

2021

ANNUAL REPORT

**PRIVATE OCCUPATIONAL
PENSION SECTOR**



Insurance & Pensions Supervision Department
Bank of Guyana



BANK OF GUYANA

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Bank of
Banking

Aims of the Report




1

To provide an overview of the sector's current and projected challenges.

2

The objective is to offer a holistic overview of Guyana's private pension sector, highlighting the supervisory practices of the Bank of Guyana as at end-December 2021. Data from 2020 - 2021 are utilized to provide contextual background.



3

Presenting strategic proposals for the way forward, with a particular focus on enhancing public awareness of the pension sector and advancing the passage of the draft Private Pensions Law in alignment with the World Bank's FIRST initiative.



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2. REPORT NOTES AND ABBREVIATIONS

- a. Unless otherwise stated, all dollar values in this report are stated in millions of Guyana Dollars.
- b. The data collection methodology used by the Bank of Guyana's Insurance and Pensions Supervision Department was enhanced in the year 2015. In addition to annual financial statements and triennial actuarial valuation reports, unaudited data are now being submitted on a quarterly basis. As a result, the Bank has greater oversight of the management of private pensions.
- c. The report also includes sections on micro-pensions and pension literacy within Guyana's private pension system.
- d. Statistics from the Guyana Labour Force Survey 2020 (GLFS) were included in this report to provide some data on the sectoral allocation of the local labour force and categories of employment within the labour force.



ABBREVIATIONS

The following table describes the meaning of the abbreviations and acronyms used throughout the report:

Abbreviations	Meaning
DAC	Deposit Administration Contract
DB	Defined Benefit
DC	Defined Contribution
GDP	Gross Domestic Product
GLFS	Guyana Labour Force Survey
LAC	Latin America and the Caribbean
NBFI	Non-Bank Financial Institution
NPAP	National Pensions Awareness Programme
OECD	Organisation for Economic Cooperation & Development
SA	Self-Administered/Self-Managed
SPP	Simplified Pension Plan



3. PRIVATE PENSION SECTOR HIGHLIGHT

2021

TOTAL ASSETS
98,794 Billion

PENSION ASSETS
AS % OF GDP

5.5%

COMBINED SECTOR
SOLVENCY

155.7%

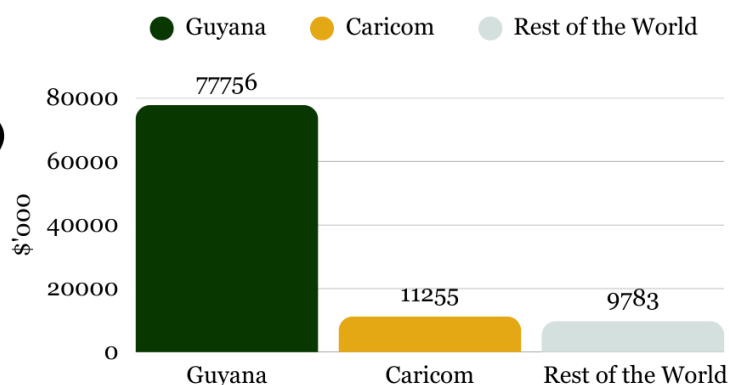
INCREASE IN
TOTAL ASSETS

21%

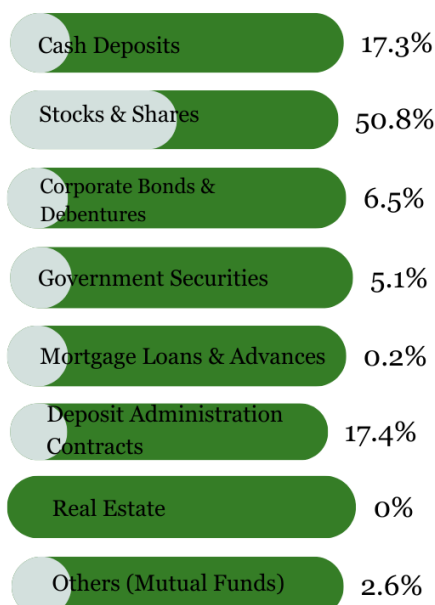
**TOTAL
MEMBERSHIP**

17,988

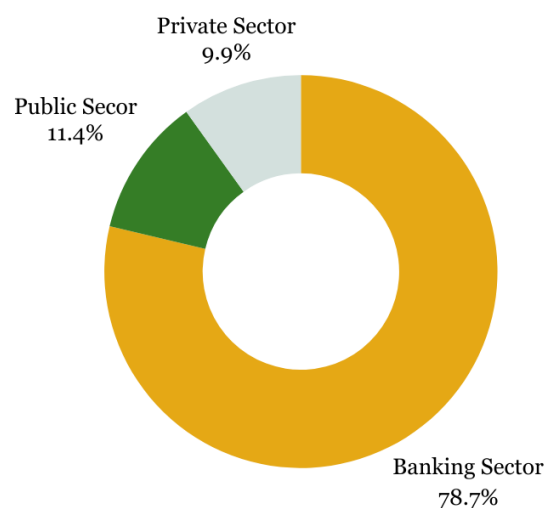
GEOGRAPHICAL ALLOCATION



PENSION ASSETS BY INVESTMENT INSTRUMENT



SECTOR ALLOCATION





4. EXECUTIVE SUMMARY

The assets of 110 reporting private pension schemes totalled \$98.7 billion as at 31 December 2021. This represented a significant increase of approximately \$17.2 billion or 21 percent from the corresponding period of the previous year, reflecting steady growth in total pension assets.

The private pension sector assets increased to 5.5 percent of GDP in 2021, maintaining a relatively small macro economic influence as a sector. In contrast, assets in pension funds exceeded the size of the domestic economy in seven (7) countries: Denmark (233%), Iceland (219%), the Netherlands (213%), Australia (172%), Canada (170%), Switzerland (157%) and the United States (153%).¹ The sector also demonstrated its influence as an institutional investor, accounting for 27.2 percent of the total assets of NBFIs in 2021.

The issue of limited coverage was one of the key findings to be noted for 2021. The number of reporting plans increased by two (2) DC plans and four (4) DB plans, to 110 reporting plans. Liquidity risk was also a key concern, as pension funds held a substantial amount of their total assets in liquid form or held investments with maturities within one year. This was reflected by a ratio of 17.9 percent relative to current liabilities.

In 2021, the funding level of private occupational plans saw observed an overall ratio of 155.7 percent compared with the funding ratio of 156.9 percent in 2020. The sector yielded significantly small, decreased real rates of return on invested assets in 2021, i.e., 0.5 percent. As a percentage of total assets, foreign assets represented approximately 21.3 percent at the end of 2021, a 5.4 percentage point decrease from 2020. Foreign investments are increasingly being monitored.

The trend of DC plans becoming increasingly popular among employers was also noted, with almost 62 percent of plans being DC. DB plans, however, continued to boast higher asset totals, accounting for 89 percent of total pension assets. Overall, a positive financial

¹ OECD Pensions Market in Focus 2022



outlook is forecasted for the industry, particularly with the passage of new legislation which, would allow increased access to more resilient, longer-term investments.

A comprehensive law, the Private Pensions Act (draft), is being considered to reform the sector and to mitigate the existing supervisory challenges and poor industry practices. The new law envisages changes that would improve efficiency, sustainability, coverage, adequacy, and the security of participants' benefits to ensure that pension plan members have better pensions during retirement.

The Bank intends to undertake a country-wide initiative to tackle pension literacy among Guyanese. The National Pensions Awareness Programme (NPAP) seeks to assist members of the public with their immediate and long-term pension literacy and will aim to build trust and improve public confidence in the industry.



5. THE REGULATOR AND SUPERVISORY ACTIVITIES

Following the enactment of the Insurance and Pensions (Supplementary Provisions) Act 2009, the Bank of Guyana - Insurance and Pensions Supervision Department, has served as the regulator of the private occupational pension sector in Guyana, and all supervisory statutes are contained in Part XVI of the Insurance Act 1998.

The 1998 Act encapsulates several areas of regulatory concern, including registration and the requirements thereof for all private pension plans; statutory contents of plan documents; winding-up provisions for private plans and the submission of annual statements on plans.

Despite current legislation, there is still a need for regulatory reform, and this was taken into account in the Bank's Strategic Plan for the period 2018-2022. The Bank's objectives, target dates, and outcomes on the pension sector for this period were as follows:

5.1 Supervisory Objectives

Strategic Goal	Projected Timeline	Outcome
1. Strengthen the legislative and regulatory framework for pension plans: <ul style="list-style-type: none"> • Finalise draft of new Pensions Act. • Prepare regulations to implement the new Pensions Act. 	2018-2022	Commenced and ongoing. Two (2) rounds of consultations for the Pensions Act were held in a strategic period. Regulations are currently in draft.
2. Implement an effective and efficient regulatory regime for the pensions sector: <ul style="list-style-type: none"> • Develop guidance on the governance and prudential requirements for the pensions sector as per the new Pensions Act. 	2020-2022	Commenced and ongoing: Revised Quarterly Forms were created and implemented First Quarter of 2018. On-site inspection groundwork for the



<ul style="list-style-type: none">• Develop and upgrade supervisory tools and techniques such as improved risk-rating tools, on-site supervision, and risk-based supervision.		pension sector commenced.
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5.2 Regulatory Challenges

The private pensions industry is faced with ongoing challenges, owing to a host of hindrances. One of the more pressing challenges is the limited regulatory powers resulting from the absence of comprehensive pension legislation. Compliance issues were often flagged by the Regulator; however, without effective mandatory controls or an existing penalty regime, effective resolution of the issues was not possible.

Coverage of private plans remained constrained owing to the system's voluntary nature, where reporting pension plans cover only 6.0 percent of the total employed labour force, compared with OECD countries, where more than half of the working-age population are covered by voluntary pension plans, either occupational or personal.² In countries with significant coverage of voluntary pensions – Belgium, Canada, Germany, Ireland, Japan, New Zealand and the United States, contributing to a voluntary pension boosts future net replacement rates by 24 percentage points on average for average earners contributing during their whole career and by about 11 percentage points when contributing from age 45 only, based on OECD modelling assumptions.³ There is limited education concerning the importance of having a private pension, and also limited regulatory resources on private pensions, thus contributing to the Sector's slow development.

Many private pension plans have lengthy vesting periods, some as many as twenty-five (25) years, coupled with limited portability of pension benefits when changing employers. Provisions for the same are not included in the current legislation. Other challenges that continued to plague the sector in 2021 included high administrative costs charged by plan administrators vis-à-vis the low returns experienced. Plans seek better investment opportunities, as local investments are limited, and this is compounded by investment restrictions stipulated in Section 112 of the Insurance and Pensions Act 1998. These factors would have negatively affected the sustainability and efficiency of some pension

² OECD: Pensions Market in Focus 2022

³ Pensions at a Glance 2021, OECD and G20 Indicators



plans and may have contributed to the sector not providing adequate retirement income for some members in 2021.

5.3 Regional Challenges

Limited pension coverage is not unique to Guyana; rather is experienced throughout the LAC region and can be attributed to several factors.

Pension coverage in Guyana remains significantly lower than regional and international benchmarks. While Guyana's private pension plans covered only approximately 5.75% of the labour force in 2019, increasing slightly to about 7.4% in 2020⁴, coverage across Latin America and the Caribbean is far higher. In 2022, the region reported that 47.9% of economically active workers contributed to a pension or pension-type scheme, and pension coverage among older adults reached 74.1% when including both contributory and non-contributory pensions.⁵ OECD and IDB analyses similarly show that contributory pension coverage in the region averages around 38–40% among older adults, with many countries achieving much higher levels through mandatory schemes and well-developed social pension systems. Compared to these systems, Guyana's reliance on voluntary private pensions and its limited supervisory and regulatory capacity contribute to a substantially wider coverage gap, underscoring the need for stronger regulatory frameworks and broader inclusion mechanisms to align with regional norms and improve retirement security.

5.4 The Private Pensions Act (Draft)

The Bank was well on its way to achieving its Strategic Plan aims for 2018-2022, as a re-draft of the Private Pensions Act was distributed to industry stakeholders in October 2018 by the Insurance and Pensions and Pensions Supervision Department. Public consultation with several key industry stakeholders, including plan administrators and sponsors, has already been conducted in 2018 and 2019, and the accompanying

⁴ Bank of Guyana: Private Occupation Pension Report 2019,2020

⁵ ECLAC: Latin America and the Caribbean 30 Years on from the World Summit for Social Development, 2022



regulations are a work in progress. However, due to the COVID-19 pandemic, consultations that were slated to be in 2021 were postponed. This included a subsequent round of consultations with respect to the Draft Act and a first round of consultations regarding the attendant regulations.

