

# CAA News

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## CAA News and Updates

### CAA Conference 2015 - Strength in Numbers

The 25th Annual Conference of the Caribbean Actuarial Association will be held at the Hilton Trinidad and Conference Centre, Port of Spain, Trinidad and Tobago from December 2 – 4, 2015.



The CAA's Annual Conference is the main event on the region's actuarial calendar and it brings together leading professionals in the financial services industry. This year will feature leading regional and international specialists in the fields of pensions, life insurance, investment and property and casualty insurance.

The Society of Actuaries' Associateship Professionalism Course and a Professionalism Course for experienced actuaries will also be held in conjunction with the conference. Our biannual Advisory Council Meeting with the region's regulators will also be held.

Registration forms are now available on the CAA's website. Additionally, a block of rooms has been reserved for December 2, 2015 - December 4, 2015 at the Hilton Hotel in Port of Spain. Each room is inclusive of Buffet Breakfast at the Pool Terrace Garden Restaurant and guestroom internet. Hotel bookings at our special rate may be [made here](#).

Further information may be accessed via the following link: [CAA Conference 2015](#)

### **CAA Members: New Fellows and Associates**

Congratulations to our members who have attained their fellowship or associateship in the past year. These include:

Alexander, Kristy (Trinidad) – ASA

Asnani, Nikhil (Jamaica) - ASA

Clarke, Ian (Barbados) - ASA

Gibson, Nikita (Barbados) – ASA

Griffith, Ryan (Barbados) - FIA

Hall, Rohan (Jamaica) - AIA

Johnson, Kay-Ann (Jamaica) – ASA

Major, Leah (Bahamas) – FSA

Marshall, Gary (Barbados) - FSA

Proverbs, Renee (Barbados) - ASA

Sue, Akilah (Barbados) - ASA

Please email the [CAA Secretariat](#) to let us know of your exam success if you have reached either of these career milestones.

### **Reminder: CAA's New Administrative Year**

The new financial year of the Caribbean Actuarial Association started on July 1st. All members should have received an invoice for membership dues for 2015 – 2016. The deadline date to submit payments was September 9, 2015.

Members who did not receive an invoice should contact the [CAA Secretariat](#). Members whose dues are in arrears should bring these up to date as delinquency can result in the termination of your membership.

## CAA Annual General Meeting: Election of New Council

At the upcoming Annual General Meeting of the Caribbean Actuarial Association being held during the 25<sup>th</sup> CAA Conference in Port of Spain, Trinidad, elections for several positions on Council will be held. The CAA Constitution outlines who is eligible to hold office, who may vote, and the process that will be followed.

The succession of Officers provided for in the Constitution means that two positions will be automatically filled as the current President Elect and President will become President and Immediate Past President respectively. The six (6) positions for which elections will be held are Secretary, Treasurer, Vice President and three (3) additional Council Members, one of which will be the Student Representative.

Ordinary Members are eligible for all posts with the exception of Student Representative, while Associate Members are eligible for all posts with the exception of President Elect and Vice President.

*An Ordinary member is defined as: "Any Actuary who is practicing or is resident in a Caribbean Country..."*

*An Associate member is defined as: "Any person who has attained Associateship of the Society of Actuaries (ASA), or equivalent who is practicing or is resident in a Caribbean Country..."*

*An Actuary is defined as: "A Fellow, by examination, of the Institute and Faculty of Actuaries, the Casualty Actuarial Society, the Canadian Institute of Actuaries, the Society of Actuaries, het Actuarieel Genootschap or any other actuarial association which is a full member of the International Actuarial Association and approved by Executive Council."*

For the position of Student Representative, only Associate and Student Members will be eligible to vote or hold Office. This class of membership includes:

*"Any person pursuing or who had pursued actuarial examinations of a professional or institutional actuarial body recognized by the Executive Council, who is born, resident or practicing in a Caribbean Country..."*

Information regarding the nomination and election process will be circulated prior to the 2015 CAA Conference.

