

# **OECS Social Protection Conference**

**“Leave No One Behind”**

**Building Human and Community Resilience in the OECS**

**Economic Relief Programme (ERP)  
NATIONAL INSURANCE CORPORATION  
Saint Lucia**



***For the benefit of us all!***

**Presenter: Mrs. Sue Ann Charlery-Payne, Group Financial Controller**

October 14, 2021

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# OUTLINE OF PRESENTATION

- Origin of Economic Relief Programme (ERP)
- ERP Process Timeline
  - Legislative amendments
  - ERP Design, Development and Implementation
  - ERP Payout
- Design, Development and Implementation of the ERP
- Statistical information on ERP Payments
- Impact on the Fund
- Income Support Programme of the GoSL
- Lessons learnt
- Outlook for the future

# **ORIGIN OF ECONOMIC RELIEF PROGRAMME (ERP)**

Like most economies we were not spared the impact of the COVID-19 Pandemic. In March 2020 we saw unprecedented loss of livelihoods with the closure of businesses across all sectors of the economy resulting in a number of our employees, our contributors and their families being laid off or made redundant. This moved the NIC to design, develop and implement the Economic Relief Programme (ERP) to provide some economic relief beyond the normal legislated benefits being paid.

# ERP TIMELINE

**13 March, 2020**  
the first case of COVID-19 in Saint Lucia was confirmed

**23 March, 2020**  
the GoSL declared a **state of emergency** - shutdown of non-essential commercial activity - closure of the country's airports to incoming passenger flights

**23 March, 2020**  
received actuarial advice sort on projected payout and impact on the Fund to inform proposition to the Board for approval of ERP

**23 April 2020**  
National Insurance Corporation (Amendment) Act No. 2 of 2020 which allowed for the establishment of an economic relief programme

**24 April 2020**  
National Insurance Corporation (Economic Relief Programme for COVID 19) Regulations SI No. 64 of 2020 was enacted defining the ERP for 3 Month April to June 2020

**April 29 2020**  
Accepted online applications

**May 5 2020**  
1<sup>st</sup> employer submission on the Employer Portal

**May 11, 2020**  
1<sup>st</sup> batch of payments made under the ERP

**June 30, 2020**  
National Insurance Corporation (Economic Relief Programme for COVID 19) (Amendment) Regulations SI 107 of 2020 - extending ERP period July to September 2020

# ERP DESIGN

- Qualifying conditions/Beneficiaries:
  - Contributors employed and insured as at February 2020
  - Suffered a termination of salary during the period April 2020 to September 2020 as a result of **COVID-19 pandemic**
- Self-employed:** must have **paid** at least one contribution within the last twelve months prior to the 29th day of February, 2020
- Rate of Payment: Based on 50% of insurable earnings at February 2020. Min. EC\$500 Max. \$1500 per month less any financial assistance from claimant's employer or an entity affiliated with claimant's employer during the period for making a claim
- Where an insured person is in receipt of a benefit and is entitled to receive a payment under the ERP, the payment will be at the higher rate. (does not reduce entitlement to future benefits)

# DEVELOPMENT AND IMPLEMENTATION

- Systems and procedures had to be put in place to:
  - Design and develop application eform and accept applications online,
  - Design and develop employer portal to accept employer information online to aid in the validation process.
  - Design and development application processing screen link applications to information on NIC database and information received from employers
  - Establish MOU with hoteliers.
  - Implement control measures to mitigate the risk of fraud: Validation procedures - identity, collaborate information.
  - Upgrade web and internal IT system to accept the significant increase in input of data from applications online.
  - Utilization of ICT Centers around the island.
  - Facilitate payment directly to bank accounts.
  - Notification on status of application and payment processed.
  - Reallocate staff from other duties to deal with the new program and still be able to meet the payment of existing benefit claims.
  - Reorient our operations to be more digital in nature from our traditional person to person / physical document type, direct payment to the bank accounts.

# NUMBER OF ACTIVE INSURED WHO BENEFITED FROM ERP BY AGE GROUP

Age Group	Female	Male	Total
Under 20	62	58	120
20-24	1,009	911	1,920
<b>25-29</b>	<b>1,538</b>	<b>1,283</b>	<b>2,821</b>
<b>30-34</b>	<b>1,417</b>	<b>1,137</b>	<b>2,554</b>
<b>35-39</b>	<b>1,439</b>	<b>1,019</b>	<b>2,458</b>
40-44	1,075	815	1,890
45-49	1,065	694	1,759
50-54	926	576	1,502
55-59	695	445	1,140
60-65	358	234	592
Total	9,584	7,172	16,756