The current draft is a comprehensive revision of the draft Private Pensions Act produced in 2013, a project undertaken in collaboration with the World Bank through its Financial Sector Reform and Strengthening (FIRST) Initiative. This project was one of several solutions presented by the World Bank to address Guyana's deficiencies in the supervision of non-bank financial institutions, amongst other regulatory constraints. The 2013 draft was also presented to several industry stakeholders and was consensual; however, it was never made into law. The revised draft contains twenty-one (21) comprehensive Parts and is a major improvement to the minimal requirements contained only in Part XVI of the Insurance and Pensions Act 1998. It makes expansive statutory provisions for every faction of the sector's activities requiring supervision.

Key features of the proposed legislation include an effective penalty regime; improved portability provisions, which would allow members to transfer accumulated benefits from one pension plan to another with the aim of having all monies from successive employers consolidated into a final plan at retirement. The draft Act also aims to reduce vesting periods, a provision that will enhance individual retirement savings through earlier access to both employer and employee contributions. Enhanced transparency within pension plans' operations will also be an expected outcome of the proposed legislation, with features such as annual benefit statements and general meetings, giving way to a more inclusive and transparent process for all pension plan stakeholders.



6. PENSION PLANS AND MEMBERSHIP

6.1 Pension Plans

There were one hundred and ten (110) private pension plans reporting to the Bank every quarterly, as at December 31, 2021. Forty-two (42) of these plans were classified as defined benefit (DB) and sixty-eight (68) are defined contribution (DC). The plans collectively covered 17,988 members and were managed by five (5) licensed life insurers, two (2) trust companies and two (2) plans were self-administered by their respective sponsors.

TABLE 1:
PENSION PLAN MEMBERSHIP (2020-2021)

	2020		2021	
Year	Number of Members	Percentage of Total Membership %	Number of Members	Percentage of Total Membership %
Number of Reporting Plans	105		110	
Total Membership	18,288		17,988	
Active	15,089	83	14,560	81
Deferred	104	1	217	1
Pensioners	3095	17	3,211	18
Members in DB Plans	9,469	52	9,390	52
Members in DC Plans	8,819	48	8,598	48
Pension Coverage*	6.90%		6.90%	
Annual Membership Growth Rate	3.21%		3.21%	

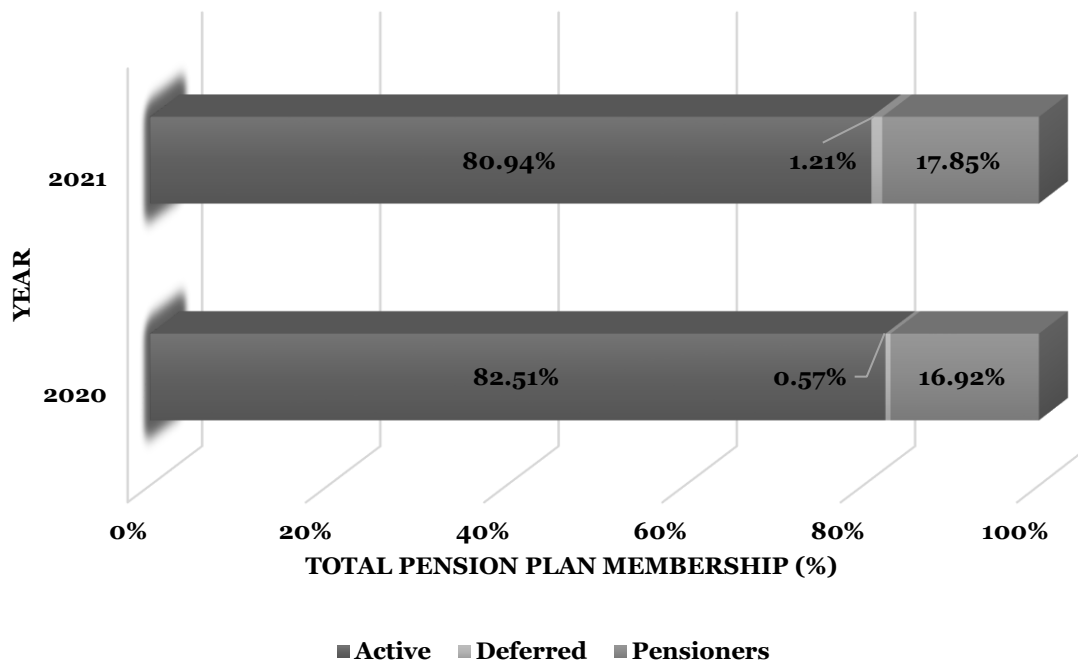
Source: Insurance and Pensions Supervision Department, Bank of Guyana

*Coverage specifies the ratio of private pension coverage to that of the total labour force according to the GLFS Q4 2021



Membership growth increased significantly by 3.2 percent between 2020 and 2021. The increase could be attributed to more reporting plans providing updated membership data as at the end of the annual reporting period, where this was not previously done.

**FIGURE 1:
PENSION PLAN MEMBERSHIP 2020-2021**



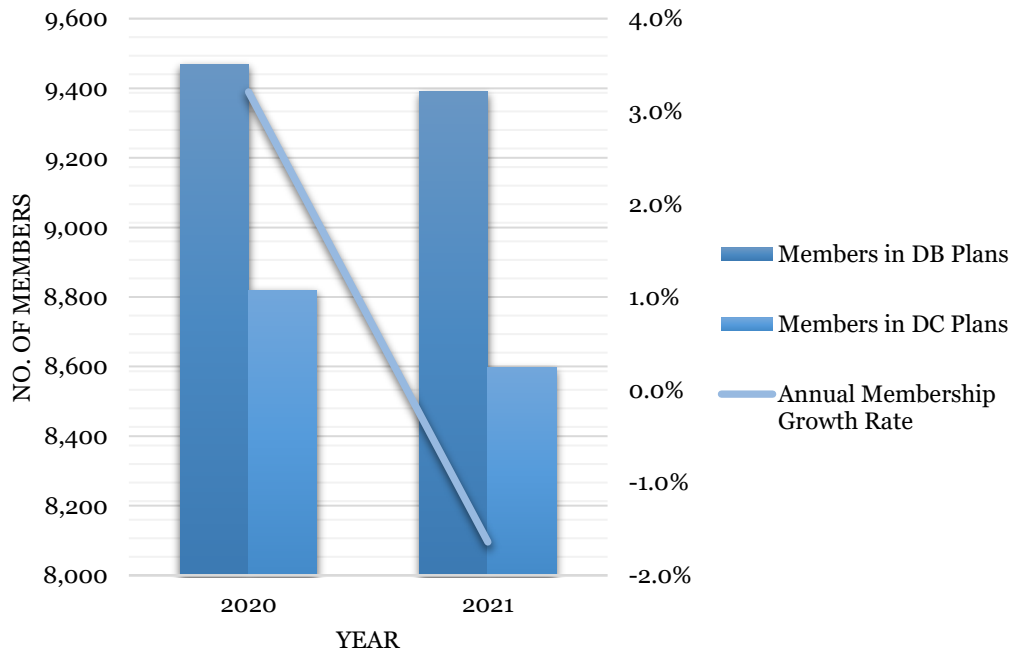
Source: Insurance and Pensions Supervision Department, Bank of Guyana.

Defined benefit (DB) plan membership was greater than that of defined contribution (DC), where DB membership accounted for more than half of total membership in both 2020 and 2021. Historically, despite having fewer DB plans, these pension plans have a greater combined membership than DC plans for the same period. From 2020 to 2021, there has been a noticeable shift in sponsoring employers opting to offer DC pension plans in lieu of DB plans. This is a result of the difference in the nature of the two plans. For DB plans, the sponsor is liable to the beneficiaries in providing benefits upon retirement based on a formula. On the contrary, the benefits associated with a DC plan are based on both employer and employee contributions, along with interest. Given that there was limited growth in the number of private pension plans, there was limited overall coverage



of the private pension sector. The 1.6 percent decrease in total membership from 2020-2021 was partly due to the negative economic impact resulting from the COVID-19 pandemic.

**FIGURE 2:
DB vs DC PLAN MEMBERSHIP 2020-2021**



Source: Insurance and Pensions Supervision Department, Bank of Guyana

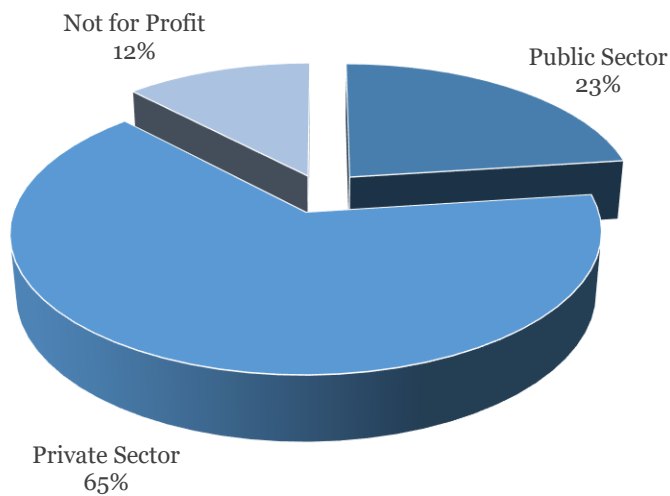
6.2 Registration and Coverage

During the period 2020-2021, three (3) plans were registered and one (1) initiated winding up proceedings. As at December 2021, there were forty-five (45) active and registered plans, thirty-nine (39) active and unregistered plans and twenty-six (26) plans were classified as unregistered and inactive; however, still held assets to be paid out at a later date.



The private sector accounts for approximately 65 percent of the employed labour force⁶, wherein only 7.2 percent of the total employed population is accounted for in all private pension plans.

**FIGURE 3:
SECTORAL ALLOCATION OF THE TOTAL LABOUR FORCE
2021**



Source: GLFS 2018 Q4

⁶ Guyana Labour Force Survey, 2019 Q4, Bureau of Statistics



7. ASSETS AND ASSET ALLOCATION

7.1 Macro-Influence of the Private Pension Sector

Given that the private sector accounts for approximately 65 % of the employed workforce in Guyana, the private pension industry holds significant potential for providing retirement income for many citizens.⁷ Meanwhile, in advanced economies, public spending on old-age and survivor pensions averaged about 7.7 % of GDP in 2021.⁸ In Guyana, the monthly Old Age Pension was increased from GYD \$20,500 in 2020 to \$25,000 in 2021, placing additional disposable income in the hands of more than 70,000 senior citizens.⁹

TABLE 2: MACRO-INFLUENCE OF PRIVATE PENSIONS 2020-2021

	2020	2021
Pension assets as a percentage of GDP (%)	5.4	5.5
Pension assets as a percentage of total financial assets (%)	6.7	6.7
Pension assets as a percentage of total NBFIs (%)	25.0	27.2

Source: Insurance and Pensions Supervision Department, Bank of Guyana

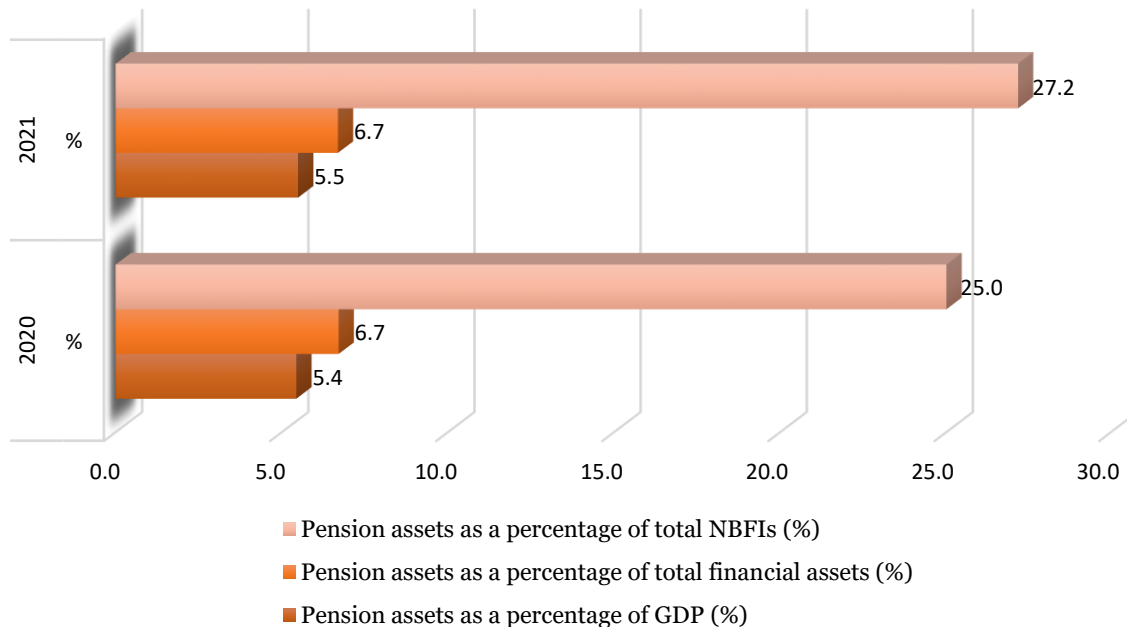
⁷ Department of Public Information: Private sector accounts for more than half of Guyana's workforce, 2023.

