<u>\$ 8,710,540</u>	<u>\$ 7,054,644</u>

17. SEVERANCE LIABILITY

The movement in the provision is as follows:

	<u>2021</u>	<u>2020</u>
Beginning balance, January 1	\$ 3,213,835	\$ 3,062,095
Addition	352,252	240,973
Payouts	(44,647)	(89,233)
Ending balance, December 31	3,521,440	3,213,835
Less: current portion	(266,832)	(246,833)
Long term portion	<u>\$ 3,254,608</u>	<u>\$ 2,967,002</u>

18. PENSION LIABILITY

The Board sponsors a defined benefit pension scheme in accordance with a Trust Deed signed by the Board and the Trustees on April 24, 1996, but deemed to have been established under irrevocable trust with effect from January 1, 1991. By Statutory Instrument No. 45, dated May 29, 2017, the Prime Minister formally exempted the Social Security Board Staff Pension Scheme from the provisions of the Private Pensions Act.

The scheme is contributory (funded on a bipartite basis by the SSB and the employees). The Board and participants pay fixed contributions into the separate trust which is managed by a Board of Trustees nominated by the employer. These Board's contributions are expensed in the period in which they are accrued. The funding arrangements are as follows, with any liability or surplus recognized in the Board's financial statements:

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

18. PENSION LIABILITY (CONTINUED)

	Contribution Rate <i>a/</i> 2021	Amount	Contribution Rate <i>a/</i> 2020	Amount
Employees	2.80%	\$ 257,024	2.80%	\$ 258,109
Employer <i>b/</i>	4.30%	\$ 372,136	4.30%	\$ 374,561
Total	<u>7.10%</u>	<u>\$ 629,160</u>	<u>7.10%</u>	<u>\$ 632,670</u>

a/ Of basic salaries*b/* Contributions at the rate of 4.3% of salaries suspended as from September 1, 2011, in recognition of the surplus status of the Fund, and re-instated as from January 1, 2017.

The terms of the defined benefit pension scheme allow for 5 different types of benefits to participants and define the amount that participants will receive. These amounts are dependent on factors such as age, years of service and compensation, and are determined independently of the contributions payable or the investments of the scheme. Currently the Scheme has 6 active pensioners and 244 active participants (2020: 4 pensioners and 250 active participants).

An asset or liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. Management estimates the defined benefit obligation (DBO) annually with the assistance of an independent actuary. Actuarial gains and losses resulting from re-measurements of the net defined benefit liability are included in other comprehensive income. Any past services are recognized as from January 1, 1991.

The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of long-term government bonds that are denominated in the currency in which the benefits will be paid, and which have terms to maturity approximating the terms of the related liability. Re-measurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to income over the employees' expected average remaining working lives. On a going concern basis and taking into consideration projected salaries as retirement rather than static salaries, the funded status is as follows, as at December 31,:

Projected Benefit Obligation and Funded Status (IAS-19 R)

<i>a/</i>	<u>2021</u>	<u>2020</u>
Funded Status		
Projected Benefit Obligation	\$ 13,337,822	\$ 12,026,035
Net assets	(11,340,149)	(10,537,023)
Unfunded liability	<u>\$ 1,997,673</u>	<u>\$ 1,489,012</u>

a/ Unaudited. No material adjustments are anticipated.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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18. PENSION LIABILITY (CONTINUED)

Changes in Benefit Obligations and Net Assets

Changes in Projected Obligations	2021	2020
Projected benefit obligation at January 1	\$ 12,026,035	\$ 10,975,104
Service cost	626,172	551,504
Interest cost	601,302	536,295
Benefits paid and expenses	(244,348)	(481,741)
Actuarial (gain) loss - obligations	328,661	444,873
Projected benefit obligation at December 31	\$ 13,337,822	\$ 12,026,035
Change in Plan Assets		
Assets at January 1	\$ 10,537,023	\$ 10,055,282
Expected return on assets a/	526,851	506,902
Contributions	659,160	632,670
Benefit paid and expenses	(244,348)	(481,741)
Actuarial gain (loss) - assets	(138,537)	(176,090)
Assets at December 31	\$ 11,340,149	\$ 10,537,023
Consolidated deficit	\$ 1,997,673	\$ 1,489,012

