



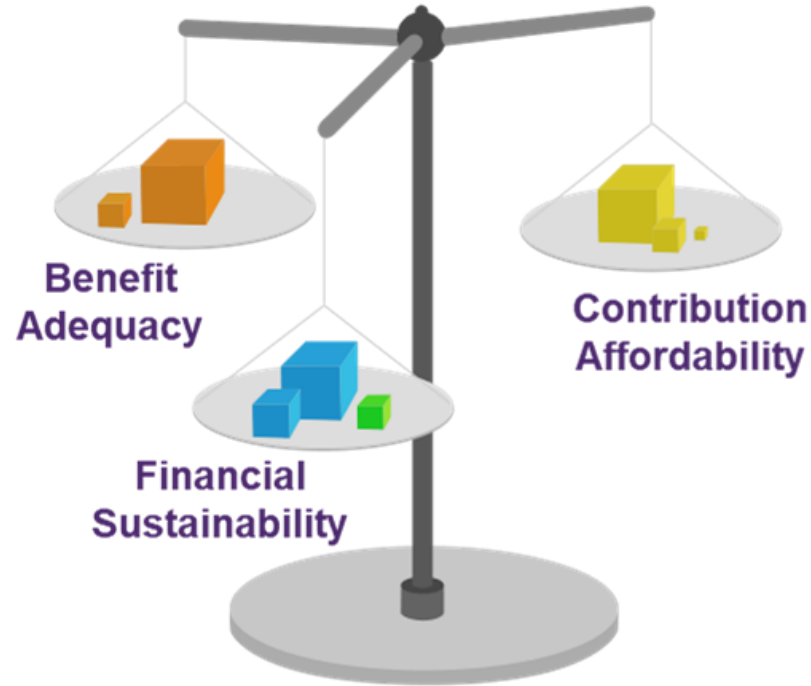
 **TELUS** Health

## **St. Kitts-Nevis Social Security Board Stakeholder Reform Conference**

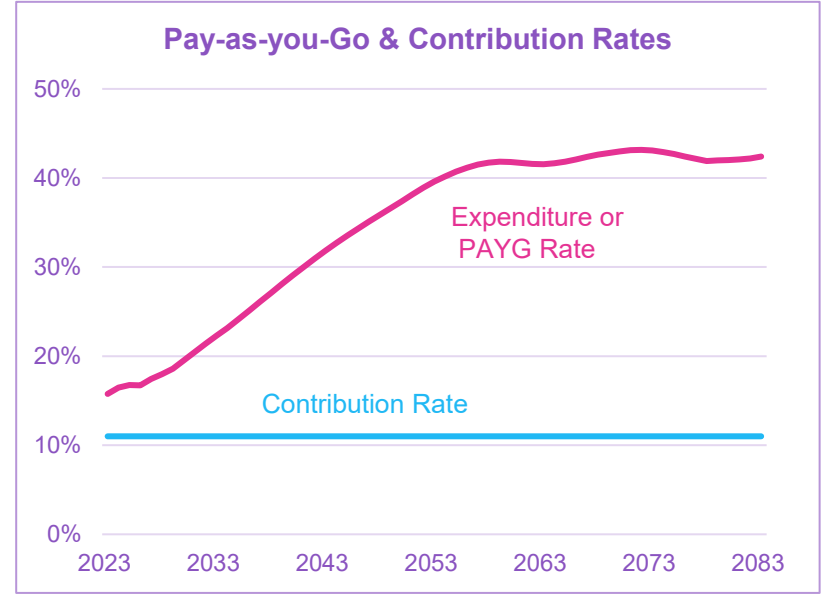
Derek Osborne, April 21, 2026

# The Ultimate Social Security Challenge

.....finding the “sweet spot” between 3 conflicting priorities



# Why Reform is Required



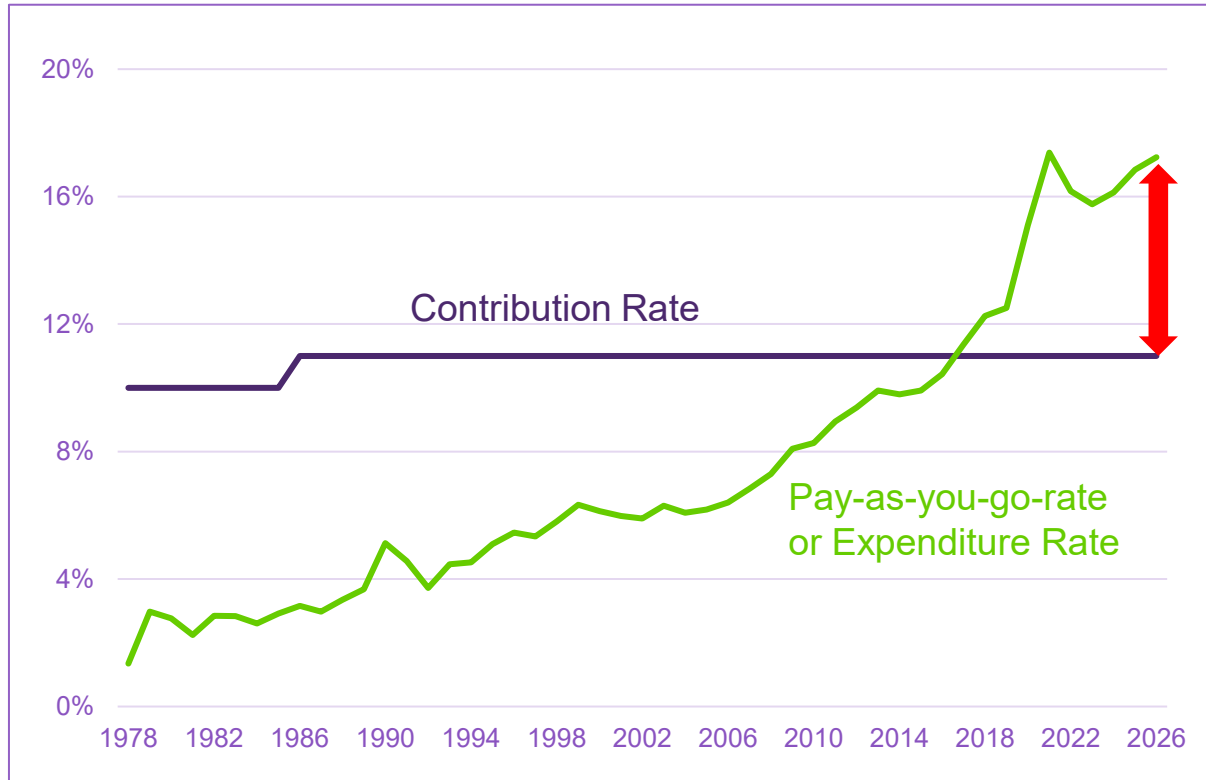
Fund not sustainable at current contribution rate & benefit provisions.

# SSB Preliminary 2025 Finances & Other Statistics (\$'s in millions)

Contribution Income	\$119
Investment Income	\$55
Benefits	(\$164)
Administrative Expenses	(\$18)
<b>Operating (Deficit)</b>	<b>(\$8)</b>
Property Revaluation	\$8
Surplus/Deficit	\$-
<b>Reserves</b>	<b>\$1,707</b>

Gap between contribution rate & expenditure rate	5.8%
Reserve-Expenditure Ratio	9.4
# Contributors	30,863
# Pensioners	8,707
Ratio of Contributors to Pensioners	3.54