⁸ OECD: Society at a Glance 2024: OECD Social Indicators, 2024.

⁹ Department of Public Information: Budget 2021 at a Glance, 2021



**FIGURE 4:
MACRO-INFLUENCE OF PRIVATE PENSIONS 2020-2021**



Source: Insurance and Pensions Supervision Department, Bank of Guyana

The private pension sector saw its assets increase from 5.4 percent in 2020 to 5.5 percent of GDP in 2021, retaining relatively small macro-influence as a sector. The industry showed its influence as an institutional investor by accounting for 27 percent of non-bank financial institutions (NBFI) assets and 7 percent of total financial assets. With the forthcoming passage of the Private Pensions Act, there is some expectation of more efficient and robust pension plans, along with more flexible limits on overseas investments, thus creating more investment opportunities for pension plans.



7.2 Total Assets of Reporting Pension Plans

The total assets of 110 reporting private pension schemes totalled \$98.8 billion as at December 2021. This is a significant increase of approximately \$17 billion or 21.3 percent for the corresponding period of the previous year, which reflects steady growth in total pension assets. This growth can be attributed to a combination of factors, which include an increase in the total number of reporting private plans and increases in total investment values throughout the same period.

7.3 Allocation of Pension Fund Assets

7.3.1 Allocation By Registration Status

Approximately 71.3 percent of total private pension assets belonged to registered pension plans, as at December 2021. Active and unregistered plans in comparison accounted for approximately 20.4 percent of total private pension assets. Lastly, inactive plans accounted for 8.3 percent of plans. Inactive plans are those plans that would have been terminated but assets are yet to be distributed.

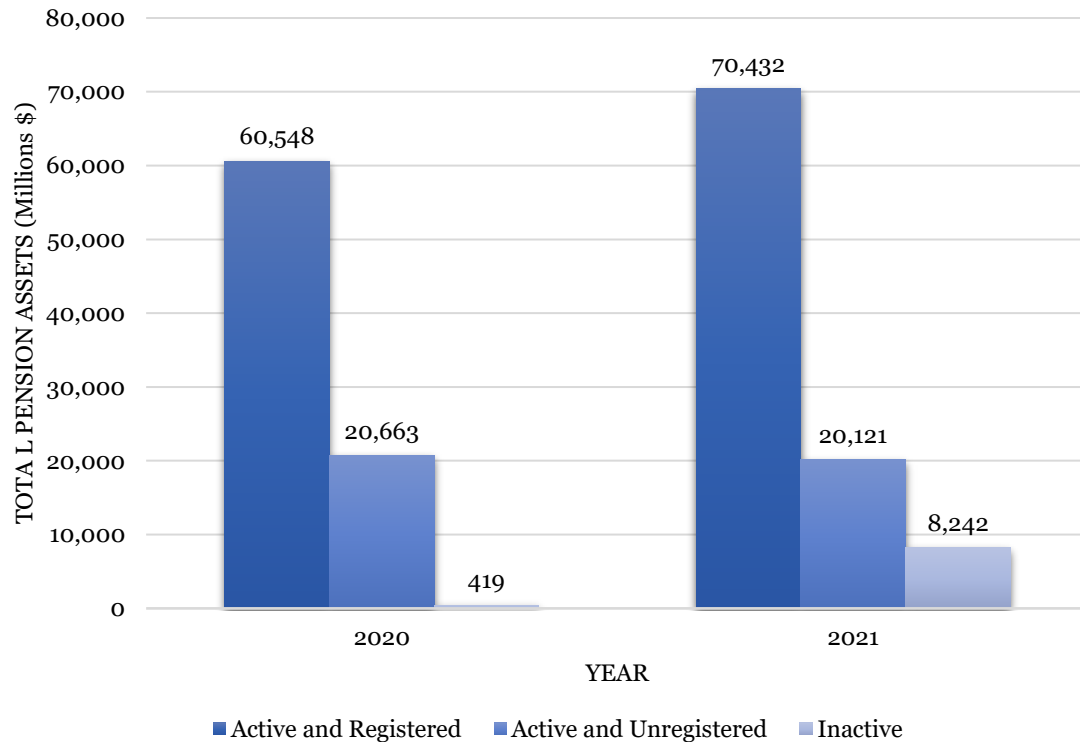
TABLE 3: ACTIVE vs INACTIVE PENSION ASSETS 2020-2021

	2020	2021
No. of Reporting Plans	104	110
Total Assets	81,629	98,795
Active and Registered	60,548	70,432
Active and Registered/ Total Assets (%)	74.2%	71.3%
Active and Unregistered	20,663	20,121
Active and Unregistered/ Total Assets (%)	25.3%	20.4%
Inactive	419	8,242
Inactive/ Total Assets (%)	0.5%	8.3%

Source: Insurance and Pensions Supervision Department, Bank of Guyana



**FIGURE 5:
PENSION ASSETS BY STATUS 2020-2021**



Source: Insurance and Pensions Supervision Department, Bank of Guyana

7.3.2 Allocation by Plan type

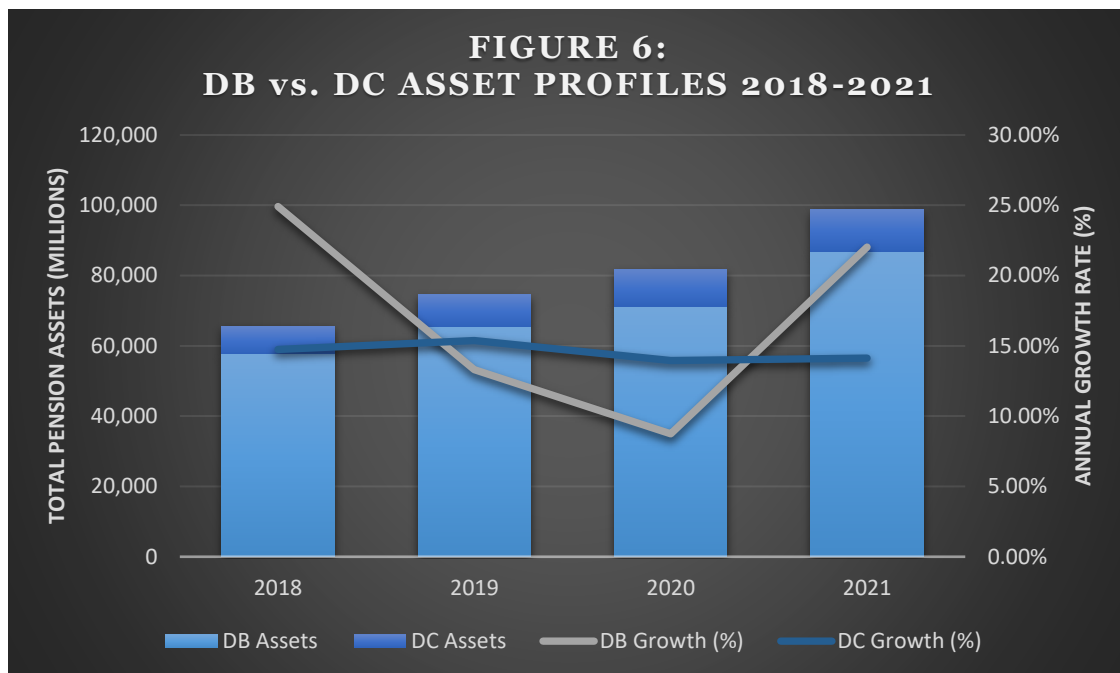
Defined benefit (DB) portfolios continued to outweigh those of the defined contribution (DC) type, with higher overall asset totals. This is mainly attributable to larger DB plan memberships and longer asset retention periods, given the historical prominence and lengthy vesting periods commonly occurring in these plans. Defined contribution plans, however, recorded higher growth rates, given that they are becoming increasingly popular amongst employer-sponsored pension plans.



TABLE 4:		
DB vs DC ANNUAL GROWTH 2020-2021		
G\$ millions	2020	2021
DB Assets	71,254	86,953
DB Asset Allocation (%)	87.3%	88.0%
DB Growth (%)	8.7%	22.0%
DC Assets	10,376	11,842
DC Asset Allocation (%)	12.7%	12.0%
DC Growth (%)	14.0%	14.1%
TOTAL Assets	81,629	98,795

Source: Insurance and Pensions Supervision Department, Bank of Guyana

Despite the continued expansion of DC plans, DB plans recorded higher growth margins, with a notable 22 percent increase in 2021. This increase may be attributed to a 44.4 percent increase in investments in equities, a 4.4 percent increase in government bonds, and a 1.2 percent increase in mutual funds. DC plans assets nonetheless increased by 14.1 percent in 2021.



Source: Insurance and Pensions Supervision Department, Bank of Guyana

7.3.3 Allocation by Investment Instruments

In 2021, there were significant changes in the allocation of pension funds' assets from the corresponding year. Investments in Stocks and Shares in companies experienced a 10 percent increase from 2020, and assets held in Deposit Administration Contracts decreased slightly by 3.5 percent due to less reporting plans selecting the DAC arrangement.

The industry's assets were concentrated in a mixture of investments that indicated growth; however, longer-term investments that are more suited to the long-term nature of pension assets should be explored. Generally, equities or stocks and shares in companies, cash deposits, and investments in DACs continued to represent the highest concentration of invested assets, standing at 50.8 percent, 17.3 percent, and 17.4 percent of total assets, respectively.



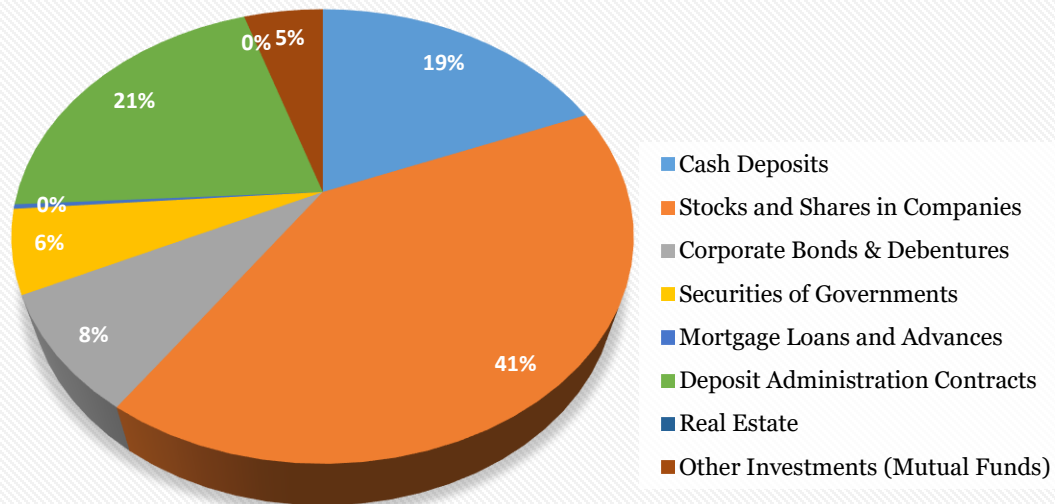
TABLE 5:
PENSION ASSET ALLOCATION BY INVESTMENT INSTRUMENTS
2020-2021

	2020		2021	
<i>G\$ Millions</i>		Percentage of Total Industry Assets (%)		Percentage of Total Industry Assets (%)
No. of reporting pension plans	105		110	
Asset Growth Rate (%)	9.31		9.31	
Cash Deposits	14,427	18.9	15,259	17.3
Stocks and Shares in Companies	31,151	40.7	44,758	50.8
Corporate Bonds & Debentures	6,379	8.3	5,747	6.5
Securities of Governments	4,512	5.9	4,483	5.1
Mortgage Loans and Advances	247	0.3	211	0.2
Deposit Administration Contracts	16,020	20.9	15,344	17.4
Real Estate	0	0.0	0	0.0
Other Investments (Mutual Funds)	3,789	5.0	2,270	2.6
Non-invested assets	5,104		10,723	
Total Assets (Invested)	81,629		88,072	

Source: Insurance and Pensions Supervision Department, Bank of Guyana



**FIGURE 7:
PENSION ASSETS BY INVESTMENT INSTRUMENT
2021**



Source: Insurance and Pensions Supervision Department, Bank of Guyana

7.3.4 Growth Rates of Investment Instruments

The growth of the industry in 2021 was complemented by an almost 15 percent increase in the total value of investments less to the corresponding year. Significant declines were recorded for assets invested in Government securities (0.6 percent), ‘Other’ Investments - Mutual Funds (-40.1 percent) and DACs (-4.2 percent), as pension fund administrators rebalanced their investment portfolio as financial markets remained volatile. Investments in Real Estate continued to decline, with plans reporting no assets at the end-December 2021.



