
LAWS OF SAINT VINCENT AND THE GRENADINES
REVISED EDITION

**NATIONAL INSURANCE (FINANCIAL
AND ACCOUNTING) REGULATIONS**

SRO 21 of 1996

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NATIONAL INSURANCE (FINANCIAL AND ACCOUNTING) REGULATIONS

In exercise of the powers conferred by section 16(2) of the National Insurance Act, and all other powers hereunto enabling the Minister makes the following Regulations.

[SRO 21 of 1996.]

[Date of commencement: 13th August, 1996.]

1. Citation and commencement

These Regulations may be cited as the National Insurance (Financial and Accounting) Regulations, 1996.

2. Interpretation

In these Regulations, unless the context otherwise requires—

“**expenditure**” means payment out of the Fund under the provisions of section 3(2) of the Act;

“**income**” means payments into the Fund under the provisions of section 3(1) of the Act;

“**other securities**” means investments made in securities other than trustee securities;

“**Reserve**” means any one of the Reserves constituted under regulation 20;

“**trustee securities**” means investments made in public funds or Government Securities of Saint Vincent and the Grenadines or other securities where the repayment of capital and interest is guaranteed by the Government of Saint Vincent and the Grenadines or any other securities authorised by any Act for investment of Trust Funds.

PART I

*Benefit Branches***3. Benefit branches**

The benefits to be provided by the Fund shall be grouped into four branches—

- (a) Long-term Benefits Branch comprising age benefit, invalidity benefit, survivor's benefit and funeral grant;
- (b) Short-term Benefits Branch comprising sickness benefit and maternity benefit;
- (c) Employment Injury Benefits Branch comprising medical expenses, injury benefit, disablement benefit, constant attendance allowance, death benefit and funeral grant payable on death due to employment injury; and
- (d) National Provident Fund Branch in respect of benefits to be paid out of the National Provident Fund.

4. Financial autonomy of benefit branches

(1) Each of the four benefit branches specified in regulation 3 of these Regulations shall, so far as the circumstances allow, be financially autonomous, so that income allotted to one benefit branch shall not be used to cover expenditure relating to another branch:

Provided that—

- (a) when employment injury benefits specified in section 27(1) of the Act are implemented for the first time the Board may transfer such amount as it thinks fit to the Employment Injury Benefits Branch account from either the Short-term Benefits or the Long-term Benefits Branch;
- (b) if there is a temporary insufficiency in any one branch, the Board may authorise the transfer of any amount that may be necessary from another branch;
- (c) amounts transferred under paragraph (a) or (b) shall be repaid to the lending branch by the borrowing branch as soon thereafter as possible with payment of interest at such rate as the Board may determine;
- (d) if the insufficiency mentioned in paragraph (b) continues, the Board may, acting in accordance with paragraph (a) of the proviso to regulation 21 and subject to section 16(1) and (2) of the Act, authorise the transfer of any amount that may be necessary from another branch.

(2) Separate income and expenditure accounts shall be established for each of the benefit branches, and shall be prepared in accordance with Part IV of these Regulations.

(3) Separate reserves shall be established and maintained in respect of each of the benefit branches in accordance with Part IV of these Regulations.

(4) Separate accounts shall be prepared for the National Provident Fund Branch in accordance with the provisions of the National Provident Fund Act now repealed, and kept in such form as the Director of Audit may approve.

PART II*Budget Estimates***5. Financial year**

The financial year for the purpose of the budget and accounts shall be the year ending on the 31st day of December, provided that the first financial year shall cover such period as the Minister may direct.

6. The Annual Budget

Before the 31st day of October of each financial year, the Director shall submit to the Board for its approval, estimates for the income and expenditure for the following financial year.

7. Heads of estimates

The estimates submitted under regulation 6 shall be made under the heads shown in the First Schedule and shall be accompanied by a memorandum giving full explanations of any variation of the amounts expected to be received or spent as compared with the corresponding amounts included in the approved estimates of the current financial year.