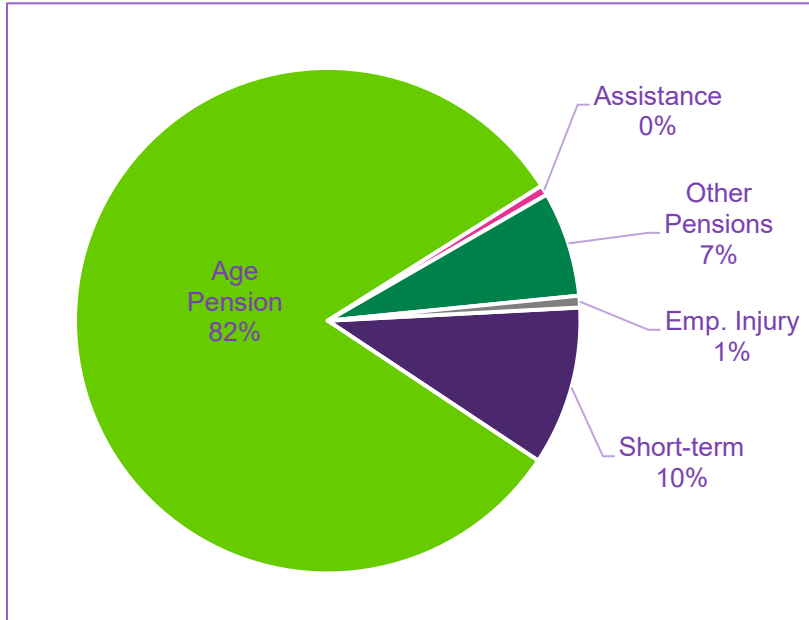
# Why Reform is Required



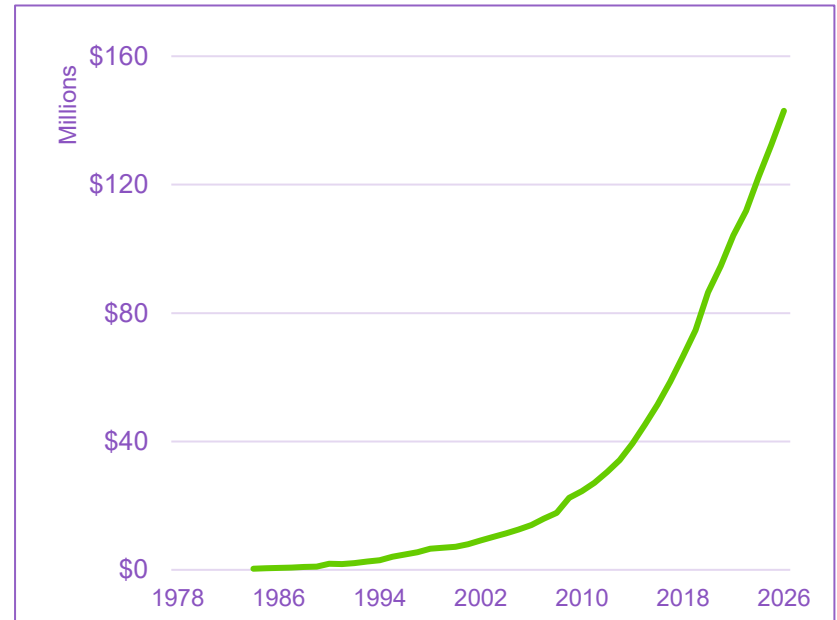
Gap in 2026  
expected to be  
6.2% of wages.

Estimated that  
\$15 million of  
deposits will have  
to be called early.

## Benefit Distribution, 2025



## Age Pension Expenditure



# How did we get here?



## In the last 20 Years

- Age pensions increased from \$13 million to \$132 million,
- Expenditure as a % of wages has nearly tripled,
- Reserve-Expenditure ratio has been reduced by 72%,
- # of contributors per pensioner down from 7.9 to 3.5.

### But .....

- the contribution rate has remained unchanged since 1986,
- benefit rules have remained unchanged,
- pension increases have been granted.

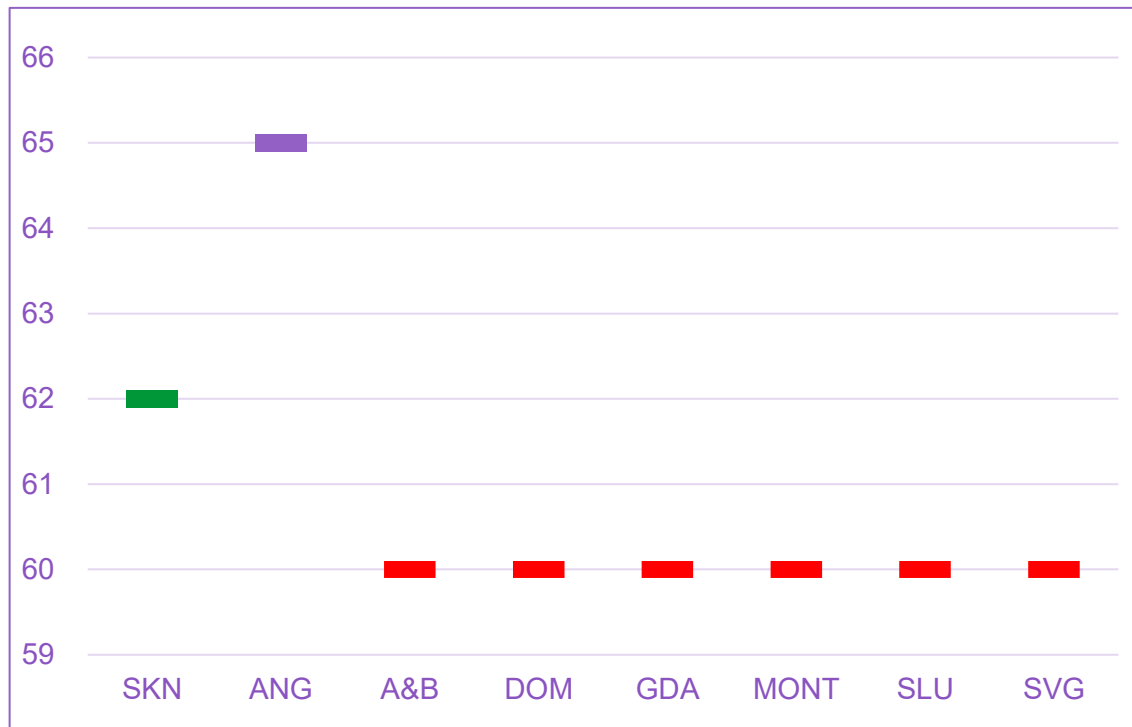
# Pension Cost Drivers

## 4 key factors

# That Qualify	Initial Pension Amount	How Pensions Adjusted	How Long Pension Paid For
<ul style="list-style-type: none"><li>• Contribution requirement</li><li>• Still working</li></ul>	<ul style="list-style-type: none"><li>• Accrual rates</li><li>• # contributions made</li><li>• # years wages averaged</li><li>• Income level</li><li>• Minimum pension</li></ul>	<ul style="list-style-type: none"><li>• How often</li><li>• Basis</li></ul>	<ul style="list-style-type: none"><li>• Start date</li><li>• Date of death (no control)</li></ul>