**TABLE 6:
GROWTH RATES OF PENSION ASSETS BY INVESTMENT
INSTRUMENT 2020-2021**

	2020		2021	
G\$ Millions	Total Assets (\$)	Percentage Growth (%)	Total Assets (\$)	Percentage Growth (%)
Cash Deposits	14,427	3.9	15,259	5.8
Stocks and Shares in Companies	31,151	10.4	44,758	43.7
Corporate Bonds & Debentures	6,379	-15.3	5,747	-9.9
Securities of Governments	4,512	26.5	4,483	-0.6
Mortgage Loans and Advances	247	-6.0	211	-14.8
Deposit Administration Contracts	16,020	17.4	15,344	-4.2
Real Estate	0	0.0	0	0.0
Other Investments (Mutual Funds)	3,789	18.1	2,270	-40.1
TOTAL INVESTMENTS	76,525	8.8	88,072	15.1

Source: Insurance and Pensions Supervision Department, Bank of Guyana

7.3.5 Allocations by Geographical Regions

The industry's asset allocation by geographical regions remained within the statutory limit for the years 2020 and 2021. Less than 30 percent (approximately 17 percent) of total pension assets were invested outside of Guyana in 2021. This included investments of 9 percent or \$11.2 billion in CARICOM Member States and 8 percent or \$9.8 billion in



the rest of the world. Approximately 82 percent or \$119.8 billion of pension assets were invested domestically in 2021.

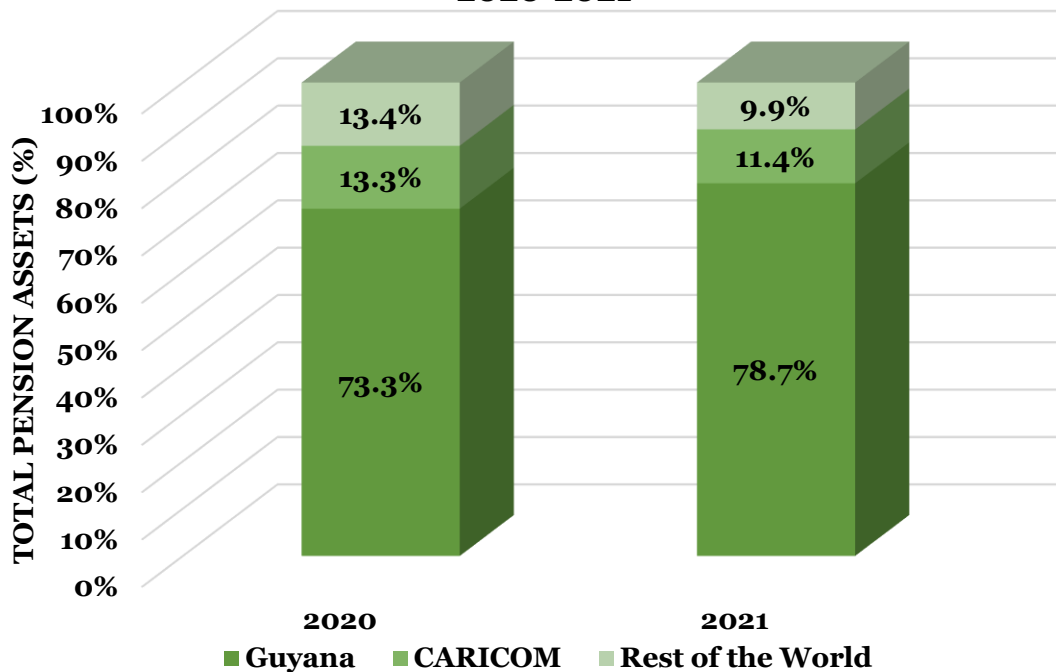
Table 7:		
PENSION ASSETS BY GEOGRAPHICAL ALLOCATION 2020-2021		
	2020	2021
Guyana	59,871	77,756
	73.3%	78.7%
CARICOM	10,851	11,255
	13.3%	11.4%
Rest of the World	10,907	9,783
	13.4%	9.9%
TOTAL	81,629	98,795

Source: Insurance and Pensions Supervision Department, Bank of Guyana

Additionally, pension assets invested in Guyana saw positive growth, with a 23 percent increase in 2021. This is due primarily to the significant increase in equities of 46 percent from 2020. On the contrary, pension assets in overseas territories outside of CARICOM saw a decline of 3.4 percent, while investments in CARICOM saw a minuscule increase of 1 percent.



**FIGURE 8:
PENSION ASSETS BY GEOGRAPHICAL ALLOCATION
2020-2021**



Source: Insurance and Pensions Supervision Department, Bank of Guyana

7.3.6 Asset Allocation by Industry

Agriculture and forestry remained the industry to hold the largest share of pension sector assets, accounting for 24 percent or \$17.9 billion of total pension assets at end-December 2021. Investments in the education, construction, communication and health sectors, however, were diminutive, particularly in the health sector, which only accounted for \$81 million (5 percent) of total assets. The manufacturing industry also recorded steady growth and accounted for 21 percent of total pension sector assets.

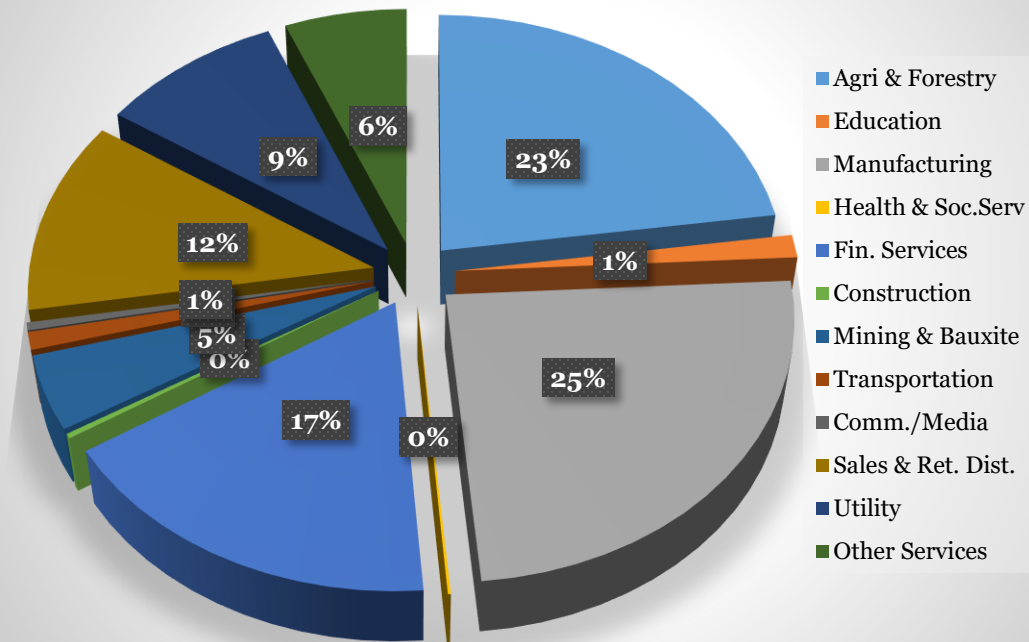


TABLE 8: PENSION ASSETS BY INDUSTRIAL ALLOCATION 2020-2021		
	2020	2021
	G\$ Millions	
Total Assets	74,810	98,795
Agriculture & Forestry	17,895	22,478
Education	1,039	1,384
Manufacturing	15,835	24,170
Health & Social Services	81	126
Financial Services	13,815	17,051
Construction	206	283
Mining & Bauxite	3,855	4,497
Transportation	817	1,071
Communication/Media	467	472
Sales & Retail Distribution	8,070	11,817
Utility	7,816	9,260
Other Services	4,913	6,185

Source: Insurance and Pensions Supervision Department, Bank of Guyana



**FIGURE 9:
INDUSTRIAL ALLOCATION OF PENSION ASSETS 2021**



Source: Insurance and Pensions Supervision Department, Bank of Guyana



8. FINANCIAL SOUNDNESS AND STABILITY

8.1 Financial Soundness Indicators

8.1.1 Systemic Risk

The pension sector's exposure to systemic risk remained diminutive despite significant growth in the sector's assets in 2021. At the end of December 2021, pension assets represented 6.7 percent of total financial assets and 27.2 percent of NBFIs' assets. The sector's importance as an institutional investor increased in its assets to GDP ratio of 5.5 percent in 2021. This was owing to the significant increase in GDP as a result of the oil windfall, which commenced in 2020.

8.1.2 Solvency Risk

The ability of a pension plan to meet its past service liabilities is reflected in its solvency risk exposure, whereas the ability to meet its past and future service liabilities is measured by its funding risk exposure, particularly for DB plans.

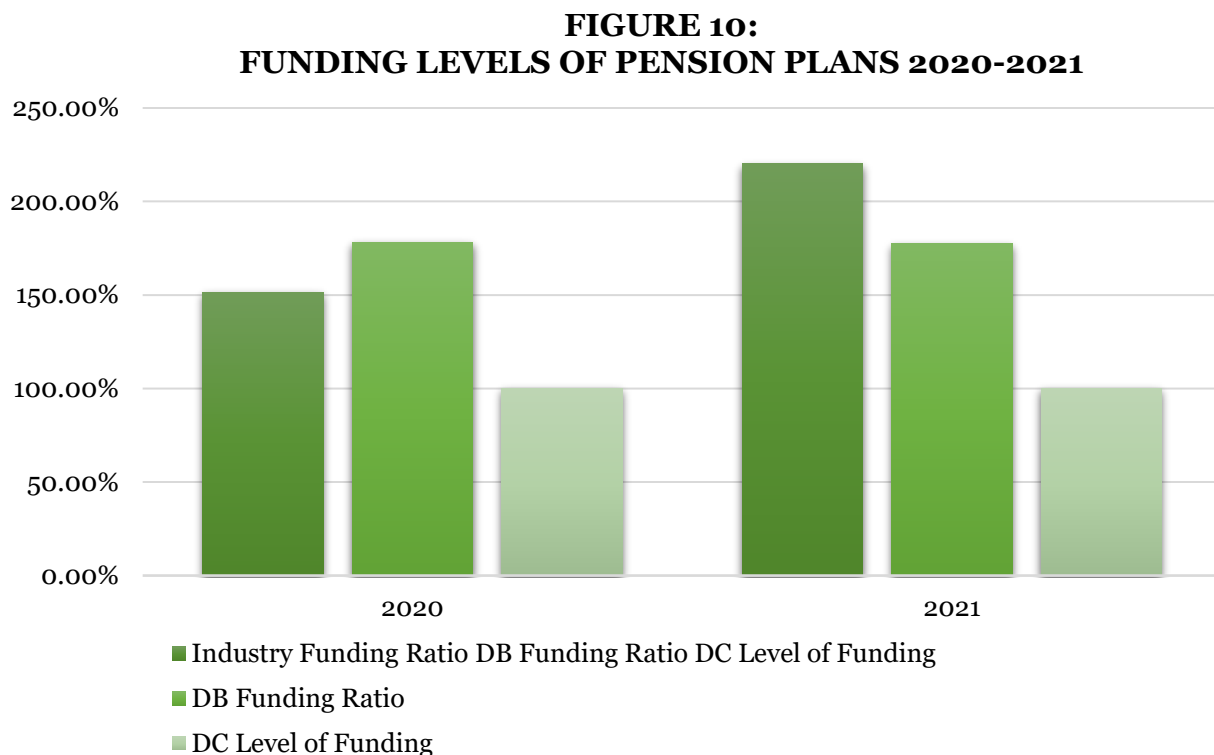
If a plan is deemed solvent, then it can meet its financial obligations at that date; moreover, if the plan is fully funded, then it is able to meet its long-term and future service obligations. In 2021, the funding level of reporting plans declined, with an industry ratio of 151.6 percent compared to 196.9 percent in 2020. This indicated that plans were still sufficiently able to meet their past service liabilities and projected benefit obligations and were not vulnerable to any measurable funding risk. By nature, DC pension plans are fully funded, provided that all due contributions are remitted, whereas DB plans decreased their average funding level to 170.4 percent. It is noteworthy, however, at the end-December 2021 six (6) DB plans were insolvent (unable to meet liabilities at the time of valuation) and six (6) were in a funding deficit - unable to meet their accumulated and projected benefit obligations. Given that the liabilities are measured triennially, these positions may have changed within the various three-year periods; however, there are still some DB plans that have failed to submit valuations, and thus an accurate reflection of total liabilities is unavailable.



Higher than expected salary increases between valuations were the major contributors to these deficits, and although the overall funding level of the industry was positive, the Bank continued to regulate to ensure that actuarial recommendations are implemented to correct these deficits over time.