# NUMBER OF ACTIVE INSURED WHO BENEFITED FROM ERP BY ECONOMIC SECTOR AND GENDER

Economic Sector	Female	Male	Total
Restaurants and Hotels	4,471	3,737	8,208
Wholesale and Retail Trade	1,163	548	1,711
Transport, Storage and Communication	527	707	1,234
Community, Social / Personal Services, Households with Employed Persons and Extra-Territorial Organisation and Bodies	646	301	947
Real-estate/ Renting /Business Services	535	400	935
Self-Employed	496	270	766
Public Administration and Defense, Compulsory Social Security, Education, Health and Social Work	609	110	719
Manufacturing	427	257	684
Construction	108	372	480
Activities not adequately defined*	276	202	478
Agriculture, Hunting, Forestry and Fishing	128	141	269
Financial Intermediations	181	73	254
Mining and Quarrying	8	33	41
Electricity, Gas and Water Supply	9	21	30
<b>Total</b>	<b>9,584</b>	<b>7,172</b>	<b>16,756</b>

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# ERP EXPENDITURE BY AGE GROUP AND GENDER (EC\$)

Age Group	Female	Male	Total
Under 20	150,104	144,665	294,769
20-24	3,253,646	3,323,192	6,576,838
<b>25-29</b>	<b>5,843,595</b>	<b>5,143,162</b>	<b>10,986,757</b>
<b>30-34</b>	<b>5,536,876</b>	<b>4,888,562</b>	<b>10,425,438</b>
<b>35-39</b>	<b>5,864,190</b>	<b>4,439,204</b>	<b>10,303,394</b>
40-44	4,503,797	3,665,664	8,169,461
45-49	4,389,930	3,101,038	7,490,968
50-54	3,463,181	2,371,825	5,835,006
55-59	2,486,461	1,821,852	4,308,313
60-65	1,280,518	899,307	2,179,825
Total	36,772,298	29,798,471	66,570,769

# EXPENDITURE BY ECONOMIC SECTOR AND GENDER (EC\$)

Economic Sector	Female	Male	Total
Restaurants and Hotels	21,417,732	18,522,799	39,940,531
Transport, Storage and Communication	2,054,023	2,848,843	4,902,866
Wholesale and Retail Trade	2,688,791	1,420,983	4,109,774
Community, Social / Personal Services, Households with Employed Persons and Extra-Territorial Organisation and Bodies	2,003,827	1,146,388	3,150,215
Real-estate/ Renting /Business Services	1,660,220	1,250,433	2,910,653
Self-Employed	1,504,353	903,598	2,407,951
Activities not adequately defined*	1,119,922	996,968	2,116,890
Public Administration and Defense, Compulsory Social Security, Education, Health and Social Work	1,741,123	372,937	2,114,060
Manufacturing	1,291,201	675,099	1,966,300
Construction	326,677	917,994	1,244,671
Agriculture, Hunting, Forestry and Fishing	441,663	434,641	876,304
Financial Intermediations	482,114	189,728	671,842
Electricity, Gas and Water Supply	32,462	55,073	87,535
Mining and Quarrying	8,190	62,987	71,177
<b>Total</b>	<b>36,772,298</b>	<b>29,798,471</b>	<b>66,570,769</b>

# IMPACT ON THE FUND

- Active insured persons declined by 19.83% from 53,133 in October-December 2019 to 42,593 in April-June 2020 and 42,744 in July to September 2020, October to December 2020 – 46,056, January to March 2021 46,628, April to June 2021 - 47,238.
- Contribution income **collected** contracted by 39.72% from \$34.5 million in October-December 2019 to \$20.8 million in April-June 2020. Contribution income **earned** in January to March 2020 declined by 43.89% to \$23.67million in April to June 2020.
- A total of 16,756 active insured persons benefited from the Economic Relief Programme (ERP) at a cost of approximately \$66.57 million. This represented about 34% of active insured as at February 2020.
- The long-term impact of ERP on the National Insurance Fund is an earlier depletion by approximately 6 months from June 2051 to December 2050.

# **INCOME SUPPORT PROGRAMME (ISP) OF THE GOSL**

- Design of ISP:
  - To provide income Support to self employed individuals who are not mandated to contribute to the Fund
  - Payout to qualified applicants - \$500 per month for the period April to June 2020
- NIC's role:
  - Defined in an MOU between the Government of Saint Lucia and NIC
    - Identify applicants seeking to benefit under the ISP who have already qualified for relief under the ERP, to guard against persons obtaining relief under both programmes.
    - Identify employers applying under the ISP who are in breach of the law by failing to register and remit contributions to the National Insurance Fund under the Act.

# LESSONS LEARNT

- The value of timely and effective communication:
  - Qualifying conditions of ERP
  - Functioning and required information
  - Status of applications: payments, queries, disallowed claims
- The costs of not being insured
- The value of automated services – safety, efficiency, effectiveness
- The need for unemployment benefit

# OUTLOOK GOING FORWARD

- Continued improvement in the provision of social protection to workers: ‘Consideration for implementation of unemployment insurance to formal sector employees in the first instance’.
- Greater collaboration with key government agencies: Labour Department, Central Statistical office, Inland Revenue, Electoral Department.
- Increase level of coverage of self-employed persons.

**NATIONAL INSURANCE CORPORATION**

**Thank You**



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