

MINISTRY OF HEALTH AND SOCIAL DEVELOPMENT



# Social Assistance Discussion Paper

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on the  
Assistance in the British Virgin Islands Review  
Final Report Review Final Report

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## Table of Contents

Overview .....	2
Comments and Submission Invited .....	3
Placing All Social Assistance Grant under MHSD .....	4
Universal Children Grant .....	5
Increasing Minimum Wage .....	6
Disabilities Grant .....	7
Minimum Guaranteed Pension .....	8
Unemployment Grant .....	10
Reforming Social Assistance Application and Disbursement Procedures .....	11
Income Limit on Social Assistance .....	13
Role of Social Workers .....	14
Identifiers for Individuals .....	15
Other Matters .....	16

## Overview

The Ministry of Health and Social Development is releasing the Social Assistance in the British Virgin Islands Review Final Report to the public for discussion on the current social assistance grant system and the way forward in developing a Social Assistance Policy to strengthen its systems of laws and policies that govern social assistance in the Territory.

This paper is intended to provide a plain English description of the major points in the review, a brief analysis of what was found and the major points for consideration that are needed. The purpose of the paper is to encourage discussion and input from the public on the document and ways to develop proper legislation.

## Comments and Submission Invited

Your comments and submissions on the matters raised in this discussion paper are important. In submitting your response, please indicate the relevant section and/or heading that appears above the matter being commented on.

Some readers may find it useful to read the Discussion Paper in conjunction with the Final Report. Copies of the document can be obtained on the Government's Website or at the Ministry of Health and Social Development Office located at Vornicia's House of Commerce in Long Bush, Tortola.

**You may also wish to raise other issues that are not included in the Discussion Paper. These would be welcomed and appreciated.**

### **How to respond:**

Comments may be mailed to Social Assistance in the British Virgin Islands Review Final Report, Ministry of Health and Social Development, Vornicia's House of Commerce, Long Bush, Tortola. You may forward your comments by email to [ministryofhealth@gov.vg](mailto:ministryofhealth@gov.vg). Please ensure that your comments are submitted before the \_\_\_\_\_ deadline

## **Placing All Social Assistance Grant under the Ministry of Health and Social Development**

The Report Found That:

- Combining the social assistance and grants of the Premier's Office, House of Assembly, Ministries of Health and Social Development and Education blows up the budget for social assistance from considerably less than US\$ 1 million to more than US\$ 8 million.
- It is implausible to assume that the MHSD's capacity will be sufficient to allocate that budget with the existing human resources (of which 8 social workers play a pivotal role in the procedure) while respecting reasonable delays between filing a request for assistance and disbursement of the benefits.
- It is equally unlikely that the MHSD would succeed in attracting enough additional personnel and specialists to avoid the problem of massive backlogs.
- Simplifying procedures may be in contradiction with the ambition of the government to increase the transparency and the predictability of the regulation (for the applicants).
- Continuing to use the current procedures almost certainly will lead to very long waiting lists for the applicants.

Issues for Consideration

- Reducing the expected increasing caseload for Social Assistance using other social protection instruments
- Simplifying application and allocation procedures
- Installing additional social protection legislation to reduce the caseload for social protection

## Universal Children Grant

The Report Found That:

- The Virgin Islands does **not have specific childhood benefits** – there is no child grant.
- Education for children between 5 and 17 years old, however, is compulsory and largely free.
- The Ministry of Education has a scholarship fund for Virgin Islands students wanting to study overseas for tertiary education. A smaller additional fund exists for tuition assistance.

Issues for Consideration

- Installing a universal **child grant or family benefits** system.
- The *age limits* for the benefit
- The *level* of the benefit.

## Increasing Minimum Wage

The Report Found That:

- The current US\$ 6 per hour is well below what is needed to decently survive on the islands.
- The estimated minimum liveable wage level in the Territory is between US\$ 12 and US\$ 17 per hour for 2022 depending on the household composition.
- Even a US \$12 it appears that quite a lot of professions in the country earn wages that are below the minimum living wage level

#### Issues for Consideration

- **Increase the minimum wage** to a level that is closer to the minimum living wage.
- To what level should the minimum wage be increased
- What speed the minimum wage should be increased

#### **Minimum Guaranteed Pension**

The Report Found That:

- To be eligible for the pension, one must have paid at least 10 years of contributions. In that case, the rate of the age pension is 30% of the average annual insurable earnings plus 1% for each complete 50 contributions above 500 contributions.
- If the 10 years of contributions are not fulfilled, one is eligible for the **age grant**, on the condition that they have paid at least 1 year of contributions in the past.
- These age benefits are not retirement benefits, meaning that one may continue to work while receiving age benefits, in which case no contributions are to be deducted from their salary.
- The level of almost all age pensions is well below the living minimum wage level. The average pension currently paid is US\$ 750 per month; the living wage level is about US\$ 2,720.
- The income gap for elderly pensioners could be bridged by installing a pension-tested **universal minimum social pension** system

#### Issues for Consideration

- Everybody above a certain age (say 65) would receive a tax-financed social pension bridging the gap between the pension they receive from the contributory system and the minimum pension set by the social pension system.
- Social Security Board would pay both parts of the pensions and invoice the Ministry of Health and Social Development the total sum paid on the differences between the contributory and the social pensions on a monthly/quarterly/yearly basis.
- The Social Security Board always pays at least the minimum social pension eventually topped up with the contributory pension for the individual pensioner.
- Enforcement of contributory pension contributions with employers and employees



- Age from which the minimum social pension is guaranteed
- Benefit level of the social pension

## **Disabilities Grant**

The Report Found That:

- A **disability grant** is an integral part of a social protection system.