TABLE 10: PENSION PLANS' FUNDING RATIOS 2020-2021		
Funding Ratios	2021	2020
Industry Funding Ratio	151.57%	196.86%
DB Funding Ratio	170.40%	177.48%
DC Level of Funding	100.00%	100.00%

Source: Insurance and Pensions Supervision Department, Bank of Guyana



Source: Insurance and Pensions Supervision Department, Bank of Guyana



8.1.3 Liquidity Risk

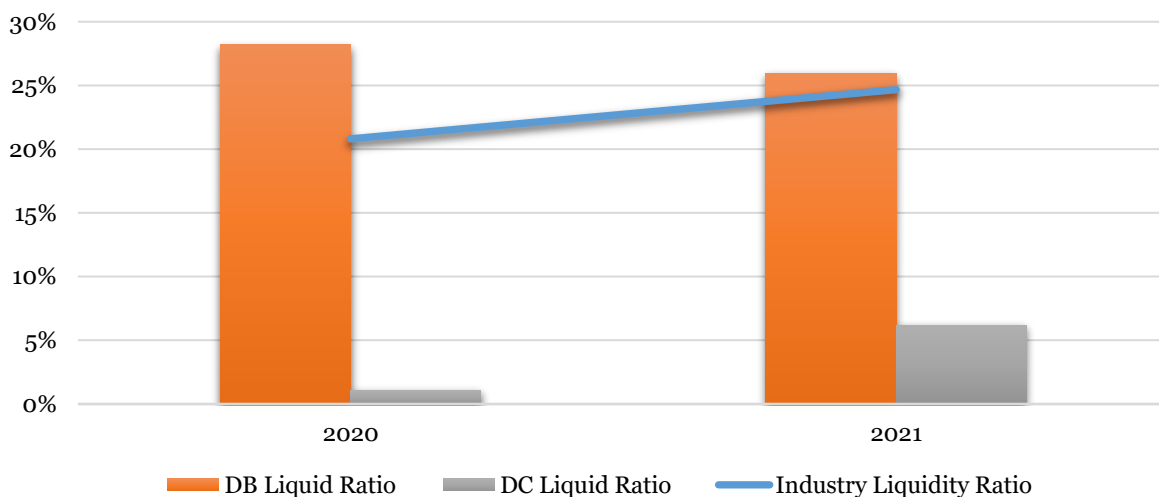
The liquidity ratio is the ratio of liquid assets to cover immediate liabilities or higher-than-expected benefit payments without incurring a material loss. The industry's total liquidity as a percentage of total liabilities decreased from 20.8 percent reported in 2020 to 24.7 percent at the end-2021. This ratio indicated that pension funds still held a substantial amount of their total assets in liquid form or investments with maturities within one year.

**TABLE 11:
PENSION PLANS' LIQUIDITY RATIOS 2020-2021**

Liquidity Ratios	2021	2020
Industry Liquidity Ratio	24.67	20.81
DB Liquid Ratio	25.96%	28.19%
DC Liquid Ratio	6.19%	1.10%

Source: Insurance and Pensions Supervision Department, Bank of Guyana

**FIGURE 11:
LIQUIDITY LEVELS OF PENSION PLANS 2020-2021**



Source: Insurance and Pensions Supervision Department, Bank of Guyana



8.1.4 Inflation risk

The sector yielded increased real rates of return on invested assets in 2021 (2.4 percent), increasing from 1.8 percent in 2020. The increase was mainly due to the significantly higher real rate of return of DB plans in 2021, which was recorded at 4.58 percent, up from 1.58 percent (revised) in 2020. Increased DB investments in shares were primarily responsible for the increase.

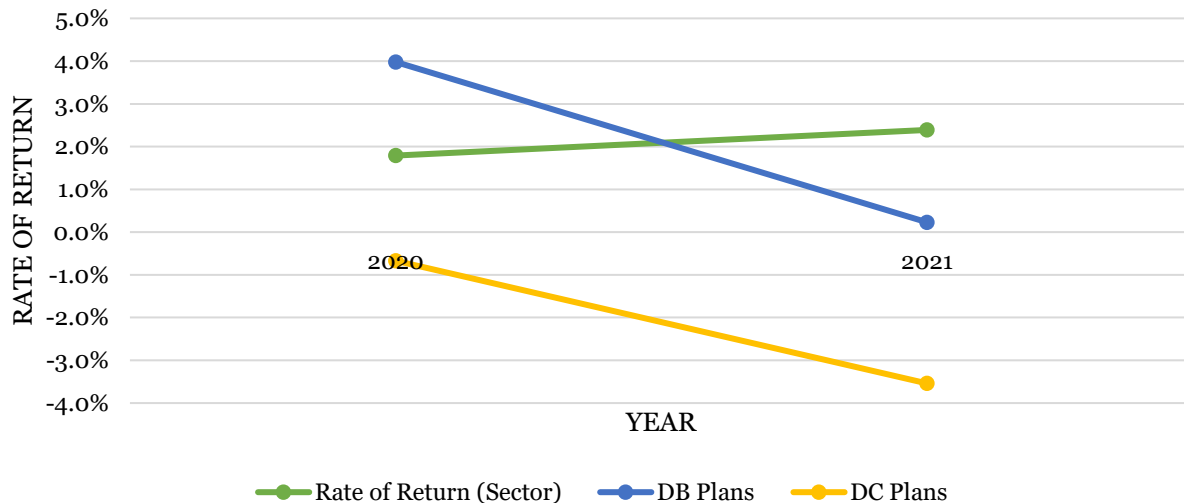
**TABLE 12:
PENSION ASSETS' RATES OF RETURN 2020-2021**

G\$ Millions		2020	2021
Nominal Rate of Return on invested assets	Average Invested Assets	77,200	88,762
	Nominal Net Investment Returns	2,603	3,622
	Rate of Return (Sector)	3.37	4.08
	DB Plans	5.62%	4.82%
	DC Plans	0.90%	0.88%
	Annual Price Inflation	1.58%	4.58%
Real Rate of Return on invested assets	Rate of Return (Sector)	1.79%	2.39%
	DB Plans	3.98%	0.23%
	DC Plans	-0.67%	-3.54%

Source: Insurance and Pensions Supervision Department, Bank of Guyana



**FIGURE 12:
REAL RATE OF RETURN FOR PENSION PLAN
INVESTMENTS 2020-2021**



Source: Insurance and Pensions Supervision Department, Bank of Guyana

8.1.5 Market Risk

8.1.5.1 Foreign Exposure of Pension Assets

Foreign exposure of pension assets slightly increased in 2021 and remained within the 30 percent statutory limit. As a percentage of total assets, foreign assets represented approximately 21 percent at the end of 2021, staying almost constant when compared to the last quarter of 2020. This was attributed to a significant increase in total foreign investments in DB plans, which continued to be significantly higher than the industry average (see Table 13).

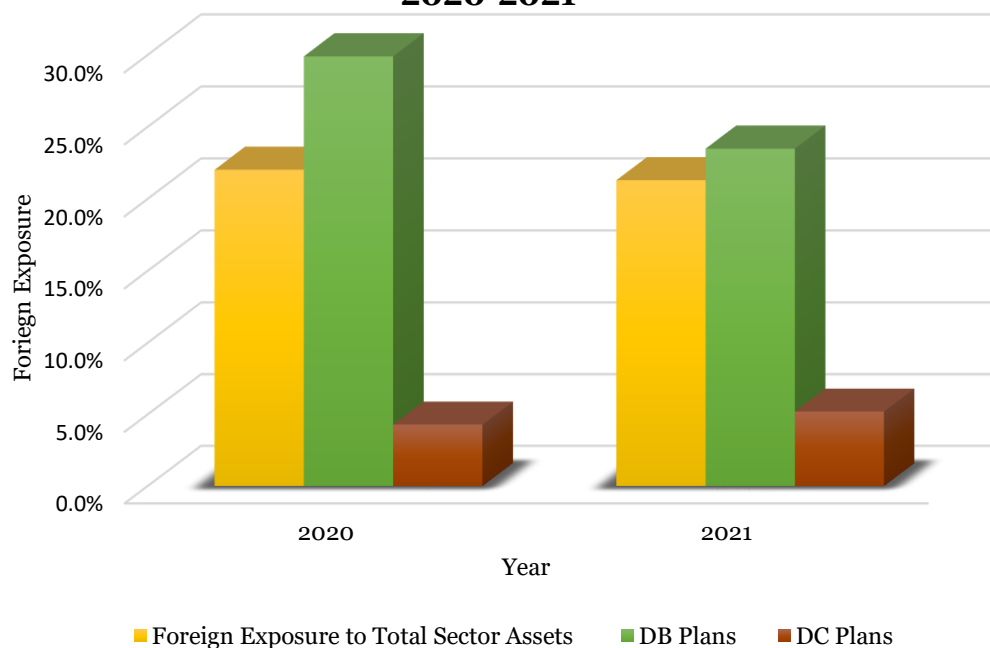


**TABLE 13:
FOREIGN EXPOSURE OF PENSION ASSETS 2020-2021**

G\$ Millions	2020	2021
Foreign Exposure	21,758	21,038
Foreign Exposure to Total Sector Assets	22.0%	21.3%
DB Plans	29.9%	23.5%
DC Plans	4.3%	5.2%

Source: Insurance and Pensions Supervision Department, Bank of Guyana

**FIGURE 13:
FOREIGN EXPOSURE TO PENSION ASSETS
2020-2021**



Source: Insurance and Pensions Supervision Department, Bank of Guyana

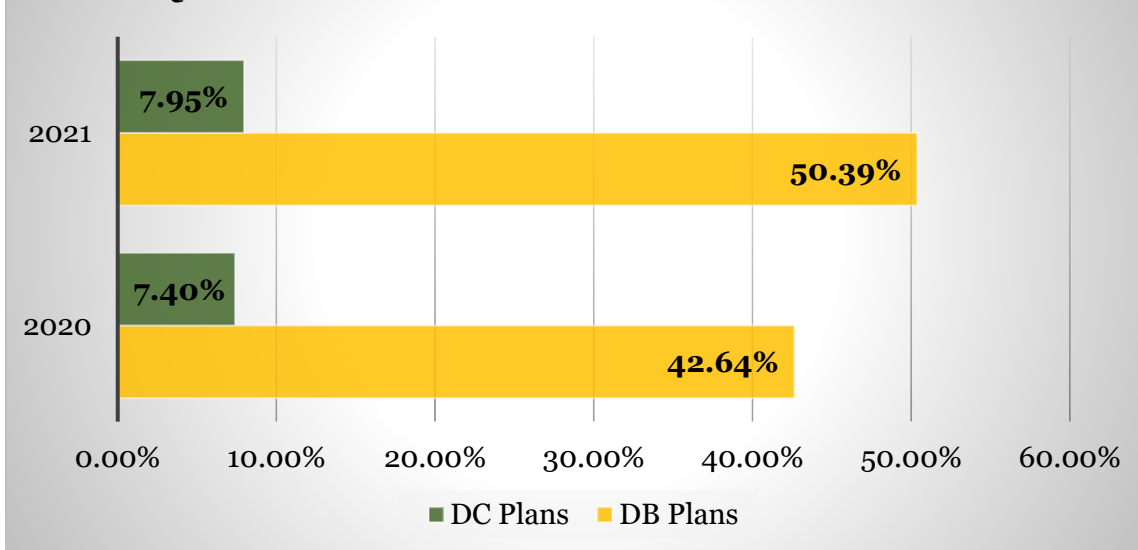


**TABLE 14:
EQUITY EXPOSURE OF PENSION ASSETS 2020-2021**

	2020	2021
Equity	31,151	44,758
Equity to Total Sector Assets	41.1%	45.3%
DB Plans	42.6%	50.5%
DC Plans	7.4%	8.0%

Source: Insurance and Pensions Supervision Department, Bank of Guyana

**FIGURE 14:
EQUITY EXPOSURE OF PENSION ASSETS 2020-2021**



Source: Insurance and Pensions Supervision Department, Bank of Guyana

8.1.5.2 Equity Exposure of Pension Assets

Pension funds' exposure to equity markets increased from approximately 41.1 percent in 2020 to 45.3 percent at the end of 2021. The increase in proportionality to total pension sector assets is mainly due to increased investments in other instruments, particularly government and private securities, other investments, and equities invested within deposit administration contracts.



Additionally, as a percentage of assets, DB assets' exposure to equities dominated, and represented approximately 50.4 percent compared to 8 percent of DC assets in 2021. Consequently, the funding positions of DB plans are more likely to be sensitive to market changes when compared to plans with an investment portfolio comprising a higher proportion of fixed income securities (see Table 14).

