

Belize

Belize: Pension system in 2010

The pension system consists of an earnings-related defined-benefit component and a retirement grant for those with some but insufficient contributions. For those with inadequate income there is a non-contributory pension.

Key indicators

		Belize	LAC26
Average earnings	BZD	8 700	13 700
	USD	4 400	7 000
Public pension spending	% of GDP	1.0	3.1
Life expectancy	At birth	73.9	73.6
	At age 65	17.7	17.4
Population over age 65	% of working-age population	7.7	12.3

Qualifying conditions

The legal retirement age is 65 years for both men and women with at least 500 weeks of accredited contributions, including at least 150 paid contributions. Early retirement due to unemployment or low earnings (earnings less than BZD 50 per week) is possible from the age of 60. There is a lump-sum payment (the retirement grant) for those with insufficient contributions. To receive the grant, the employee must meet the following requirements:

- be an insured contributor between 60 and 64 years old; or
- be an insured contributor 65 years or older (whether employed or not).
- Have at least 26 paid contributions.

Benefit calculation

Old-age pension

The weekly old-age pension benefit is calculated as 30% of the sum of the insurable earnings during the best three years in the contribution record. This is also supplemented by:

1. 2% of the average weekly insurable earnings for each unit of 50 paid or credited contributions in excess of the first 500, up to a total of 750 such contributions; and
2. 1% of the average weekly insurable earnings for each unit of 50 paid or credited contributions in excess of 750.

The maximum old-age pension is equal to 60% of the average weekly covered earnings up to a weekly maximum of BZD 192. The minimum pension payable is equal to BZD 47 per week. The observed values averaged 40.8% in 2010.

Pensions are not indexed.

Retirement grant

If a person does not qualify for a Retirement Pension, they still might qualify for a Retirement Grant, which is a one-time lump-sum payment. The minimum grant is a one-time payment of BZD 800. Two formulas are used to calculate the size of the Retirement Grant, paying the higher amount of the two:

1. six times the sum of insurable earnings in the best three years of contributions, divided by 150 and multiplied by the number of 50-week contribution periods; or
2. 2.5 times the sum of weekly insurable earnings divided by the number of contributions and multiplied by the number of 50-week contribution periods.

Non-contributory old-age pension

The Non-Contributory Pension Programme covers men aged 67 and women aged 65 or older who have inadequate or no income and are a permanent resident or citizen of Belize. The monthly payment is BZD 100 for both men and women.

Variant careers**Early retirement**

Early retirement is possible from the age of 60 if the insured person is unemployed or if his/her earnings are less than BZD 50 per week, with at least 500 weeks of credited contributions including at least 150 paid contributions.

Late retirement

It is not possible to delay retirement.

Personal income tax and social security contributions**Taxation of workers**

There is a tax allowance equal to BZD 19 600 for single persons under the age of 65 in 2009/10. All income above this level is taxed at 25%.

In 1 January 2011 a new tier system for personal income tax was introduced. The allowances are now as follows:

- BZD 25 600 on income below BZD 26 000.
- BZD 24 600 on income above BZD 26 000 but not exceeding BZD 27 000.
- BZD 22 600 on income above BZD 27 000 but not exceeding BZD 29 000.

In the case of all other employed individuals the allowance is BZD 19 600.

Social security contributions paid by workers

All persons in insurable employment pay social security contributions. In 2010, 8% of a person's average weekly earnings up to a maximum of BZD 320.00 is payable to the social security system: 1.54%-points are diverted to short-term benefits; 4.50%-points long-term benefits; and 1.96%-points employment injury benefits.

Weekly contributions consist of an employees' and employers' part. The amount payable by each depends upon the employee's gross income.

Weekly contributions to the GSSS

Actual weekly earnings (BZD)	Weekly insurable earnings (BZD)	Amount of contribution (BZD)			Rate of contribution (%)	
		Employer	Employee	Total	Employer	Employee
Under 70.00	55.00	3.57	0.83	4.40	6.50	1.50
70.00 to 109.99	90.00	5.85	1.35	7.20	6.50	1.50
110.00 to 139.99	130.00	8.45	1.95	10.40	6.50	1.50
140.00 to 179.99	160.00	9.65	3.15	12.80	6.03	1.97
180.00 to 219.99	200.00	11.25	4.75	16.00	5.63	2.38
220.00 to 259.99	240.00	12.85	6.35	19.20	5.35	2.65
260.00 to 299.99	280.00	14.45	7.95	22.40	5.16	2.84
300.00 and over	320.00	16.05	9.55	25.60	5.02	2.98

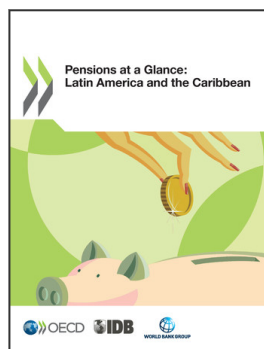
Voluntary contributors pay weekly contributions based on the best 3 years of contributions paid. Voluntary weekly contributions range from BZD 1.76 to BZD 10.24.

Taxation of pensioners

There are no additional tax allowances. Pensions are tax exempt.

Social security contributions paid by pensioners

For insured persons who work after retirement, the employer is responsible for 100% of the contributions, a standard BZD 2.60 per week, which covers the employment injury benefit only.



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