8. Additional heads of estimates

The Board may add to the heads under which the estimates required by regulation 7 are to be submitted, and may require information relating to the make-up, calculation or reason for inclusion of any item in the estimates as submitted.

9. Approved estimates

The estimates submitted in accordance with this Part, when approved by the Board, shall show the income expected to be collected and shall set limits to the expenditure which may be incurred under each of the relevant heads. Expenditure shall not be incurred under any head in excess of the limit set for the head without the prior approval of the Board:

Provided that expenditure in excess of the limits set out may be incurred in respect of benefits subject to subsequent ratification by the Board as soon thereafter as possible.

10. Authority to incur expenditure

If the budget estimates have not been approved by the Board before the beginning of the financial year to which they relate, the Director shall be authorised by the Board to incur expenditure under the various heads subject to such conditions as it may see fit to impose until such time as the budget is duly approved.

PART III*Budgetary Control***11. Financial provisions relating to staff**

The Director shall furnish a list of the names of such of the officers of the Board who from time to time, may be authorised to approve payment vouchers, sign cheques, approve accounting transfers or exercise other similar functions, and the list shall state such limits,

financial or otherwise, as the Board may approve, within which each officer whose name appears on the list shall be authorised to exercise the function allotted to him.

12. Fidelity bond

Insurance by way of fidelity bond or other similar security shall be arranged by the Board giving cover, up to such amounts as may be approved by the Board, against the risk of defalcation by cashiers, store-keepers or other custodians of the property of the Board.

13. Losses, deficiencies and over-payments

The Board, with the approval of the Minister, may authorise the writing off of any loss, deficiency or over-payment as irrecoverable when satisfied that adequate investigation has been made into the causes of, and responsibility therefor, and that steps have been taken as far as possible, to prevent similar recurrences in the future.

14. Internal audit

(1) The Director shall make adequate arrangements for the internal audit of the financial procedures and accounts of the Fund.

(2) The internal audit shall comprise the following functions—

- (a) examining and certifying every payment voucher, accounting transfer authority and receipt;
- (b) testing awards of benefits for regularity and conformity in all respects with the Act and the relevant Regulations;
- (c) checking that all income due to the Fund is received and brought to account unless written off is irrecoverable with the authority of the Board;
- (d) assisting in the exercise of budgetary control by maintaining a continuous review of the progress of income and expenditure, and reporting whenever it appears likely that the income under any head of the estimates as approved by the Board will fall short of, or the expenditure under such head will exceed, the amount stated in the approved estimates;
- (e) examining and certifying the correctness of the accounts submitted periodically by revenue officers of local offices or other accounting units if any such units are set up, and the periodical accounts of the Fund, including the annual accounts;
- (f) checking that those directions contained in the code of instructions designed to facilitate accounting controls or provide safeguards against error or fraud are observed and implemented;
- (g) carrying out such functions as may from time to time be required by the Director.

15. Reports to the Board

The Director shall submit to the Board reports on the latest financial situation of the Fund with reference to income and expenditure, at such intervals and in such form as the Board may direct, together with any comments or remarks that may be called for.

PART IV

*Accounts***16. Heads of account and accounting instruction**

(1) Accounts shall be opened for each of the heads under which the estimates of income and expenditure have been approved by the Board and for such other heads or subdivisions of heads as may be necessary; and the financial transaction of the Fund shall be recorded under such heads by the double-entry system of book-keeping.

(2) Subject to the approval of the Board, the Director shall issue detailed instructions governing the methods of procedures to be followed in maintaining the accounts, and in particular the basis on which the various items of income and expenditure are to be recorded.

17. Annual summary accounts

(1) At the end of each financial year the accounts as a whole shall be balanced and the following summary accounts shall be prepared in accordance with the models presented in the Second Schedule—

- (a) a consolidated Income and Expenditure Account for the Fund as a whole;
- (b) the Income and Expenditure Account in respect of each of the benefit branches as the case may be;
- (c) the expenditure account in respect of the National Provident Fund Branch;
- (d) a Balance Sheet for the Fund as a whole:

Provided that the Balance Sheet shall be supplemented by an account showing the current transaction of the disablement and Death Benefits Reserve in accordance with the model presented in the Second Schedule.