8.1.6 Credit Risk

8.1.6.1 Accounts Receivable to Total Assets

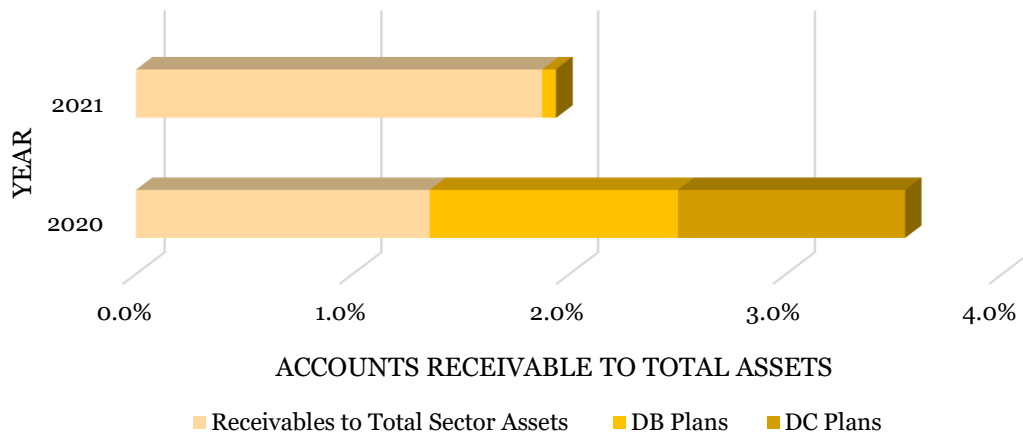
This ratio measures the potential impact of credit default risk resulting from the payment of monies owed to pension funds. The accounts receivable to total assets ratio was stable and relatively low, with a ratio of 1.9 percent at the end of 2021. The impact on DB assets resulting from credit default risk was slightly above that of DC assets, where 0.1 percent of DB assets represented accounts receivable at the end of the period (see Table 15).

TABLE 15: ACCOUNTS RECEIVABLE to TOTAL ASSETS 2020-2021		
(G\$ Millions)	2020	2021
Receivables	889	1,852
Receivables to Total Sector Assets	1.4%	1.9%
DB Plans	1.1%	0.1%
DC Plans	1.0%	0.0%

Source: Insurance and Pensions Supervision Department, Bank of Guyana



**FIGURE 15:
ACCOUNTS RECEIVABLE VS. TOTAL ASSETS 2020-2021**



Source: Insurance and Pensions Supervision Department, Bank of Guyana

8.2 Efficiency & Profitability Ratios

8.2.1 Contributions to Total Benefit Payments

Contributions received increased by 33.3 percent to \$1.2 billion in 2020, which represented approximately 248 percent of total benefit-related payments. This indicated that approximately 148 percent of net contributions were added to surplus income, an indication that the profitability of pension plans was not at risk. The analysis also revealed that in 2020, DB plans held a significantly lower ratio, given that the largest DB plan continued to make sizeable benefit payments following the scaling down of one of its sponsors. A larger contribution-to-benefit payment ratio experienced by DC plans was mainly due to DC plans having fewer benefit payments to make, in relation to the amount of income earned from contributions.

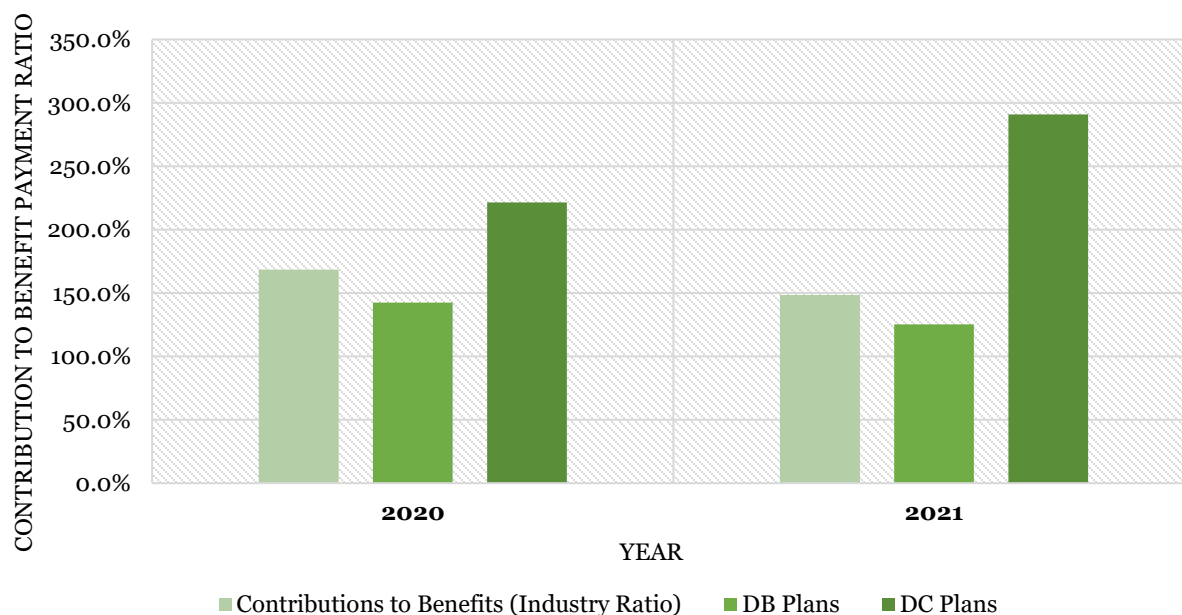


**TABLE 16:
CONTRIBUTIONS AND BENEFIT PAYMENTS 2020-2021**

	2020	2021
Contributions	1,090	4,013
Benefit Payments	647	2,700
Contributions to Benefits (Industry Ratio)	168.5%	148.6%
DB Plans	142.5%	125.3%
DC Plans	221.4%	290.8%

Source: Insurance and Pensions Supervision Department, Bank of Guyana

**FIGURE 16:
CONTRIBUTIONS AND BENEFIT PAYMENTS 2020-2021**



Source: Insurance and Pensions Supervision Department, Bank of Guyana

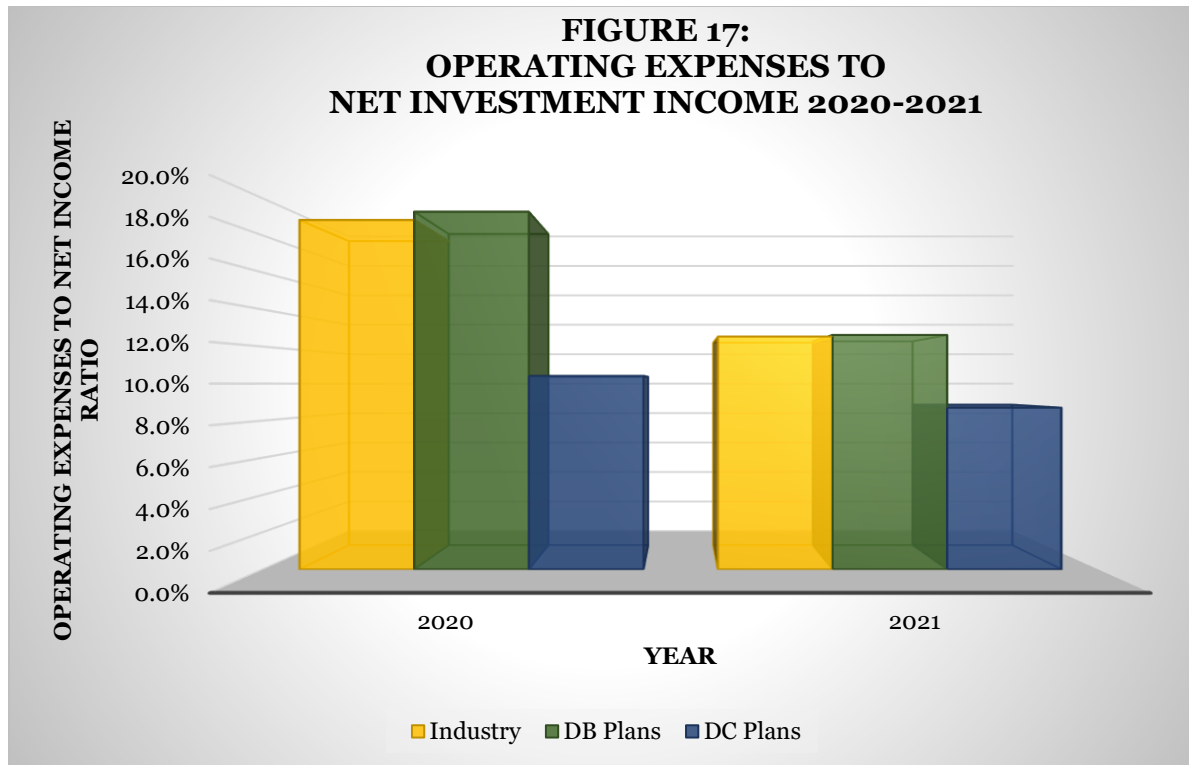


8.2.2 Operating Expenses to Investment Income

The industry's efficiency, as measured by the total operating expenses in relation to net investment income, declined in 2021 with a smaller, average ratio of 12.5 percent. Efficiency continued to vary between the types of plans, albeit slightly. DB plans experienced relatively lower ratios (12.6 percent) and were considered less efficient over the period compared to 8.7 percent for DC plans, given the higher operating expenses experienced by DB plans.

TABLE 17: OPERATING EXPENSES TO NET INVESTMENT INCOME 2018-2020		
	2020	2021
Operating Expenses	877	1,995
Net Investment Income	4,661	15,913
Industry	18.8%	12.5%
DB Plans	19.3%	12.6%
DC Plans	10.4%	8.7%

Source: Insurance and Pensions Supervision Department, Bank of Guyana



Source: Insurance and Pensions Supervision Department, Bank of Guyana



9. KEY STATISTICS OF PENSION FUND ADMINISTRATORS

9.1 Insurance and Pensions Companies

The majority of active private pension plans in Guyana are managed by life Insurance and Pensions companies (110 plans, of which 68 are DC and 42 are DB plans). In 2021, the combined asset value of plans administered by life insurers decreased by approximately 0.83 percent to \$19.7 billion, which represented approximately 20 percent of the industry's total assets at Dec-2021.

Total membership in these plans amounted to 7,986 participants, a decrease from 9,812 participants in 2020 and represented approximately 44.4 percent of the industry's total membership in 2021. The investment allocations of pension plans administered by life insurers are largely concentrated in deposit administration policy contracts, which represented approximately 77.6 percent of the total pension assets under life insurers' administration in 2021. The deposit administration policy contracts are pooled investment arrangement products that are issued and sold to pension funds by life insurers. Investments can be further broken down into categories such as equities, government securities, private securities, loans, real estate, etc., but are all invested collectively as part of the deposit administration arrangement.

9.2 Trust Companies

At the end of 2021, trust companies accounted for just over 42.6 percent of active membership, 7,676 participants in the industry, a 0.01 percent decrease from 7,677 participants in 2020. Trust companies managed fewer active plans than life insurers (26 plans) in 2021, which were DB dominated (22 DB and 4 DC plans). The share of pension assets under trust companies' administration continued to account for a sizable segment of the industry's total assets in 2021 (70 percent or \$69.1 billion). Over the period in review, these assets remained skewed towards investments concentrated in stocks and



shares in companies (57 percent), cash resources in deposit-taking institutions (19.4 percent), and securities of private companies (8.3 percent).

9.3 Employer Self-Administered Pension Funds

The total number of self-administered plans in 2021 remained unchanged from the corresponding period in 2020 at four (4). Their combined asset value represented 10 percent or \$9.8 billion of the industry's total assets. Additionally, membership in these plans represented only 8.9 percent of total membership. Investments of self-administered pension funds were mainly allocated in both government securities (treasury bills and government-issued bonds and debentures) and stocks and shares in companies, which in aggregate represented approximately 62.8 percent of their total assets at the end of the year.



10. GOVERNANCE & COMPLIANCE CHALLENGES IN PRIVATE PENSION PLANS IN GUYANA

Private pensions are an increasingly important part of retirement provision in Guyana, complementing public systems such as the National Insurance Scheme (NIS). These plans are governed by the Insurance Act 1998 (Part XVI), with the Bank of Guyana serving as the regulatory authority. However, despite this legal framework, many private occupational pension schemes in Guyana experience substantial governance and compliance issues. These challenges undermine member protection, limit coverage, and reduce confidence in the pension system.

Under the Insurance Act (1998), private occupational pension plans in Guyana must register with the Bank of Guyana before operating. The Bank requires submission of a trust deed, rules, and other plan documents as part of the registration process.¹⁰ Trustees must be named in the trust deed, whether they are individuals or a corporate trustee. Trustees must be adequately qualified, although no specific criteria are outlined for trustees of Private pension plans to follow. Additionally, a licensed administrator can manage the plan.¹¹

In its supervisory role, the Bank of Guyana has expressed concern about governance risks in pension schemes. In the 2022 annual report, the Bank noted the need for “enhanced monitoring of pensions schemes’ governance risk.” Nonetheless, a draft Private Pension Act has been in development, which would provide stronger regulatory powers over private plans.

