



# **THE NUTS AND BOLTS OF THE NIS: WHAT'S IN IT FOR YOU**



# WHAT IS THE NIS?

**The National Insurance Scheme (NIS) is a compulsory, contributory system of social security which offers some financial protection to its contributors & their family against loss of income arising from injury on the job, incapacity, retirement and/or death.**



# CONTRIBUTE?

- **Employed Persons**
- **Self-Employed Persons**
- **Voluntary Contributors**
  - **Males: Age 18 – 70 Years**
  - **Females: Age 18 – 65 Years**
  - **(Moving to 70 over the next 5 years)**



# **CONTRIBUTED?**

**2.5% of Salary by the employee**

**2.5% of Salary by the employer**

**Salary Ceiling: \$1,000,000 p.a.**

**Of the 5% total, 1% is the contribution for  
National Health Fund**

**Qualification for benefits is determined by  
the number of contributions made**



# **CONTRIBUTIONS?**

**NIS contributions are used to pay benefits and administrative expenses.**

**Surplus funds are invested by the National Insurance Board.**

**Funds are invested in money market instruments, equities and real estate.**



- **Retirement Benefit**
  - Male retiree aged 65**
  - Female retiree aged 60**
  - (Moving to 65 over 5 years)**
- **Invalidity Benefit**
  - Permanently unable to work**
  - Minimum 156 contributions**
- **Widow's/Widower's Benefit**
  - Spouse of contributor/pensioner**



# NO BENEFITS

- **Orphan's Benefit**  
**Both parents deceased**  
**At least one contributed**
- **Special Child's Benefit**  
**Mother deceased**  
**Father unknown**
- **Special Anniversary Pension**  
**Born before January 1, 1908**
- **Sugar Worker's Pension**



# INCOME BENEFITS

- **Employment Injury Benefit**
  - Medical expenses**
  - Weekly sick leave allowance**
- **(EIB) Disablement Pension**
  - Disability of 10% or more**
- **(EIB) Death Benefit**
  - 52 weeks times EIB**





- **Maternity Allowance**  
**For domestic workers only**  
**Paid at minimum wage**
  
- **Funeral Grant**  
**Paid on the death of an NIS contributor, pensioner or their spouse**  
**Payable to the person who pays the funeral expenses**



# HEALTH BENEFIT

**All Pensioners automatically qualify for the National Insurance Pensioners' Health Plan,**

**NILG Gold**

**which is a comprehensive medical insurance scheme which includes coverage for Prescription Drugs, Diagnostic Services, Dental & Optical Services, Doctors' Visits, Surgery and Hospitalization.**



# BENEFIT

## Who is eligible?

- Male retiree: 65 years
- Deemed Age: 70 years
- Female retiree: 60/65 years
- Deemed Age: 65/70 years

The deemed age is that age when the insured is no longer liable to make contributions, and is eligible for a benefit

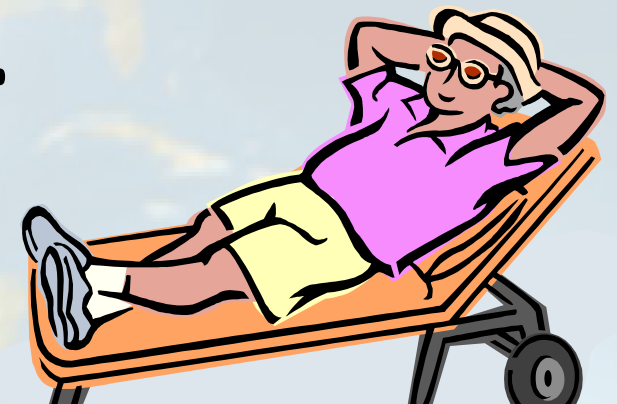
– even if still gainfully employed.



# BENEFIT

**The contributor should claim this benefit within three years after becoming eligible, or he/she may lose a portion of the benefit.**

**The claimant needs to provide proof of age, as well as details about work history.**





# BENEFIT

**Must have attained at least a minimum average of 10 weekly contributions per year to qualify for a pension.**

**Otherwise, a grant is paid.**

**Three Benefit Levels:**

- **39 & over = Full Rate**
- **26 to 38 =  $\frac{3}{4}$  Rate**
- **10 to 25 =  $\frac{1}{2}$  Rate**



# BENEFIT

## Amount of Benefit

- Full Rate = \$2,400 per week
- $\frac{3}{4}$  Rate = \$1,800 per week
- $\frac{1}{2}$  Rate = \$1,200 per week
- Grant = \$40,000



# **BENEFIT**

**For every \$13 contributed, an additional 0.06 per week is added to the basic rate.**

**For example, an individual who has contributed between April 1966 and March 2012 could have contributed a maximum \$309,002.83**

**He/she would therefore get \$1,426.14 per week in addition to the flat rate.**



<b>Year</b>	<b>Maximum Contribution</b>	<b>Accumulated Contribution</b>	<b>Wage Related Component</b>	<b>Accumulated Wage Related Component</b>
<b>1966</b>	<b>58.50</b>	<b>58.50</b>	<b>0.24</b>	<b>0.24</b>
<b>1967</b>	<b>78.00</b>	<b>136.50</b>	<b>0.36</b>	<b>0.60</b>
<b>1976</b>	<b>182.00</b>	<b>963.50</b>	<b>0.84</b>	<b>4.44</b>
<b>1977</b>	<b>182.00</b>	<b>1,145.50</b>	<b>0.84</b>	<b>5.28</b>
<b>1986</b>	<b>364.00</b>	<b>4,145.00</b>	<b>1.68</b>	<b>19.08</b>
<b>1987</b>	<b>364.00</b>	<b>4,509.00</b>	<b>1.68</b>	<b>20.76</b>
<b>1996</b>	<b>11,616.50</b>	<b>21,294.50</b>	<b>53.58</b>	<b>98.28</b>
<b>1997</b>	<b>12,500.00</b>	<b>33,794.50</b>	<b>57.66</b>	<b>155.94</b>
<b>2006</b>	<b>20,000.00</b>	<b>170,669.50</b>	<b>92.28</b>	<b>787.68</b>





# BENEFIT

## Spouse Allowance

**Any pensioner who has a spouse for whom he/she is fully responsible gets an additional allowance which is currently \$800 per week.**





**For further  
information...**

**Contact us toll free at**

**1-888-991-2089**

**Or at [www.mlss.gov.jm](http://www.mlss.gov.jm)**



# NIS

# ALWAYS WORKING FOR YOU