(2) Subject to regulation 4(2) the Income and Expenditure Accounts shall show the income and expenditure recorded during the financial year and the Balance Sheet shall show the liabilities and assets of the Fund as at the end of the financial year.

(3) The Board may from time to time add to or subdivide the heads of the summary accounts as may be thought necessary.

18. Distribution of income among the Income and Expenditure Accounts of the benefit branches

(1) The income from contributions shall be distributed among the benefit branches in the following proportions—

	Before employment injury benefit	After employment injury benefit
(a) Short-term Benefits Branch	25%	20%
(b) Long-term Benefits Branch	75%	62%
(c) Employment Injury Benefits Branch	NIL	18%

Provided that if an actuarial report made under section 17 of the Act recommends a redistribution of the contribution income among the benefit branches, the Minister acting on the recommendation of the Board, may by Regulations, modify the proportions of income to be distributed among the benefit branches.

(2) The income from the investment of the Reserve shall be allocated as follows—

- (a) the income from the investment of the Short-term Benefits Reserve shall be allocated to the Short-term Benefits Branch;
- (b) the income from the investment of the Pension Reserve shall be allocated to the Long-term benefit Branch;
- (c) the income from the investment of the Employment Injury Benefits (Short-term) Reserve shall be allocated to the Employment Injury Benefits Branch;
- (d) the income from the investment of the Disablement and Death Benefits Reserve shall be allocated as provided in regulation 20(3).

(3) All other income to the Fund which cannot be identified with any specified branch shall be distributed in equal parts among the benefit branches that may be in existence.

19. Distribution of expenditure among the Income and Expenditure Accounts of the benefit branches

(1) The expenditure on the benefits grouped under a specified branch in regulation 3 shall be ascribed to that branch.

(2) The administrative expenditure of the Fund shall be distributed among the benefit branches as the case may be, in such a manner that the proportion allocated to a particular branch shall be equal to the proportion which the sum of the contribution income and benefit expenditure shown in the Income and Expenditure Account of that branch bears to the sum of the contribution income and benefit expenditure of the Fund as a whole.

(3) All other expenditure which is not attributable to any specific branch shall be distributed in equal parts among the benefit branches which may be in existence.

20. Reserves to be constituted

(1) A Short-term Benefit Reserve shall be constituted by transferring thereto annually the excess of income over expenditure of the Short-term Benefit Branch.

(2) A Pension Reserve shall be constituted by transferring thereto annually the excess of income over expenditure of the Long-term Benefit Branch.

(3) A Disablement and Death Benefits Reserve shall be constituted in the following manner—

- (a) the capital values of periodically payable disablement and death benefits awarded in a year shall be charged against the year's income in the Income and Expenditure Account of the Employment Injury Benefits Branch and shall be credited to a current account which—
 - (i) shall be further credited with the income from investment of the said Reserve, and

- (ii) shall be debited with the actual payment of current periodical disablement and death benefits effected during the year;
- (b) the balance thereof shall be transferred at the end of the year to the said Reserve or the deficit thereof shall be recovered at the end of the year from the said Reserve.

(4) Subject to subregulation (3) an Employment Injury Benefits (Short-term) Reserve shall be constituted by transferring thereto annually the excess of income over expenditure of the Employment Injury Benefits Branch.

21. Circumstances under which an interim actuarial review may be required

(1) The Short-term Benefits Reserve and the Employment Injury Benefit (Short-term) Reserve shall be used to meet any unforeseen or abnormal expenditure which the current income of any other branch may not be sufficient to cover.