a/ Actual return: 2021: \$418,314

Expenses to be Recognized (IAS-19R)	2021	2020
Current service cost	\$ 626,172	\$ 551,504
Net interest expense (income)	74,451	29,393
Sub-total (P&L)	700,623	580,897
<u>Re-measurement</u>		
Liability (gain) / loss	328,661	444,873
Asset (gain) / loss	138,537	176,090
Sub-total (OCI)	467,198	620,963
Total	\$ 1,167,821	\$ 1,201,860

Actuarial Bases

	2021	2020
Mortality Table	GAM-83	GAM-83
Nominal Rate of Return	5%	5%
Salary Scale	3%	2%
Real Rate of Discount	2%	3%
Annuity Rates (pensioners)	5%	6%

Actual and Expected Return of Assets

	2021	2020
Expected return	601,302	506,902
Actual return	418,314	398,987
Surplus (deficit) a/	(182,988)	(107,915)

a/ Excludes contingent capital gains in BTL shares

SOCIAL SECURITY BOARD

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18. PENSION LIABILITY (CONTINUED)

Sensitivity Analysis (Projected Benefit Obligations)

The analysis shows the following results in the projected obligations:

Discount rate	Variations in benefit obligations
-1%	+12.1%
+1%	-11.5%

19. NET INVESTMENT INCOME

	2021	2020
Long and short term investments income	\$ 13,385,266	\$ 16,691,692
Income from associates	15,452,783	14,347,217
Investment expenses	(193,719)	-
Expected credit losses	(1,843,194)	(2,709,340)
	<u>\$ 26,801,136</u>	<u>\$ 28,329,569</u>

20. OTHER INCOME – NET

	2021	2020
Interest on assessments	\$ 653,916	\$ 454,090
Interest on late contributions	317,013	269,253
Rental income	10,600	12,240
Loss on disposal of fixed assets	(5,011)	(19,186)
Others	889,827	794,591
	<u>\$ 1,866,345</u>	<u>\$ 1,510,988</u>

21. SUBVENTION TO NHI PROGRAM

The Government of Belize assists the National Health Insurance (NHI) through an annual subvention which is allocated in the annual GOB budget.

The Pan American Health Organization (PAHO) agreed to assist the National Health Insurance (NHI) through a subvention for the 2021 Fiscal Year.

	2021	2020
Government of Belize Subvention	\$ 17,700,000	\$ 16,265,215
The Pan American Health Organization Subvention	40,000	-
	<u>\$ 17,740,000</u>	<u>\$ 16,265,215</u>

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22. ADMINISTRATION EXPENSES

	<u>2021</u>	<u>2020</u>
Actuarial expenses	\$ 114,911	91,099
Amortization (intangible asset)	141,210	347,336
Appeals Tribunal expenses	15,409	13,607
Audit cost	68,952	69,688
Expected credit losses	1,850	1,582
Board expenses	348,749	243,150
Cleaning and sanitation	316,895	312,953
Committees expenses	90,099	85,977
Compliance project	1,635	2,667
Depreciation	773,604	674,279
Insurance	65,967	58,367
Legal and professional fees	124,230	216,456
Medical and group health insurance	297,957	299,287
Motor vehicle expenses	27,948	20,637
Overseas conference	-	93
Penalties and fees	49	8,889
Pensions - defined contribution	341,772	345,191
Postage	30,657	31,822
Premises repairs and maintenance	512,990	472,680
Printing, stationery and supplies	1,722,976	1,371,822
Publicity and promotion	244,849	253,826
Recruitment	17,056	8,251
Registration expenses	184,622	165,047
Salaries	11,480,595	11,459,860
Security	479,953	454,305
Severance	352,252	240,973
Social security contributions	376,075	380,147
Subscriptions	121,714	50,004
Telephones and cables	790,181	768,871
Training	77,175	143,297
Transfer and other allowances	1,110,674	1,216,024
Traveling and subsistence	588,548	581,717
	<u>\$ 20,821,554</u>	<u>\$ 20,389,904</u>

