

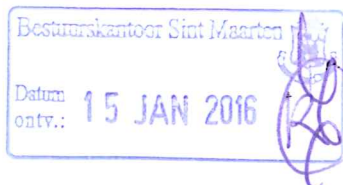


Sociaal Economische Raad
Social Economic Council

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To the Minister of Public Health, Social Development and Labor
Mr. Emil Lee
Clem Labega Square
Philipsburg
Sint Maarten

Philipsburg, January, 15th, 2016



LETTER OF ADVICE

Our reference: SER /16/DCB/015

Re: Letter of advice concerning the draft national decree, containing general measures, regarding the price indexation daily wage limits Sickness Insurance and Accidents Insurance 2016.

Honorable Minister Lee,

In reply to your request for advice which was received by our Council on January 5th, 2016 concerning the draft national decree, containing general measures, regarding the price indexation daily wage limits of the Accidents Insurance Ordinance ("Ongevallen verzekering" [OV]) and the Sickness Insurance Ordinance ("Ziekteverzekering" [ZV]) for the year 2016,

(in Dutch: "Landsbesluit, houdende algemene maatregelen, van de...(datum) tot aanpassing van de dagloongrenzen voor 2016, genoemd in de Landsverordening ongevallenverzekering en de Landsverordening ziekteverzekering in verband met de ontwikkeling van de prijsindexcijfers van de gezinsconsumptie")

we inform you as follows:

The Social Economic Council (SER) has evaluated the social, economic and legal consequences of the advice request and came to the following conclusions:

Background OV and ZV:

The Accidents Insurance Ordinance [OV] contains rules about the insurance of employees against occupational accidents. The Sickness Insurance Ordinance [ZV] is a form of health coverage that insures the population against meeting the costs associated with ill health.

Among others the OV and ZV regulate the right of the employee to medical treatment and nursing care, financial allowances for occupational disability, the premiums that have to be paid and other responsibilities of the employer and the employee.



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Every year adjustments can be made to the wage limit, based on the increase of the consumer price index (CPI) of August of the preceding year, which is being compared with the CPI of August of the year prior to the preceding year¹.

According to the calculations of the Department of Statistics, the cost of living in August of 2015 increased by 0.9 per cent compared to August 2014. The wage limit for 2015 was set at Naf 258.50 for a 5-day working week and at Naf 215.42 for a 6- day working week. This means that – including the 0.9 per cent increase- the wage limit for ZV and OV for 2016 will be set at Naf 260.83 for a 5-day working week and at Naf 217.36 for a 6 day working week.

OV/ZV wage limit proposal according to the draft national decree, containing general measures, regarding the price indexation daily wage limits OV and ZV 2016:

	2015	CPI	2016
5- day work week	Naf 258.50	increase	Naf 260.83
6- day work week	Naf 215.42	0.90%	Naf 217.36

The SER observed that:

- The insurer (in this case the Social and Health Insurances, SZV) cannot terminate an employee's Sickness and Accidents Insurance, as these insurances are mandatory. Considering its solidity, SZV is therefore able (through the Ministry of Public Health, Social Development and Labor) to adjust the price indexation daily wage limits Sickness Insurance and Accidents Insurance on a yearly basis, according to the ZV and OV².
- The adjustments on the price indexation daily wage limits Sickness Insurance and Accidents Insurance do not have a negative impact on the claimants.
- The price indexation daily wage limits Sickness Insurance and Accidents Insurance 2016 are carefully applied [zorgvuldig toegepast].

However, the SER would like to point out that adjustments based on the CPI will (always) have an inflationary effect which will reflect negatively on pricing, which will have a spiral effect (vicious circle).

The SER furthermore emphasizes that the draft national decree, containing general measures, regarding the price indexation daily wage limits Sickness Insurance and Accidents Insurance 2015, still has not been published, and therefore still is not legally applicable. As long as the 2015 draft national decree, containing general measures, regarding the price indexation daily wage limits Sickness Insurance and Accidents Insurance is not legally applicable, the 2016 draft national decree, containing general measures, regarding the price indexation daily wage limits Sickness Insurance and Accidents Insurance has no legal basis either.

¹ Article 8, paragraph 5 of the OV and article 1b ZV

² Article 8, paragraph 5 of the OV and article 1b ZV



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Advice:


Pursuant to the SER meeting on this topic, the SER unanimously advises as follows:

That the SER is in agreement with the proposed draft national decree, containing general measures, regarding the price indexation daily wage limits Sickness Insurance and Accidents Insurance 2016 under the condition that the national decree, containing general measures, regarding the price indexation daily wage limits Sickness Insurance and Accidents Insurance 2015 goes into effect first.

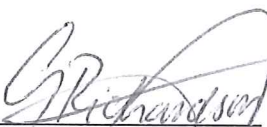
We trust to have informed you sufficiently herewith.

Should you require any additional information after reading the above, please feel free to contact us at your earliest convenience.

Respectfully,



Oldine V. Bryson- Pantophlet
Chairwoman



Gerard M.C. Richardson
Secretary-General