10.1 Key Governance & Compliance Challenges

Private pension plans in Guyana face several governance and compliance challenges that weaken their effectiveness and limit their ability to support long-term retirement security. Although registration is mandatory, the Bank of Guyana’s enforcement authority remains limited, creating a gap between regulation and actual supervisory power. As noted in the

¹⁰ Bank of Guyana Website: Private Pension Plans – Guidelines, FAQ.

¹¹ Bank of Guyana: Annual Report, 2024.



POPS Report, compliance issues often remain unresolved “without effective mandatory controls or a penalty regime.”¹² Low coverage rates further constrain the sector: only about 5.9 percent of the country’s labour force participates in a private pension plan, a figure tied largely to the voluntary nature of employer-sponsored schemes.¹³ Structural design issues also reduce participation, including vesting periods of up to 25 years and poor portability, features that are increasingly unsuitable in a labour market marked by mobility and short-term employment.¹²

In addition to structural barriers, operational and governance weaknesses affect both plan performance and member protection. High administrative costs combined with restrictive investment rules under Section 112 of the Insurance Act 1998 limit potential returns and discourage broader uptake. Governance capacity is also uneven, as trustees are required to be “adequately qualified” but are not subject to systematic certification or continuous training, creating risks of poor decision-making or conflicts of interest.¹¹ Transparency and reporting remain persistent concerns, with insufficient public information and limited regulatory resources impairing proactive supervision and member oversight.¹² Together, these factors illustrate that while Guyana has a formal framework for private pensions, significant governance and compliance gaps continue to constrain the system’s credibility, coverage, and overall effectiveness.

10.2 Example of Effective Governance & Compliance Challenges

Effective governance and compliance are fundamental to a well-functioning private pension system, especially in developing economies seeking to protect retirement savings and build long-term financial stability. Strong legislation, professional trusteeship, transparent reporting, and risk-based supervision create an ecosystem where private pension plans operate with accountability and member assets are safeguarded.¹⁴

A useful example is Chile, whose private pension system is often referenced in global pension governance studies. Chile introduced a mandatory funded pension model

¹² Bank of Guyana: Private Occupational Pension Plans Sector Report, 2019.

¹³ Bank of Guyana: Annual Report, 2022.

¹⁴ OECD: Pension Markets in Focus, 2021.



supported by strict regulatory oversight through the Supervisory Authority of Pensions. The regulator requires licensed fund administrators, standardized reporting, and independent custodianship of assets, helping to reduce operational risks and prevent conflicts of interest.¹⁵ As a result, Chile achieved high compliance levels among private pension fund administrators, driven by transparent disclosure requirements and routine supervisory audits. This model demonstrates how strong governance rules, paired with active supervision, can significantly improve compliance outcomes.

Applying the same principles to an economy seeking stronger private pension governance, such as Guyana, reveals clear pathways for reform. Guyana's private pension plans operate under the Insurance Act (1998), yet regulatory enforcement power remains limited, and trustee qualification requirements are not yet standardized.¹² Strengthening these rules through a modernized pension law, similar to Chile's regulatory approach, would enhance oversight and reduce risks such as late remittance of contributions and weak internal controls. International evidence consistently shows that when trustees are professionally trained, when reporting is standardized, and when regulators can enforce compliance through penalties and audits, governance improves significantly.¹⁶

Thus, the Chilean experience highlights that strong governance frameworks, supported by risk-based supervision and transparent reporting, form the backbone of an effective private pension system. Economies such as Guyana can benefit by adopting these measures, especially mandatory trustee training, stronger regulatory authority, and electronic reporting, which together promote compliance, protect members, and strengthen long-term pension sustainability.

¹⁵ Superintendencia de Pensiones: Annual Report on the Chilean Pension System, 2021.

¹⁶ World Bank: Strengthening Pension Supervision in Emerging Markets, 2020.

11. THE DRAFT PRIVATE PENSIONS ACT AND FINANCIAL LITERACY

To overcome the current regulatory challenges, the draft Private Pensions Act aims to improve the local pension sector, especially with respect to increasing coverage and enrolment in pension schemes. Geared towards the informal workforce, the Simplified Pension Plan – a micro-pensions initiative, will be introduced. This will be a flexible savings product primarily targeting members of the informal labour force and self-employed individuals. Public awareness of the SPP will therefore be critical to ensure success in the adoption of the savings mechanism.

To build trust and improve public confidence in the industry, the National Pensions Awareness Programme (NPAP) will assist members of the public with their immediate and long-term pension literacy.

The NPAP aims to be an initiative through which some of the Bank's strategic goals may be implemented and ultimately be achieved. The programme aims to reach citizens in the ten administrative regions of Guyana, targeting an age range of 16-60 years old, and is set to be an ongoing initiative carried out by the Insurance and Pensions Supervision Department of the Bank. The NPAP seeks to incorporate numerous distribution platforms, inclusive of media and social media outreach, pensions education programmes in schools, outreach to unions and workplaces and presentations at job fairs.

Key stakeholders include the Bank of Guyana, Pension providers, members of private pension plans, secondary school pupils, and members of the general public.

After the NPAP, the public's perception of saving towards a private pension will be assessed to confirm any positive shift in public perception of the pension industry, noticeably improved workable habits, and disciplined individual behaviours with respect to planning for retirement. This evaluation will be conducted on an ongoing basis.

12. THE WAY FORWARD

For 2022, it is expected that the sector will continue to grow modestly, given the uncertain nature of the pandemic and its impact on developed markets. Additionally, conducive capital market outcomes, especially positive changes in stock market prices and low domestic inflation volatility will significantly benefit pension funds' real interest earnings from investments. Favourable capital market outcomes are contingent on the successful management of the pandemic with respect to vaccination programmes and lifting of lockdowns globally, which will ultimately lower uncertainty. Nonetheless, the sector will continue to experience returns that are reflective of the investment climate and those particularly accessible to pension funds domestically. Continued low returns are projected given constrained local investment opportunities. Pension funds must seek suitable alternatives to match the long term nature of its liabilities. Finally, enhanced regulatory monitoring is expected on DB pension funds' actuarial risk. There will also be enhanced monitoring of pension schemes' governance risk.

The Bank will continue to monitor how pensioners are receiving their benefits and whether there has been any disruptions to benefit payments given the impact arising from the pandemic. Moreover, the Bank expects stakeholders of private pension funds to continue following the guidelines that were issued in response to COVID-19 and the pensions sector. This guidance can also be found on the Bank's website and includes: (i) monitoring pension fund investments, (ii) prioritising benefit payments.

New, comprehensive legislation - the Private Pensions Act - is currently in its draft phase and has concluded its second round of consultations with industry stakeholders. The regulations accompanying the Pensions Act, are in its draft stage as well and consultations are expected to begin thereafter. This legislation aims to give the regulator certain necessary powers to ensure the efficient and lawful functioning of the system. Ongoing Trustee training is also planned, to ensure persons responsible for the daily management of pension plans are equipped to do same. The National Pension Awareness Programme (NPAP) is also projected to commence imminently and aims to provide improved



pensions' knowledge to all stakeholders. The timeline of these activities is subject to change given the social restrictions affected by the COVID-19 Pandemic.



13. STATISTICS

ANNEXE 1: LISTS OF PENSION PLANS

Table 1.1: List of Active and Registered Pension Plans (2020-2021)

Table 1.2: List of Active and Unregistered Plans (2020-2021)

Table 1.3: List of Inactive Pension Plans* (2020-2021)

Table 1.4: List of Wound-up Pension Plans (2020-2021)

Table 1.5: List of Pension Plans Registered Annually (2020-2021)

ANNEXE 2: ASSET LIABILITY PROFILES

Table 2.1: Assets and Liabilities of Reporting Plans

Table 2.2: Geographical Allocation of Pension Assets 2020-2021

Table 2.3: Pension Asset Investments by Plan Administrator 2020- 2021

Table 2.4: Sectorial Integration of Assets Invested In Guyana 2020-2021

ANNEXE 3: CLASSIFICATION DESCRIPTIONS & METHODOLOGIES

Table 3.1: Classification & Description of Selected Terms

Table 3.2: Financial Assessment Ratios and Methodologies

ABBREVIATIONS

Pension Plan Types

DB	Defined Benefit
DC	Defined Contribution



PENSION PLAN MANAGERS	
HIHL	Hand-in-Hand Mutual Life Assurance Company Limited
DML	Demerara Mutual Life Assurance Society Limited
GTM	Guyana and Trinidad Mutual Group of Insurance and Pensions Companies
TCGL	Trust Company Guyana Limited
HIHT	Hand-in-Hand Trust Corporation
NALICO	North American Life Insurance and Pensions Company Limited
ASSURIA	Assuria Life (GY) Inc.
SA	Self-Administered/Managed



13.1 Annexe: List of Pension Plans

TABLE 1.1: LIST OF ACTIVE AND REGISTERED PENSION PLANS (2021)				
No.	Plan No.*	Name of Plan	Plan Type	Plan Manager
1	152	Amalgamated Security Inc.	DC	TCGL
2	135	Ansa Mc AL Trading Limited Pension Plan	DC	HIHL
3	138	Assuria Life(GY) Incorporated Pension Plan	DC	ASSURIA
4	123	Audit Office of Guyana Pension Plan	DC	HIHL
5	32	Bank of Baroda (Guyana) Incorporated	DC	NAL
6	112	Bank of Guyana Pension Scheme	DB	SA
7	119	Banks DIH Limited Group Annuity Scheme	DC	DML
8	133	Berbice Bridge Company Incorporated Pension Plan	DC	HIHL
9	132	C&S Limited Annuity Scheme	DC	DML
10	113	Caribbean Container Incorporated Pension Plan	DC	GTML
11	129	CJIA Group Pension Scheme	DC	DML
12	39	Courts Pension Plan	DC	TCGL
13	115	Davis Memorial Hospital Group Annuity Scheme	DC	DML
14	38	Demerara Distillers Limited Pension Plan	DB	TCGL
15	33	Embassy of the United States of America (Guyana) Pension Plan	DB	NAL
16	141	E-Networks Pension Scheme	DC	HIHL
17	93	Food for the Poor Pension Plan	DC	HIHL
18	125	General Equipment & Farm Supplies Pension Plan	DC	GTML
19	118	Grace Kennedy Remittance Services Group Pension Scheme	DC	DML
20	36	Guyana Bank for Trade and Industry Limited Pension Plan	DC	NAL
21	14	Guyana Geology and Mines Commission Pension Plan	DB	HIHTC
22	111	Guyana Publications Incorporated Pension Plan	DC	HIHL



23	116	Guyana Revenue Authority Group Annuity Pension Plan	DC	DML
24	18	Guyana Sugar & Trading Enterprises Pension Plan	DB	HIHTC
25	131	Guyana Water Incorporated Pension Plan	DC	ASSURIA
26	70	Hand-in-Hand Trust Corporation Pension Plan	DC	HIHTC
27	153	Harris Paints (Guyana) Limited	DC	ASSURIA
28	117	John Fernandes Limited Group Pension Scheme	DC	SA
29	29	Laparkan Holding Limited Pension Plan	DB	HIHL
30	41	Massy Distribution (Guyana) Incorporated Pension Plan	DB	TCGL
31	110	Metro Office & Computer Supplies Pension Plan	DC	HIHL
32	109	Mings Products & Services Limited Pension Plan	DC	HIHL
33	134	MP Insurance Brokers & Consultants Limited Pension Plan	DC	HIHL
34	35	NAFICO Pension Plan	DC	NAL
35	34	NALICO Pension Plan	DC	NAL
36	43	Neal & Massy Group Pension Plan	DB	TCGL
37	42	New Building Society Limited Pension Plan	DB	TCGL
38	90	P&P Insurance Brokers & Consultants Limited Pension Plan	DC	HIHL
39	19	Republic Bank (Guyana)Limited Pension Plan	DB	GTML
40	150	Rubis Guyana Incorporated Pension Plan	DC	DML
41	47	Sterling Products Limited Pension Scheme	DB	TCGL
42	128	TCL Guyana Incorporated Group Annuity Scheme	DC	DML
43	21	Trustees of the Pension Fund of GTM Fire Insurance Company Limited	DB	GTML
44	101	Trustees of the Pension Plan for Sales Rep. of GTM Insurance Company	DB	GTML
45	103	U-Mobile Cellular Incorporated Pension Plan	DC	HIHL

Source: Insurance and Pensions Supervision Department, Bank of Guyana.