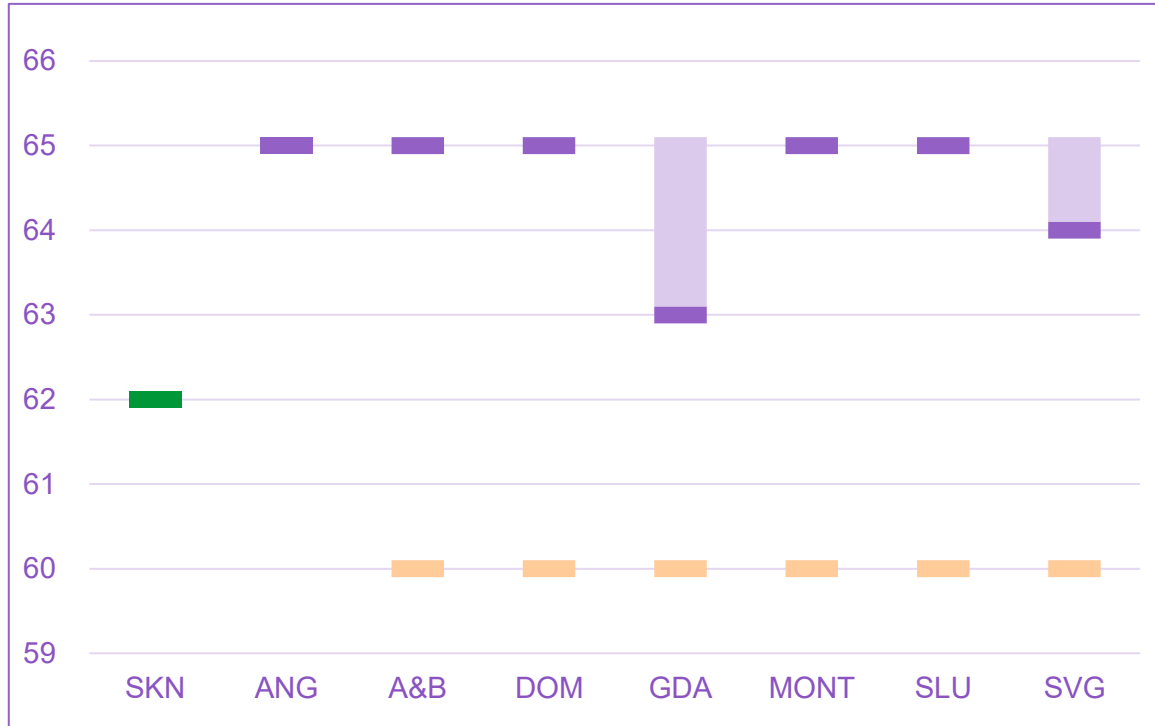
# Pensionable Age, 1990

Only Anguilla (65) was higher than SKN (62)