(2) Where—

- (a) the Short-term Benefits Reserve falls below the level of the average six months' expenditure of the branch concerned on benefits during the preceding three financial years; or
- (b) the Employment Injury Benefits (Short-term) Reserve falls below the level of the average six months' expenditure of the branch concerned with benefits other than periodically payable disablement and death benefits during the preceding three financial years, and if the trend of reduction continues,

actuarial advice shall be sought as provided for in section 17(1) of the Act, and necessary action taken so that the contribution income available to the branch concerned may be sufficient to vary the expenditure of that branch and to restore the Reserve concerned to the required level.

(3) Where the branch concerned has been in operation for less than three financial years, the six-monthly average mentioned in subregulation (2)(a) shall be computed with reference to the actual period of operation.

(4) Where it is anticipated that the current income of the Long-term Benefit Branch will become insufficient to meet the current expenditure of that branch, actuarial advice shall be sought in accordance with section 17 of the Act.

22. Investment of Reserves

Each of the Reserves specified in regulation 20 shall, subject to the provisions of section 14 of the Act, be invested having due regard amongst other things to its nature and purpose and to the probable periods at which it may be necessary to realise the investment.

23. Table of capital values

The capital values of awards of periodically payable disablement and death benefits shall be calculated in accordance with the Tables contained in the Third Schedule and in, accordance with the examples given in the Fourth Schedule:

Provided that these capital values may be revised by amending regulations on the recommendation of the Board, if an actuary's report under section 17 of the Act recommends such revision.

24. List of investments to supplement Annual Balance Sheet

The Annual Balance Sheet shall be supplemented by a Schedule, giving a complete list of the investments of the Fund as at the date of the Balance Sheet, classified by the Reserves to which the investments relate. This list shall show the following particulars with regard to the investment—

- (a) the name or identification, rate of interest and maturity date;
- (b) the cost price;
- (c) the face value;
- (d) the market value.

FIRST SCHEDULE

[Regulation 7.]

Heads under which Budget Estimates of Income and Expenditure are to be Submitted to the Board

Income

- (1) Contributions—
 - (a) by employers;
 - (b) by insured persons.
- (2) Income from investments—
 - (a) interest on investment in trustee securities;
 - (b) interest on investment in other securities.
- (3) Grant from the Consolidated Fund.
- (4) Other income.
- (5) Total income.

Current Expenditure

- (1) Benefits—
 - (a) Short-term Benefits Branch—
 - sickness Benefit,
 - maternity Benefit.
 - (b) Long-term Benefits Branch—
 - age Benefit,
 - invalidity Benefit,
 - survivor's Benefit,
 - funeral Grant.

FIRST SCHEDULE—*continued*

- (c) Employment Injury Benefits Branch—
 - medical expenses,
 - injury benefit,
 - disablement benefit,
 - death benefit,
 - funeral grant.
- (2) Administration—
 - (a) salaries and allowances of administrative staff;
 - (b) allowances and expenses of the Board;
 - (c) other expenses of administration.
- (3) Other expenditure.

Capital Expenditure

- (1) Investment—
 - (a) trustee securities;
 - (b) other securities.
- (2) Purchase or acquisition of—
 - (a) premises;
 - (b) furniture and equipment;
 - (c) motor vehicles;
 - (d) other items.

SECOND SCHEDULE

[Regulation 17(1).]

*Heads of Annual Summary Accounts*1. *Consolidated Income and Expenditure Account**Income*

- (1) Contribution—
 - (a) by employers;
 - (b) by insured persons.
- (2) Income from investments—
 - (a) trustee securities;
 - (b) other securities.

SECOND SCHEDULE—*continued*

- (3) Other income.
- (4) Total income.

Expenditure

- (1) Benefit expenditure—
 - (a) Short-term Benefits Branch;
 - (b) Long-term Benefits Branch;
 - (c) Employment Injury Benefits Branch;
 - (d) National Provident Fund Branch.
- (2) Administrative expenditure.
- (3) Other expenditure.
- (4) Total expenditure.
- (5) Excess of income over expenditure.

If the distribution of the total income from contributions between employers and insured persons cannot be evaluated accurately estimates of such distribution may be provided to the extent possible.