- It would be technically possible to settle the issue under the social assistance programme, but apart from temporary disabilities, the needs of persons with disabilities will remain present throughout their lifecycle.
- Despite the high level of some costs, the fiscal impact is limited because the absolute number of persons with disabilities is usually not much higher than 5 per cent of the population

#### Issues for Consideration

- A disability benefit is accessible also for households above the poverty line or the social assistance threshold.
- Install a disability benefit that is related to the degree of disability (to be acknowledged by regulation and medical certification).
- A defined regulation on the levels of benefit per a certain degree of disability. The degree of disability as well as the probability that the disability would disappear or improve should be assessed by a medical doctor.
- A long-term disability benefit without the obligation to reapply for beneficiaries.

#### **Unemployment Grant**

- Unemployment grants have already been discussed in the Virgin Islands but have never been implemented

- . The country does not have employment insurance although preparatory administrative actions to install one are undertaken.

#### Issues for Consideration

- Implementation of a new unemployment insurance
- The (monthly) contribution for workers and employers as a percentage of gross wage – presumably with a capped maximum
- The minimum contribution period before claiming an unemployment benefit
- The level of the benefit as a percentage of the last earned gross wages with a capped maximum or as a percentage of the minimum wage
- The duration of the benefit is presumably in the function of the duration of the contribution with a capped maximum.

### **Reforming Social Assistance Application and Disbursement procedures with the Ministry of Health and Social Development**

The Report Found That:

- The number of applications will increase because some of the applicants who applied before June 2022 for assistance grants from the Premier's Office, the House of Assembly and the Ministry of Education, will now apply with the MHSD
- The wage increase and the installation of the new social protection benefits will not be realized in a fortnight.
- It will be necessary to consider a transition period in which the Social Development Department may be struggling to deal with a higher number of applications without being able to attract more (temporary) personnel to deal with the increased caseload.

#### Issues for Consideration

- Reform a large number of types of benefits into one single cash benefit with possible specific top-ups in cases where it is necessary
- Set a clear income criterion that serves as an income limit above which no social assistance benefit can be received by a household
- Set a unique calculation method for calculating the level of the benefit preferably defined as the difference between the actual reported income and a threshold
- Set a clear set of conditions that must be met for each of the top-up benefits to be received
- Increase the decision autonomy for the social workers
- Develop straightforward forms to be filled out by the applicants
- Install a grievance procedure
- Develop a strategy to inform the population, especially reaching out to the poorer part of the population

- Use the NHI number as a unique identifier for all benefits and top-ups (and make it compulsory for the SSB and other ministries to use the same number in all cases where benefits are provided to the population and in **all** targeted communications with households [including income tax forms and returns])
- Develop a unifying MIS
- Implement a monitoring and evaluation system with regular reporting on the operations of the social assistance programme (at least once per year).

### **Income limit On Social Assistance**

#### Issue for Consideration

- The establishment of an income limit above no social assistance

- To make the threshold more easily accepted by the population it could be set using "objective" criteria such as "a" percentage of the full-time minimum wage or the minimum living wage.
- Top-up benefits for persons with disabilities, parents taking care of foster care children, and households taking care of vulnerable elderly.
- The list and the level of as well as the eligibility criteria for these top-ups.

### **Role of Social Workers**

The Report Found That:

- Social Workers deserve to have the main input in making decisions.

- to protect them against criticism and even threats in small island communities, the procedure has to foresee that there is always a second person signs off whenever a benefit is assigned.
- The committee making the decisions now is good protection, but the procedure is too complicated and too lengthy.

#### Issues for Consideration

- When communicating with the clients, social workers who make the decisions should be able to remain anonymous if they choose to.
- The decision that goes out to the client bears the signature of a director or the PS.

#### **Identifiers for Individuals**

##### The Report Found That:

- The use of a single identifier for each individual in the country (belongers, residents and non-belongers) is crucial for a transparent process.

## Issues for Consideration

- Every new-born should receive an NHI number at birth
- All registered adults should have one and everybody who works or settles for more than 30 days in the country should be forced to obtain one.
- The MIS system of all the parts of the government that deal with residents and citizens should be based on this unique identifier.

## **Other Matters**

Are there any other matters or issues relating to Social Assistance in the British Virgin Islands Review Final Report on which you would like to provide your views? If so, please feel free to send us your comments or express your views at the various opportunities arranged for you to do so.