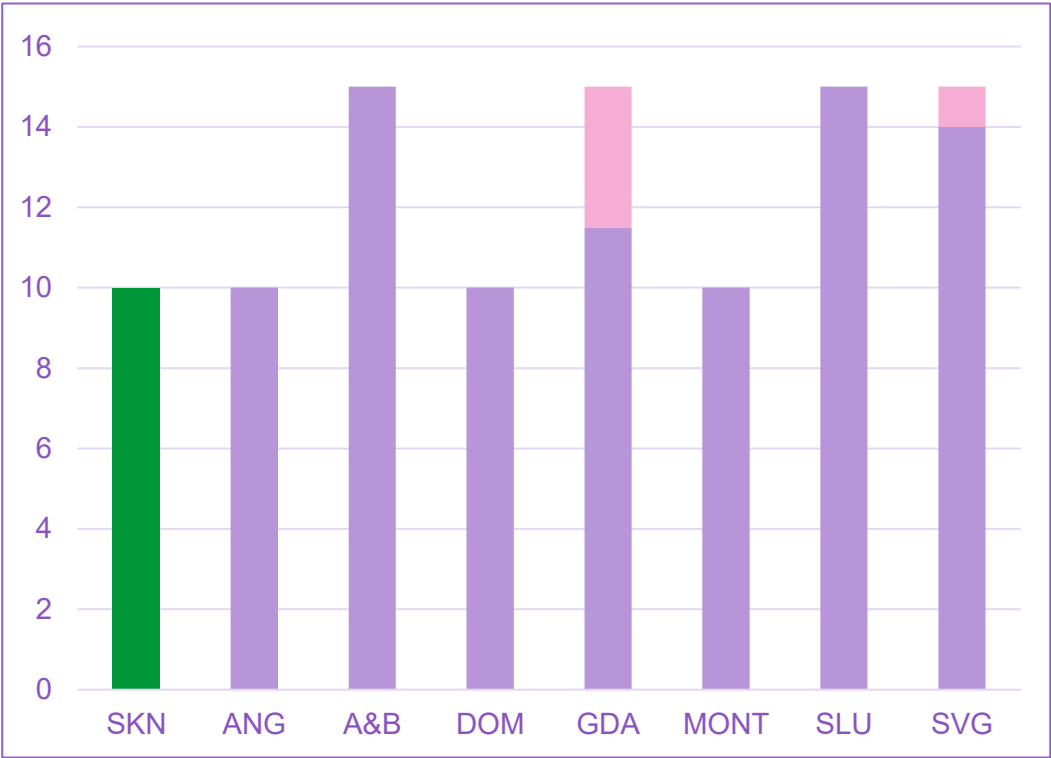
# Pensionable Age, 2026+

SKN(62) is now the lowest. All others will soon be 65.



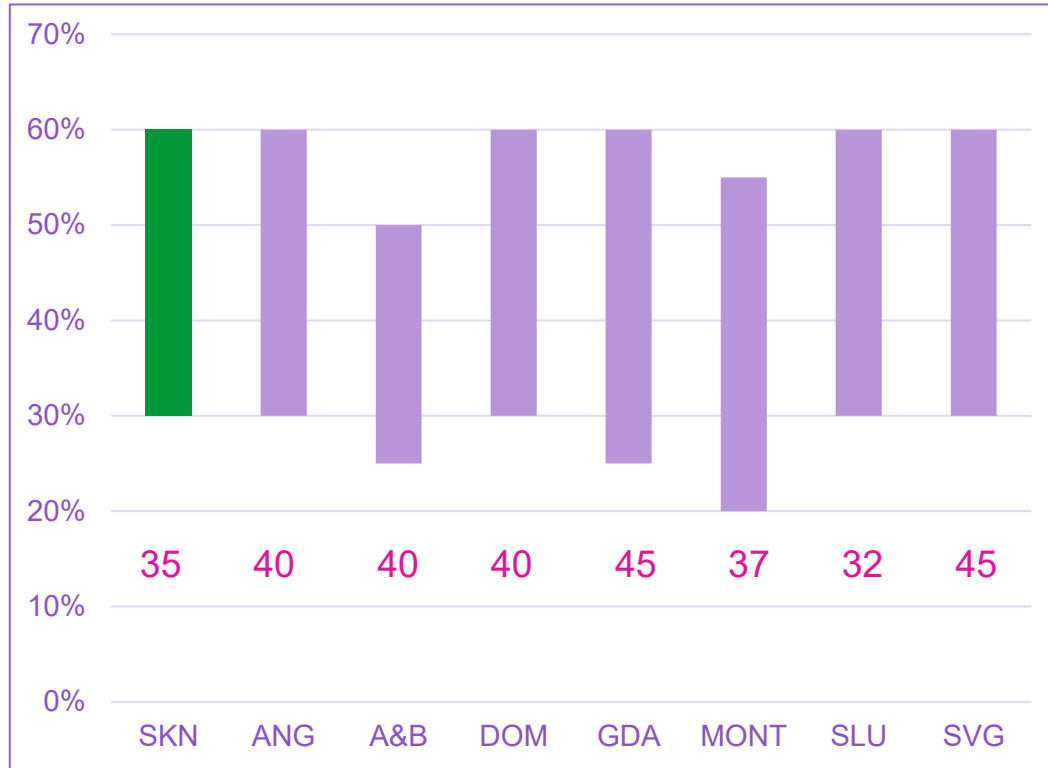
# # Contribution Years Required for Age Pension, 2026+

SKN tied for lowest contribution requirement. (all were 10 years at inception)