*2. Income and Expenditure Account of the Short-term Benefits Branch**Income*

- (1) Contributions.
- (2) Income from investments of the Short-term Benefits Reserve—
 - (a) trustee securities;
 - (b) other securities.
- (3) Part of other income of Fund ascribed to the Branch.
- (4) Total income.

Expenditure

- (1) Benefit expenditure—
 - (a) sickness benefit;
 - (b) maternity benefit.
- (2) Part of administrative expenditure ascribed to the Branch.
- (3) Part of other expenditure ascribed to the Branch.
- (4) Total expenditure.
- (5) Excess of income over expenditure.*

* Credited to the Short-term Benefits Reserve if positive, debited to the Short-term Benefits Reserve if negative.

SECOND SCHEDULE—*continued*3. *Income and Expenditure Account of the Pensions Branch**Income*

- (1) Contributions.
- (2) Income from investment of the pensions Reserve—
 - (a) trustee securities;
 - (b) other securities.
- (3) Part of other income of Fund ascribed to the Branch.
- (4) Total income.

Expenditure

- (1) Benefit expenditure—
 - (a) age benefit;
 - (b) invalidity benefit;
 - (c) survivor's benefit—
 - (i) widows/widowers,
 - (ii) orphans,
 - (iii) other dependents;
 - (d) funeral grant.
- (2) Part of administrative expenditure ascribed to the Branch.
- (3) Part of other expenditure ascribed to the Branch.
- (4) Total expenditure.
- (5) Excess of income over expenditure.*

4. *Income and Expenditure Account of Employment Injury Benefits Branch*

INCOME

- (1) Contributions.
- (2) Income from investments of the Employment Injury Benefits (Short-term) Reserve—
 - (a) trustee securities;
 - (b) other securities.
- (3) Part of other income of Fund ascribed to the Branch.
- (4) Total income.

* Credited to the Pension Reserve.

SECOND SCHEDULE—*continued**Expenditure*

- (1) Benefit expenditure—
 - (a) medical expenses;
 - (b) injury benefit;
 - (c) disablement benefit—
 - (i) grants,
 - (ii) benefits payable periodically (Capital value);
 - (d) death benefit;
 - (e) funeral grant.
- (2) Part of administrative expenditure ascribed to the Branch.
- (3) Part of other expenditure ascribed to the Branch.
- (4) Total expenditure.
- (5) Excess of income over expenditure.*

4. (a) *Account Showing the Current Transactions of the Disablement and Death Benefits Reserve*

[Subsidiary to the Balance Sheet.]

Income

- (1) Capital value of awards of periodically payable disablement and death benefits transferred from Income and Expenditure Account of Employment Injury Benefits Branch—
 - (a) disablement benefits;
 - (b) death benefits.
- (2) Income from investment of the Disablement and Death Benefits Reserve.
- (3) Total income.

Expenditure

- (1) Payments of current periodically payable disablement and death benefits effected during the year.
- (2) Total expenditure.
- (3) Excess of income over expenditure.**

5. *Annual Balance Sheet**Assets*

- (1) Sundry debtors.
- (2) Cash in hand and in the Bank.

* Credited to Employment Injury Benefits (Short-term) Reserve if positive debited to Employment Injury Benefits (Short-term) Reserve if negative.

** Transferred to Disablement and Death Benefits Reserve.

SECOND SCHEDULE—*continued*

- (3) Investments—
 - (a) trustee securities;
 - (b) other securities.
- (4) Stocks in hand.
- (5) Office furniture and equipment.
- (6) Motor vehicle.
- (7) Other assets.
- (8) Total assets.

Liabilities

- (1) Sundry creditors.
 - (2) Reserves—
 - (a) Short-term Benefits Reserve;
 - (b) Pensions Reserve;
 - (c) Employment Injury Benefits (Short-term) Reserve;
 - (d) Disablement and Death Benefits Reserve.
 - (3) Other Liabilities.
 - (4) Total Liabilities.
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National Insurance Act – Subsidiary Legislation

THIRD SCHEDULE

[Regulation 23.]