23. ESTABLISHMENT EXPENSES

	<u>2021</u>	<u>2020</u>
Light, power and water	\$ 451,797	\$ 448,670
Depreciation	579,810	472,596
Rent	62,763	60,328
	<u>\$ 1,094,370</u>	<u>\$ 981,594</u>

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24. NHI OPERATING EXPENSES

	<u>2021</u>	<u>2020</u>
Administration	\$ 969,510	\$ 824,365
Establishment	55,531	51,474
Financial	10,715	8,958
	<u>\$ 1,035,756</u>	<u>\$ 884,797</u>

25. EMPLOYEE REMUNERATION

	<u>2021</u>	<u>2020</u>
Salaries	\$ 11,480,595	\$ 11,459,860
Social Security costs	376,075	380,147
Pensions-defined benefit plans	341,772	345,191
Total employee remuneration	<u>\$ 12,198,442</u>	<u>\$ 12,185,198</u>

26. CATEGORIES OF FINANCIAL INSTRUMENTS

	At December 31, 2021		
	FVTPL	Amortised costs	Total
Financial assets			
Cash and cash equivalents	\$ -	\$ 106,032,616	\$ 106,032,616
Short term investments	-	25,361,044	25,361,044
Investment income receivable	-	15,862,587	15,862,587
Accounts receivable	-	4,380,588	4,380,588
Long term investments	27,218,168	106,817,034	134,035,202
Loan principal receivable - net	-	78,499,730	78,499,730
Total financial assets	\$ 27,218,168	\$ 336,953,599	\$ 364,171,767

	FVTPL	Amortised cost	Total
Financial liabilities			
Accounts payable and accruals	\$ -	\$ 8,710,540	\$ 8,710,540

	At December 31, 2020		
	FVTPL	Amortised costs	Total
Financial assets			
Cash and cash equivalents	\$ -	\$ 73,474,121	\$ 73,474,121
Short term investments	-	48,703,674	48,703,674
Investment income receivable	-	14,843,264	14,843,264
Accounts receivable	-	5,627,411	5,627,411
Long term investments	27,840,205	88,514,796	116,355,001
Loan principal receivable - net	-	80,121,024	80,121,024
Total financial assets	\$ 27,840,205	\$ 311,284,290	\$ 339,124,495

	FVTPL	Amortised cost	Total
Financial liabilities			
Accounts payable and accruals	\$ -	\$ 7,054,644	\$ 7,054,644

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

27. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

- Social Security Board’s capital management objectives are:
- to ensure its ability to continue as a going concern
 - to obtain an adequate return on investments to maintain healthy reserves
 - to meet its commitments to all insured persons

These are accomplished by managing and investing prudently the contribution received from employers and employees. This is balanced with the risk appetite of SSB.

Social Security Board monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

SSB’s goal in capital management is to maintain a capital-to-overall financing ratio of 1:1 to 1:2.

Management assesses SSB’s capital requirements in order to maintain an efficient overall financing structure. To date SSB has not had the need to obtain loans from other institutions (debt). SSB manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, SSB may adjust by selling assets or cashing in investments.

The amounts managed as capital by SSB for the reporting periods under review are summarized as follows:

	2021	2020
Total equity	\$ 604,949,134	\$ 575,331,410
Cash and cash equivalents	106,032,616	73,474,121
Capital	710,981,750	648,805,531
Total equity	604,949,134	575,331,410
Borrowings (debt)	-	-
Overall Financing	\$ 604,949,134	\$ 575,331,410
Capital-to-overall financing ratio	1.18%	1.13%

Social Security Board has adequate capital ratios and continues to monitor its benefit reserves.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

28. SEGMENT REPORTING

In accordance with IFRS 8 and for management purposes, the Board’s activities are organized into three main operating segments prescribed in the Social Security Act, Chapter 44, Revised Edition 2020. These are as follows:

- a) *Short Term Benefits Branch* : Covers
- i. **Maternity Benefits** which are paid to insured women who are on Maternity leave from work because of their pregnancy and confinement.
 - ii. **Sickness Benefit** is paid for up to 26 weeks to an insured person under 65 years who is temporarily unable to work because of an illness and who is employed when he or she becomes ill.
 - b) *Long-term Benefits Branch*: Covers
 - i. **Retirement Benefits** paid to insured persons who are 65 years of age (and older) or 60 to 64 and not employed.
 - ii. **Invalidity Benefits** paid to insured persons under 60 years who are medically certified by Social Security Medical Board as permanently unable to do any type of work because of an illness.
 - iii. **Survivors’ Benefits** paid to the widow/widower, children or parents of a deceased insured person whose death was not caused by a work-related injury.

c) *Employment Injury Benefits Branch*: This branch of benefits provides coverage for an insured person who suffers an employment injury, that is a personal injury or death by way of an accident at work or a disease caused by the type of work he or she does.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the financial statements. The result of operations for each Branch is disclosed in pages 45 to 49. Revenues and expenses are allocated based on formula prescribed by law (See Note 2v and 2y).

29. COMMITMENTS AND CONTINGENCIES

- i. **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.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

29. COMMITMENTS AND CONTINGENCIES (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 GOB. The Board’s responsibility under the new agreement expired on April 30, 2013. Commitments to GOB is expected to be settled in 2022.

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 GOB. The Board’s responsibility under the new agreement expired on December 30, 2013. Commitments to GOB is expected to be settled in 2022.

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 Saint James National Building Society (SJNBS), and totaled \$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 remained 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. Commitments under this agreement will be settled in 2022.

ii. Claims
The Government of Belize gave notice of its acquisition of Belize Telemedia Limited (BTL) by order of the Belize Telecommunications (Assumption of Control Over Belize Telemedia Limited) Amendment Order, 2009, Statutory Instrument No. 130 of 2009. Subsequently, in a notice dated December 7, 2009, and Gazetted on December 12, 2009, the Government required all those who may have claims to compensation to submit their claims to the Financial Secretary. The Notice of Acquisition specifically included the shares of BTL held by Sunshine Holdings, as well as the outstanding shares of Sunshine Holdings itself.

SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

29. COMMITMENTS AND CONTINGENCIES (CONTINUED)

As a consequence of the acquisition of Sunshine Holdings, and by letter dated October 13, 2009, the Social Security Board filed a claim with the Financial Secretary, Ministry of Finance, indicating that “Pursuant to Belize Gazette Notice 529, dated August 27, 2009, the Social Security Board (SSB) hereby makes a claim for payment of the sums evidence as to SSB by a Loan Note between Sunshine Holdings Ltd. and SSB dated September 19, 2005.” As a result, of Supreme Court Claim No. 341 of 2001 Social Security Board vs. Sunshine Holdings Ltd, Government confirms that it will continue to wholly own Sunshine Holdings Ltd. in which the liability for the payment of the loan balance now becomes that of Government. All other outstanding sums including interest is to be paid by the Government of Belize.

30. EVENTS AFTER THE REPORTING PERIOD

No adjustment or significant non-adjusting events have occurred between the December 31, 2021 reporting date and the date of authorization.

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SOCIAL SECURITY BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (IN BELIZE DOLLARS)

1. STATUS

Social Security Board (Board/SSB) is a statutory body which came into existence with the enactment of the Social Security Act, Chapter 44, Laws of Belize 1980. Social Security Board 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 and self-employed persons. The corporate headquarters is located at Bliss Parade, City of Belmopan, Belize.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2a. Statement of compliance

The financial statements of Social Security Board have been prepared from the records maintained in the financial accounting system of the Board, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), while certain form and content are specified in the Social Security Act, and requirements of the Financial and Accounting Regulations, Chapter 44, Revised Edition 2020.

2b. Basis of presentation

The financial statements have been prepared under the historical cost convention, as modified by any revaluation of financial assets and financial liabilities at fair value through profit or loss.

2c. Functional and presentation currency

The financial statements are presented in Belize dollars, which is also the functional currency of the Social Security Board.

2d. Use of estimates and judgements

Use of estimates:

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Fair value measurement:

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Measurement of the expected credit loss allowances

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

REFERENCES

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