## Pension Contributions and Tax Allowances Commentary by Stuart South

On June 15, 2015, the Minister of Finance in Barbados, The Hon. Christopher Sinckler presented his 2015 Budget to the House of Assembly. This included a suite of new taxes for Barbadians and the removal of many income tax deductions, amongst which was the deduction for contributions that individuals make to Registered Retirement Savings Plans and Pension Plans. The changes take effect in the 2015 Income Tax year and required amendments to the Income Tax Act.

It is widely known that governments can influence desired behaviours by the population through its fiscal policy, which includes its policy on taxation. Many OECD member countries allow individuals to defer taxes on their pension savings by offering a tax credit for pension contributions. The idea behind this strategy is to provide an incentive for persons to plan and save for their retirement; therefore, reducing the financial pressure on the government to provide financial assistance programmes to the elderly.

The immediate impact of this tax change in Barbados will be significant. Behaviours towards savings for retirement will change as the lack of a tax incentive means that individuals will question whether it makes financial sense to contribute to a traditional pension savings vehicle.

The Minister of Finance also announced a reduction in the marginal tax rates during his Budget presentation. However, the reduction in marginal tax rates does not offset the financial impact of the removal in the income tax deduction for contributions to pension savings vehicles. Persons who contribute to such vehicles will have reduced take home pay.

Example	Before	After
	BDS\$	BDS\$
Annual Salary	80,000	80,000
Less Personal Allowances:		
Personal Allowance	(25,000)	(25,000)
Spouse Allowance	(3,000)	(3,000)
Child Allowance	(1,000)	(1,000)
Less Deductions:		
Pension - Company Plan	(4,000)	-
Individual Registered Plan	(4,000)	-
Taxable Income	43,000	51,000
Income Tax Payable	8,925	10,960
Increase/(Decrease) in Income Tax		2,035
% Increase/(Decrease) in Income Tax		22.80%
<b>BDS \$1 = US\$ 0.50</b>		

The proposed changes will not only affect the individual but also the insurance and financial services sector and by extension the economy. The market for registered individual retirement savings plans will dwindle as a result of the budgetary changes. These plans will now operate similarly to their unregistered counterparts since there is no difference from a tax perspective.

The issue of double taxation for employee contributions to pension plans and other registered retirement savings vehicles has not yet been addressed. There remains a possibility that individuals will be taxed at two points: on the pension contribution in the accumulation phase and on the resulting pension benefit in the payment phase. Double taxation is not desirable and we hope that it will be addressed. It is recognised that a significant proportion of income from pension plans is not taxed or is taxed at lower rates than salaries. These concessions currently remain in place.

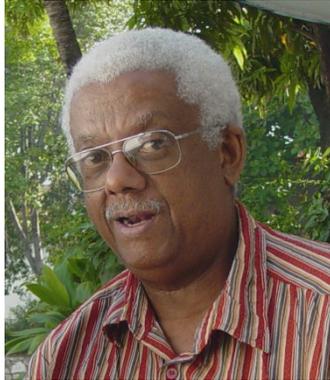
Undoubtedly, the pensions industry in Barbados will face increased challenges following the implementation of the fiscal policy changes.

## **A History of the First Caribbean Actuaries**

### **By Betty Black**

Many people outside the discipline, and even some in the field, are of the opinion that the actuarial profession is something new within our region. It is high time we became aware and justifiably proud of our heritage.

Beginning with our May 2015 newsletter, we began this series which will feature for the next few editions of our newsletter one of our Caribbean actuarial trailblazers who led the way. The first actuary profiled was Daisy May McFarlane-Coke. The second actuary to be featured in this series is Jean Franz Alcindor from Haiti, the second Caribbean national to have qualified as an actuary.



Franz was the first black actuary in the Caribbean and has served the profession for more than half a century.