Tables

TABLE I

Table of Actuarial Present Values for the Computation of Capital Values of Disablement Benefit (Periodical Payments)

<i>Age nearest birthday of the beneficiary</i>	<i>Factor for multiplying the weekly rate of benefit</i>	<i>Factor for multiplying the weekly rate of benefit</i>	<i>Age nearest birthday of the beneficiary</i>	<i>Factor for multiplying the weekly rate of benefit</i>	<i>Factor for multiplying the weekly rate of benefit</i>
(1)	(2) Males	(3) Females	(1)	(2) Males	(3) Females
15	1145	1146	46	796	832
16	1139	1140	47	779	819
17	1133	1133	48	762	805
18	1126	1126	49	744	790
19	1119	1119	50	727	776
20	1112	1112	51	709	761
21	1105	1105	52	690	745
22	1097	1097	53	672	730
23	1089	1089	54	654	713
24	1080	1081	55	635	697
25	1071	1073	56	616	680
26	1062	1064	57	597	662
27	1053	1056	58	578	645
28	1043	1046	59	559	627
29	1033	1037	60	540	608
30	1022	1027	61	521	589
31	1011	1017	62	502	570
32	1000	1007	63	484	551
33	988	996	64	465	531
34	975	986	65	447	511
35	963	974	66	428	492
36	949	963	67	410	472
37	936	951	68	392	453
38	922	938	69	375	435

THIRD SCHEDULE, TABLE I—continued

<i>Age nearest birthday of the beneficiary</i>	<i>Factor for multiplying the weekly rate of benefit</i>	<i>Factor for multiplying the weekly rate of benefit</i>	<i>Age nearest birthday of the beneficiary</i>	<i>Factor for multiplying the weekly rate of benefit</i>	<i>Factor for multiplying the weekly rate of benefit</i>
(1)	(2) Males	(3) Females	(1)	(2) Males	(3) Females
39	907	925	70	358	416
40	893	912	71	341	398
41	877	899	72	324	380
42	862	886	73	308	361
43	846	872	74	343	
44	830	859	75	325	
45	813	846			

TABLES II A, B, AND C

Table of Actuarial Present Values for the Computation of Capital Values of Periodical Payments for Death Benefits

TABLE IIA

For Periodical Payments to the Dependents of the Deceased – Extending to the End of Life

<i>Age nearest birthday of the beneficiary</i>	<i>Factor with which the weekly rate of benefit is to be multiplied for death benefit</i>	<i>Factor with which the weekly rate of benefit is to be multiplied for death benefit</i>	<i>Age nearest birthday of the beneficiary</i>	<i>Factor with which the weekly rate of benefit is to be multiplied for death benefit</i>	<i>Factor with which the weekly rate of benefit is to be multiplied for death benefit</i>
(1)	(2) Males	(3) Females	(1)	(2) Males	(3) Females
15	1162	1167	58	635	697
16	1157	1160	59	616	680
17	1151	1153	60	597	662
18	1145	1146	61	578	645
19	1139	1140	62	559	627
20	1133	1133	63	540	608
21	1126	1126	64	521	589
22	1119	1119	65	502	570