# Pension Accrual Rates & # Years to Maximum Pension %, 2026

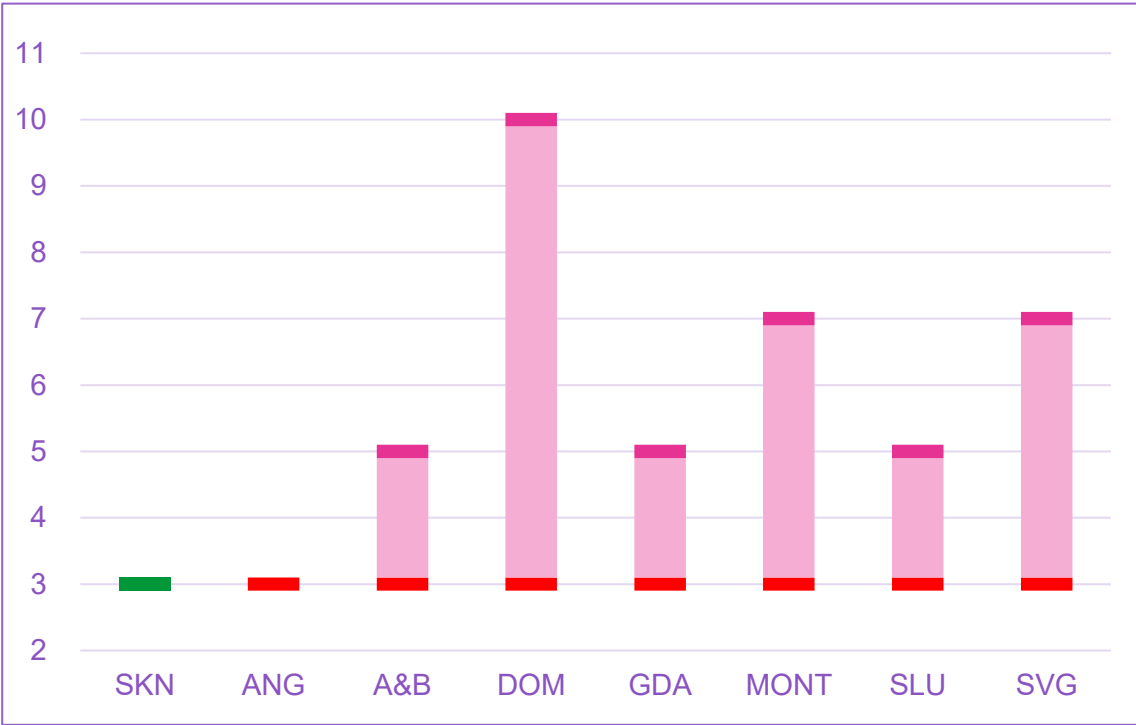
SKN 2<sup>nd</sup> quickest to earn 60%



#Years to max pension %

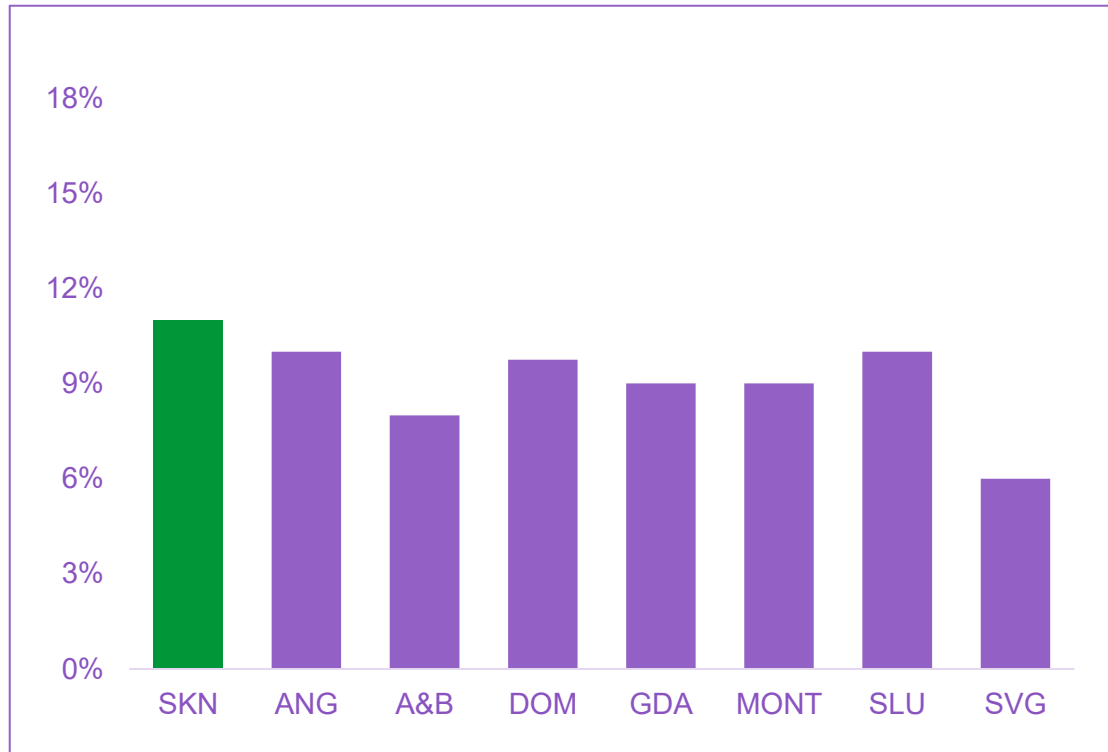
# # of Years over which Wages are Averaged, 1990 to 2026