Franz graduated with honours from the University of Lausanne in Switzerland in 1960. He lived in Uganda from 1965 to 1969 and, as Actuary/Life Manager, established the Life Operations of the National Insurance Corporation in Kampala. He then moved to the United States where he joined the American Life Insurance Company in Delaware and then Travelers Insurance Company in Connecticut. Acting on advice from Mervyn deSouza, who had returned to Trinidad and set up a vibrant practice there, Franz went home to Haiti in 1976. He is credited with being one of the founders of Haiti's first private business school, l'Institut de Hautes Etudes Commerciales et Economiques.

Franz is a member for life of the Association des Actuairees Suisses and the International Actuarial Association. He is also a member the International Association of Black Actuaries who honoured him in 2007 at their annual Legends event. He is, of course, one of our own founding members. Of paramount importance to Franz was his participation in drafting our Constitution and serving on the Council of the fledgling Association for several years.

Franz is an excellent amateur photographer and, more often than not, is seen with a camera around his neck and has often been the unofficial photographer of our annual conferences.

We are grateful to Franz for being an example that has been a source of motivation for so many others.

## Life as a Caribbean Student Actuary

By Shamus Persad

In isolation, studying while working full time to become a qualified actuary is quite challenging. Add white sands, crisp blue seas, beautiful weather, carnivals, crop-overs, fetes and jazz festivals, it is near impossible. Intellectual capacity goes a long way to achieving fellowship success, but diligence and endurance are even more important. How do we achieve this diligence when there are so many distractions?



It is difficult as a young adult to devote copious amounts of spare time to writing exams, when friends and acquaintances are living their lives and having fun. The desire to become a fellow in actuarial science must be strong. A clear, hard decision has to be made declaring this is what you want. Passing exams always helps motivation and the approach to the exams is also very important.

It's not necessary to sacrifice all enjoyment for exam success. Life is short, we must enjoy it the best we can but a balance between present enjoyment and provisions for future enjoyment must be struck. Some prefer a high intensity, two exams per year, 5-6-year span, where all exams are completed. Some slow the pace a bit and only sit one exam each year. Either approach is fine and depends on lifestyle.

Sometimes the ride is more fun than the destination. Integrating studying and educational development into your lifestyle will help ease the stress of constant studying, and it will enable you to bolster your endurance and have pockets of fun to keep going.

The brainiacs need not worry, their success is inevitable. For the mortals such as myself, embrace and accept the challenge. Sacrifice, work hard and get it done. But a drive to the beach on Sunday, a street jump on a Monday and Tuesday and the odd brain cooler may not be a bad idea.

*Shamus Persad is a graduate of the University of Waterloo. He is an Associate of the Society of Actuaries and a Chartered Enterprise Risk Analyst.*

## Upcoming International Events and News

### The SOA and LIMRA Announce Strategic Research Partnership

On August 4th, 2015 the Life Insurance and Market Research Association (LIMRA) and the Society of Actuaries (SOA) announced the formation of a research partnership. LIMRA and SOA have been supplying policyholder behaviour experience research to the life insurance industry since 1995. They will be collaborating together to explore new and emerging areas of actuarial research.

Click here for further information -> [LIMRA Strategic Project](#)

### SOA Election Results

Jeremy J. Brown, FSA, MAAA, EA, has been elected President of the Society of Actuaries for the 2016-2017 term.

Residing in Mt. Kisco, New York, Brown has worked as an actuary for 39 years. He was the course director for more than 30 Fellowship Admissions Courses for the SOA. Additionally, he served as a volunteer for the American Academy of Actuaries and various Actuarial Standards Board committees.

Click here for further information: [SOA Elections 2015](#)

### 2015 Life Conference

The Life Conference hosted by the Institute and Faculty of Actuaries is the premier event for professionals interested in life insurance. Offering a wide range of workshops and plenary sessions, it is the perfect opportunity to discover what is hot and current in life insurance. Whether UK based or international, the conference is open to anyone with an interest in the life sector.

The Life Conference celebrates its 30th year in 2015 and will be held from the 18-20 November at the Convention Centre Dublin.

Click here for further information: [2015 Life Conference](#)

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