THIRD SCHEDULE, TABLE IIA—continued

<i>Age nearest birthday of the beneficiary</i>	<i>Factor with which the weekly rate of benefit is to be multiplied for death benefit</i>	<i>Factor with which the weekly rate of benefit is to be multiplied for death benefit</i>	<i>Age nearest birthday of the beneficiary</i>	<i>Factor with which the weekly rate of benefit is to be multiplied for death benefit</i>	<i>Factor with which the weekly rate of benefit is to be multiplied for death benefit</i>
(1)	(2) Males	(3) Females	(1)	(2) Males	(3) Females
23	1112	1112	66	484	551
24	1105	1105	67	465	531
25	1097	1097	68	447	511
26	1089	1089	69	428	492
27	1080	1081	70	410	472
28	1071	1073	71	392	453
29	1062	1064	72	375	435
30	1053	1056	73	358	416
31	1043	1046	74	341	398
32	1033	1037	75	324	380
33	1022	1027	76	308	361
34	1011	1017	77	293	343
35	1000	1007	78	278	325
36	988	996	79	263	307
37	975	906	80	249	290
38	963	974	81	236	274
39	949	963	82	223	258
40	936	951	83	210	243
41	922	938	84	199	229
42	907	925	85	187	215
43	893	912	86	177	202
44	877	899	87	167	190
45	862	886	88	157	179
46	846	872	89	148	168
47	830	859	90	140	158
48	813	846	91	132	148
49	796	832	92	124	139

THIRD SCHEDULE, TABLE IIA—continued

<i>Age nearest birthday of the beneficiary</i>	<i>Factor with which the weekly rate of benefit is to be multiplied for death benefit</i>	<i>Factor with which the weekly rate of benefit is to be multiplied for death benefit</i>	<i>Age nearest birthday of the beneficiary</i>	<i>Factor with which the weekly rate of benefit is to be multiplied for death benefit</i>	<i>Factor with which the weekly rate of benefit is to be multiplied for death benefit</i>
(1)	(2) Males	(3) Females	(1)	(2) Males	(3) Females
50	779	819	93	117	130
51	762	805	94	111	122
52	744	790	95	105	115
53	727	776	96	99	108
54	709	761	97	96	101
55	690	745	98	91	94
56	672	730	99 and above	86	88
57	654	713			

TABLE IIB

For Periodical Payments Limited to a Number of Years

Increases of Benefits for Dependent Children

<i>Age nearest birthday of the dependent child</i>	<i>Factor for multiplying the weekly rate of benefit</i>
(1)	(2)
0	620
1	592
2	562
3	531
4	500
5	466
6	432
7	306
8	358
9	319

TABLE IIC

Orphan's Benefit

<i>Age nearest birthday of child</i>	<i>Factor for multiplying the weekly rate of benefit</i>
(1)	(2)
0	674
1	647
2	620
3	592
4	562
5	531
6	500
7	466
8	452
9	396

National Insurance Act – Subsidiary Legislation

THIRD SCHEDULE, TABLE IIB and IIC—continued

Increases of Benefits for
Dependent Children

Orphan's Benefit

Age nearest birth-day of the dependent child	Factor for multiplying the weekly rate of benefit		Age nearest birthday of child	Factor for multiplying the weekly rate of benefit
(1)	(2)		(1)	(2)
10	279		10	358
11	237		11	319
12	193		12	279
13	148		13	237
14	100		14	193
15	51		15	148
			16	100
			17	51

FOURTH SCHEDULE

[Regulation 23.]

The following examples and notes are intended to illustrate and act as a guide for ascertaining the capital values of periodical payments of disablement and death benefits—

EXAMPLE 1

Disablement benefit: sex – MALE: Weekly rate of disablement benefit: \$24.

STAGE 1 (Ascertaining age nearest birthday):

	YEAR	MONTH	DAY
Date of entitlement to disablement benefit	1975	8	28
Date of birth of the disablement pensioner	1954	2	28
	21 *	6	0

Age nearest birthday on date of entitlement is 21 years

(*) Six months and below are disregarded

STAGE 2 (Calculation of capital value):

Multiplying factor for age 21 nearest birthday

Males: 1105 (see column 2 Table 1)

Capital value to be transferred to the Disablement and

Death Benefits Reserve = 1105 x \$24

= \$26,520

EXAMPLE 2

Disablement benefits sex – FEMALE: Weekly rate of benefit: \$12.50

STAGE 1	YEAR	MONTH	DAY
Date of entitlement to disablement benefit	1976	2	14
Date of birth of disablement pensioner	1943	3	16
	32	10	27

Age nearest birthday on date of entitlement is 33 years.