SKN tied for lowest – not changed since inception



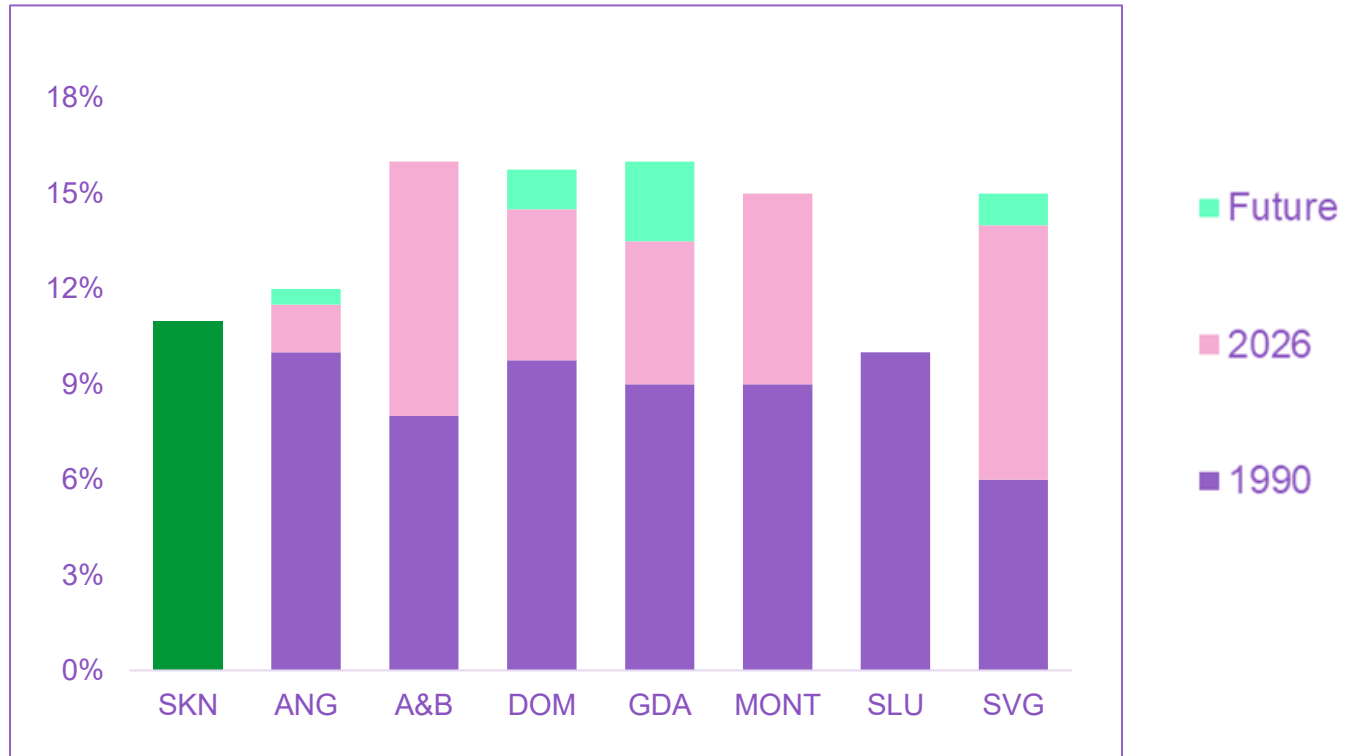
# Contribution Rates in 1990

SKN had the highest rate at 11%



# Contribution Rates in 1990, 2026, Future

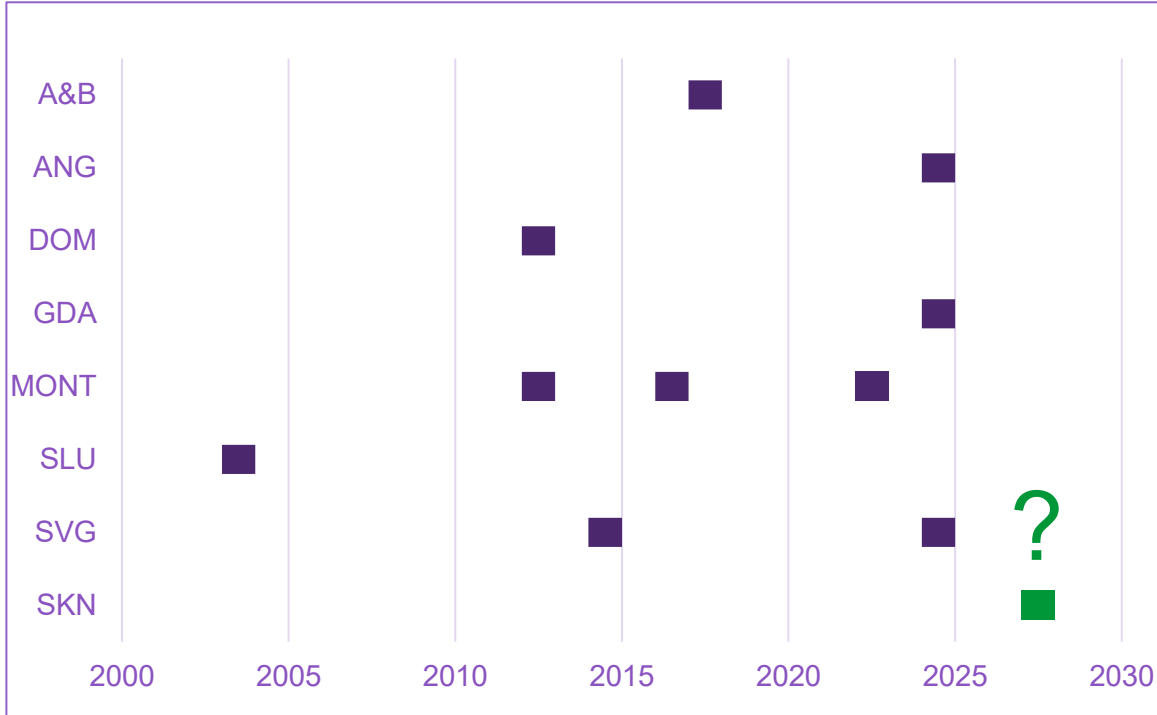
SKN had the highest rate at 11% in 1990; now it has the 2<sup>nd</sup> lowest



# SS Reforms Around The OECS

With the most generous Age pension & 2<sup>nd</sup> lowest contribution rate

*Not if,  
but WHEN!*



# SKN has the Most Generous Age Pension in the OECS

.....and 2<sup>nd</sup> lowest Contribution Rate

Age Pension Parameter	SKN Position
# Contributions to qualify	Tied fewest
Accrual rates	2 <sup>nd</sup> highest
# Years used in Average	Tied fewest
Pensionable age	Lowest

- Antigua-Barbuda & Montserrat no longer have an early / reduced Age pension – age 65 only
- Grenada recently introduced an income test if still working between 60 and 65
- SVG has an 8% per annum reduction for early pensions