STAGE 2

Multiplying factor for 33 years nearest birthday

Females = 966 (see column 3, Table 1)

Capital value to be transferred to the Disablement and

Death Benefit Reserve = $966 \times \$12.50$
= \$12,450.

EXAMPLE 3

Death benefit – WIDOW: Weekly rate of widow's benefit = \$10.00 (without dependent children).

Period of payment: So long as the widow satisfies the conditions for eligibility or death which ever event is earlier.

STAGE 1

Age nearest birthday of the widow on the date of entitlement has to be ascertained as in the case of the preceding examples. Suppose the age is 47.

STAGE 2

Multiplying factor for 47 years nearest birthday.

Females – 859 (see column 3, Table II – A).

Capitalised value to be transferred to the Disablement and

Death Benefits Reserve = $849 \times \$10$
= \$8,590

EXAMPLE 4

ORPHAN'S BENEFIT

Weekly periodic payment: \$10.

Age nearest birthday of the orphan on the date of entitlement = 8 years multiplying factor for age 8 years = 432 (see column 2 Table II – C).

Capital value to be transferred to the Disablement and

Death Benefits Reserve = $432 \times \$10$
= \$4,320

EXAMPLE 5

DEPENDENT PARENTS:

Death benefit (periodical payment) awarded to

- (a) dependent father: \$27 per week
- (b) dependent mother: \$27 per week

Both parents alive. Father aged 70, and mother age 60, on the date of entitlement to death benefit.

Weekly rate of employment injury benefit to which the deceased was entitled: \$54.

Capital value to be transferred to the Disablement and Death Benefit Reserve:

(a) in respect of father =	410 x \$27 = 11,070 *
(b) in respect of mother =	662 x \$27 = 17,874 **
Total to be transferred	<u>28,944</u>

* Factor for age 70 – see column (2), Table IIA

** Factor for age 60 – see column (3), Table IIA

The following points should be noted:

Note 1.—

For ascertaining the capital value of periodical payments to any dependent beneficiary, the appropriate Tables – Males, Females or children have to be used in the manner indicated in the example given above.

Note 2.—

The capital value must be ascertained as on the date of entitlement to periodical payments of disablement or death benefit. Payment of these benefits will be made only on a determination made by a determining authority. Any periodical payments already made for those benefits will therefore have been calculated already and entered into the accounts. The new capital value to be entered into the accounts will therefore relate only to the difference (if any) between the new rate of periodical payment and the one which it replaces either wholly or in part. If the new rate of periodical payment is an increase on that which it replaces, the capital value of the difference will be entered in the accounts in accordance with regulation 20(3). If the new rate of periodical payment is a decrease on that which it replaces, the capital value of the difference will be entered in the accounts in accordance with the aforesaid paragraph but with the debit and credit in reverse.

Note 3.—

If there is a provisional assessment, a similar procedure should be followed to that for a normal capital value, but the multiplying factor should be the number of weeks in the period of provisional assessment, and for this purpose the nearest age at commencement is not necessary. At the expiry of the provisional assessment, if the claim is assessed as permanent, the method described in Note 2 should be followed; the date of entitlement to disablement benefit in such an event should be taken as the date from which the permanent disablement claim re-commences on such review.

Note 4.—

The provision relating to the calculation of capital values of disablement and death benefits and their entry into the accounts relate only to periodical payments and are not applicable to grants.

Note 5.—

If the award of disablement or death benefit has been made in a financial year different from the one in which entitlement therefore commences (i.e. if the decision is to apply retroactively) the amount of the net capital value for the difference in the rate of periodical payments, ascertained in the manner described in Note 2 above, should be entered in the accounts in the year in which the award is made.

In cases where a retroactive increase of benefit is paid for previous years, entries thereof will be made in the accounts of the year in which it is paid, in a similar manner to entries of current benefits paid in that year.

In those few cases where a retroactive decrease of benefit is awarded the over-payments which have been made on the former rate of periodical payments will normally be deducted from future benefits and only the net amount paid will be entered in the accounts.