- Dominica is considering a pension “claw back” so pension would be reduced for every \$ of employment income over a certain threshold

# SKN SSB Proposed Reforms

Contribution  
rate to 17%

Pensionable  
age from 62 to  
65

Age pension to  
Retirement  
pension



# weeks  
required for  
pension to 750

Accrual Rates –  
60% after 40  
years iso 35

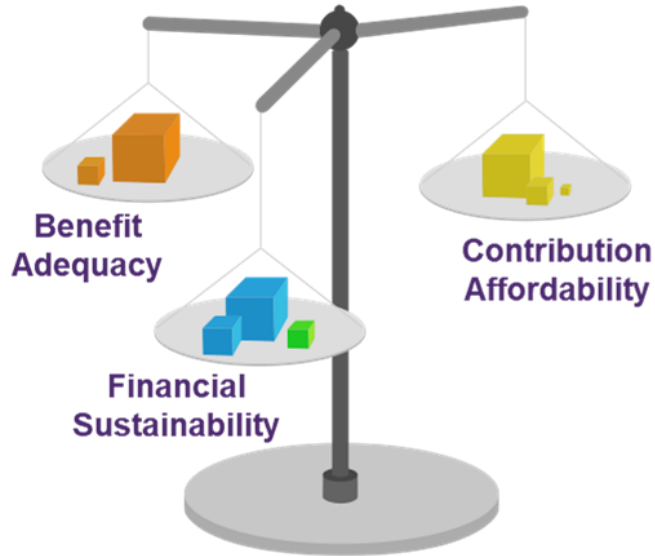
Wages  
averaged over 7  
iso 3 years

Reduced  
pensions if <  
pensionable age

# Reform Recommendations

Year	Pension-able Age	1 <sup>st</sup> Age for Reduced Pension	# Weeks Req'd	Accrual Rates	# Years Wages for Avg	Contribution Rate
2026	62	62	500	30% to 60% - 35 yrs	3	11%
2027					4	13%
2028	63				5	15%
2029					6	17%
2030	64				7	
2031						
2032	65					
2033			750			
2034						
2035						
2036				30% to 60% - 40 years		

# There is a Path Towards Long-term Sustainability



## Governance





# Thank you

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