TABLE 1.2: LIST OF ACTIVE AND UNREGISTERED PLANS (2021)

No.	Plan no.	Name	Plan Type	Plan Manager
1	104	Anna Regina Town Council Pension Plan	DC	HIHL
2	114	Banks DIH Limited Pension Scheme	DB	DML
3	140	Bauxite Industry Inc. Pension Plan	DC	GTML
4	120	Bosai Minerals Group Inc. and Omai Services Ltd. Pension Plan	DC	GTML
5	142	Camex Limited Pension Plan	DC	HIHL
6	124	Camex Restaurant Incorporated Pension Plan	DC	HIHL
7	143	Campus Crusade for Christ, Guyana Pension Plan	DC	Assuria
8	25	Correia Group of Companies Ltd. Pension Plan	DB	TCGL
9	10	Demerara Mutual Life Assurance Society Ltd Pension Plan Office Staff	DB	DML
10	11	Demerara Mutual Life Assurance Society Ltd. Pension Plan (Sales Rep.)	DB	DML
11	130	Gizmos and Gadgets Pension Plan	DC	DML
12	28	Guyana Civil Aviation Authority Pension Plan	DB	HIHL
13	16	Guyana Electricity Superannuation Pension Scheme (GPL)	DB	HIHTC
14	61	Guyana Forestry Commission Pension Plan	DC	DML
15	91	Guyana National Bureau of Standards Pension Plan	DC	HIHL
16	27	Guyana Stockfeeds Inc. Pension Plan	DB	HIHL
17	94	Machinery Corporation of Guyana Ltd. Pension Plan	DC	HIHL
18	92	Marian Academy Inc. Pension Plan	DC	HIHL
19	87	Mayor & Town Council of the City of Georgetown Pension Plan	DB	GTML
20	45	New GPC Pension Scheme	DB	TCGL
21	59	Rentokil (Guyana) Ltd. Pension Plan	DC	DML
22	122	Roraima Airways Incorporated Pension Plan	DC	HIHL



23	106	Sol Guyana Incorporated Pension Plan	DC	SA-Eckler Partners Ltd.
24	89	The Citizens Bank (Guyana) Inc. Pension Plan	DC	SA - Citizens Bank
25	80	Trust Company Guyana Ltd. Pension Plan	DC	GTML
26	100	Wieting and Richter Pension Plan	DB	SA - Wieting & Richter
27	146	Demerara Mutual Life Assurance Society Limited (Non-Contributory)	DC	DML
28	147	University of Guyana Pension Plan	DB	SA-University of Guyana
29	149	Apex Insurance Brokers Pension Scheme	DC	HIHL
30	151	Edward B. Beharry Ltd. Pension Plan	DC	
31	154	Guyana Public Service Credit Union	DC	GTML
32	155	DeSinco Limited Pension Plan	DC	SA
33	156	Express International Incorporated Pension Plan	DC	Assuria
34	157	Guyana Conference of Seventh-day Adventists	DC	Assuria
35	160	PBS Technologies (Guyana) Inc. Pension Plan	DC	Assuria
36	161	New Room Inc. Pension Plan	DC	HIHL

Source: Insurance and Pensions Supervision Department, Bank of Guyana



TABLE 1.3:
LIST OF INACTIVE AND WINDING-UP PENSION PLANS (2021)

No.	Plan no.	Plan Name	Plan Type	Plan Manager
1	13	Bauxite Industry Pension Plan	DB	HIHTC
2	62	Caricom Rice Mills Ltd. Pension Plan	DC	DML
3	31	Central Housing and Planning Authority Pension Plan	DB	HIHL
4	108	Consumer Goods Complex Limited Pension Plan	DC	DML
5	107	Cops (Guyana) Limited Pension Plan	DC	DML
6	148	Demerara Sandbach Pension Scheme	DB	TCGL
7	22	Diocese of Guyana Pension Plan	DB	GTML
8	83	East Demerara Water Conservancy Board Pension Plan	DC	GTML
9	23	Frances De Caries & Co Ltd. Pension Plan	DB	GTML
10	57	Friendship Slipway & Co. Ltd. Pension Plan	DC	DML
11	68	Guyana Congregational Union Pension Plan	DC	DML
12	69	Guyana Rice Development Board Pension Plan	DC	DML
13	15	Guyana School of Agriculture Pension Plan	DB	HIHTC
14	145	Guyana Telephone & Telegraph Company Limited	DB	TCGL
15	46	Hand in Hand Staff Pension Plan	DB	TCGL
16	58	John Fernandes Insurance Services Limited Pension Plan	DC	DML
17	9	John Fernandes Limited Pension Plan	DB	DML
18	97	Linden Mining Enterprise Thrift Pension Plan	Unclear	HIHTC



19	98	Mahaica Mahaicony Abary Agriculture Development Authority Pension Plan	Unclear	HIHTC
20	66	Moravian Church Pension Plan	DC	DML
21	17	National Agricultural Research Institute Pension Plan	DB	HIHTC
22	102	National Data Management Authority Pension Plan	DC	GTML
23	76	National Data Management Authority Pension Plan	DC	GTML
24	63	PBS Investment Limited Pension Plan	DC	DML
25	137	Rosebel Gold Mines N. V Pension Plan	DC	GTML
26	81	Sugar Industry Labour Welfare Fund Committee Pension Plan	DC	GTML
27	37	The Guyana National Industrial Co. Inc. Pension Scheme	DB	HIHTC

Source: Insurance and Pensions Supervision Department, Bank of Guyana

*- Inactive plans receive no contributions but still contain assets



**TABLE 1.4:
LIST OF WOUND UP PENSION PLANS (2021)**

No.	Plan No.	Plan Name	Plan Type	Plan Manager
1	51	Banks DIH Flexible Premium Annuity Pension Plan	DC	CLICO
2	82	C&F Meat Centre Pension Plan	DC	GTML
3	56	C.A.Phillips Limited Pension Plan	DC	DML
4	75	Camex Ltd. Pension Plan	DC	GTML
5	73	Central Garage Ltd. Pension Plan	DC	GTML
6	159	CFI Pension Plan	DB	HIHTC
7	53	Clico Life & General Insurance Co.(SA) Agents Pension Plan	DC	CLICO
8	54	Clico Life & General Insurance Co.(SA) Staff Pension Plan	DC	CLICO
9	6	Continental Group of Companies Pension Plan	DB	CLICO
10	48	Demerara Power Company Pension Plan	DC	CLICO
11	20	Demerara Tobacco Company Ltd. Pension Plan	DB	GTML
12	84	Evangelical Lutheran Church in Guyana Pension Plan	DC	GTML
13	44	GEB Pension Plan	DB	TCGL
14	55	Guyana Agriculture & General Workers' Union Pension Plan	DC	CLICO
15	3	Guyana Bank for Trade and Industry Ltd. Pension Plan	DB	CLICO
16	67	Guyana Broadcasting Corporation Pension Plan	DC	DML
17	77	Guyana Energy Agency Pension Plan	DC	GTML
18	8	Guyana Fertilizers Ltd. Pension Plan	DB	CLICO
19	99	Guyana National Co-operative Bank Plan	DC	CLICO
20	96	Guyana Natural Resources Agency Pension Plan	Unclear	GTML



21	49	Guyana Office for Investment Pension Plan	DC	CLICO
22	136	Guyana Office for Investment Pension Plan	DC	DML
23	88	Guyana Presbyterian Church Pension Plan	DC	GTML
24	52	Guyana Revenue Authority Pension Plan	DC	CLICO
25	85	Guyana Water Inc. Pension Plan	DC	GTML
26	158	GUYMIDA Pension Plan	DB	HIHTC
27	24	Humphrey & Company Ltd. Pension Plan	DB	GTML
28	4	Kayman Sankar and Company Ltd. Pension Plan	DB	CLICO
29	97	Linden Mining Enterprise Thrift Pension Plan	Unclear	HIHTC
30	50	Linden Power Company Pension Plan	DC	CLICO
31	5	Linden Town Council Pension Plan	DB	CLICO
32	60	Little Equipment Repairs & Bunkering Services Limited Pension Plan	DC	DML
33	72	Mae's Under 12 School Pension Plan	DC	GTML
34	64	Mards Rice Milling Complex Limited (Georgetown) Pension Plan	DC	DML
35	86	Marics & Company Limited Pension Plan	DC	GTML
36	26	National Frequency Management Unit Pension Plan	DB	HIHL
37	7	New Guyana Marketing Corporation (DAP) Pension Plan	DB	CLICO
38	71	Omai Gold Mines Ltd. Pension Plan	DC	GTML
39	137	Rosebel Gold Mines N. V Pension Plan	DC	GTML
40	105	Rubis West Indies Limited (Guyana) Pension Plan	DB	NALICO
41	2	Shell Antilies & Guianas Ltd. Pension Plan	DB	CLICO
42	1	Singer Sewing Machine Company (Staff) Pension Plan	DB	CLICO
43	74	Sodexhp Marriott Ltd. Pension Plan	DC	GTML

Source: Insurance and Pensions Supervision Department, Bank of Guyana



TABLE 1.5:			
LIST OF PENSION PLANS REGISTERED (2021)			
Pension Plan	Plan Type	Plan Manager	Effective Date*
Harris Paints (Guyana) Limited	DC	Assuria	25-Oct-21
Express International Incorporated	DC	Assuria	01-Oct-21

Source: Insurance and Pensions Supervision Department, Bank of Guyana



13.2 Annexe 2: Asset Liability Profiles

TABLE 2.1:
TOTAL INDUSTRY ASSETS (2021)

	2020	2021
No. of Reporting Pension Plans	105	110
TOTAL INDUSTRY ASSETS	81,629.10	98,794.64
Asset Growth Rate	9.38%	21.03%
Cash Deposits	14,427	15,259
Stocks and Shares in Companies	31,151	44,758
Corporate Bonds & Debentures	6,379	5,747
Securities of Governments	4,512	4,483
Mortgage Loans and Advances	247	211
Deposit Administration Contracts	16,020	15,344
Real Estate	0	0
Other Investments (Mutual Funds)	3,789	2,270
TOTAL INVESTMENTS	76,525	88,072
Non Invested Assets	5,104	10,723
Total Industry Liabilities	61,050	62,870
Actuarial Liabilities (DB plans)	50,674	51,028
Accumulated Account Balances(DC plans)	10,376	11,842

Source: Insurance and Pensions Supervision Department, Bank of Guyana.

Note:

Registered Plans – This represents plans fully registered under the Insurance and Pensions Act of 1998.

Unregistered Plans – Plans with incomplete or pending applications, including inactive plans.

DB – means defined benefit plans, and DC – means defined contribution plans.

Investment arrangements describe investments in deposit administration contracts and group pension funds sold by life Insurance and Pensions companies.

Cash deposits are inclusive of certificates of deposits and cash held at commercial banks.

Government securities comprise treasury bills and government-issued bonds & debentures.

Non-invested assets represent receivables (debtors, interest and taxes recoverable)

*- Unaudited data used; therefore, liabilities match assets. Audited data unavailable



Table 2.2:
Geographical Allocation of Pension Assets 2020-2021

Year	Regions	Total Assets	Total Investments	Government Securities	Corporate Bond Adventures	Cash Deposits	Stocks and Shares in Companies	Loans and Advances	Deposit Administration Contracts	Real Estate	Other Investments	Other Assets
2020	Total	81,629	76,525	4,512	6,379	14,427	31,151	247	16,020	0	3,789	5,104
	Guyana	59,871	57,052	1,107	1,470	8,442	28,218	247	16,013	0	1,556	2,819
	CARICOM	10,851	9,727	721	2,176	5,566	1,042	0	0	0	221	1,125
	Rest of the world	10,907	9,746	2,684	2,733	419	1,891	0	7	0	2,012	1,161
2021	Total	98,795	88,072	4,483	5,747	15,259	44,758	211	15,344	0	2,270	10,723
	Guyana	77,756	69,770	1,268	1,232	8,900	41,242	211	15,122	0	1,794	7,986
	CARICOM	11,255	9,787	667	1,950	5,934	999	0	0	0	236	1,469
	Rest of the world	9,783	8,515	2,548	2,564	424	2,517	0	222	0	240	1,268

Source: Insurance and Pensions Supervision Department, Bank of Guyana

Note: *Other Investments include mutual funds



Table 2.3:
Pension Asset Investments by Plan Administrator 2020-2021

G\$ millions	Total Assets	Securities of Government	Private Securities	Cash Deposits	Stocks and Shares in Companies	Loans and Advances	Investment Arrangements	Real Estate	Other Investments	Total Investments	Cash at Bank	Non Invested Assets
2020	81,629	4,512	6,379	14,427	31,151	247	16,020	0	3,789	76,525	4,192	912
Insurers	19,946	1,007	0	1,156	1,395	155	16,020	0	0	19,733	123	90
Trust Companies	55,389	1,177	6,379	13,210	27,230	17	0	0	3,779	51,791	2,804	794
Self - Administed	6,294	2,327	0	61	2,526	76	0	0	10	5,001	1,264	29
2021	98,795	4,483	5,747	15,259	44,758	211	15,344	0	2,270	88,072	8,735	1,988
Insurers	19,779	1,169	0	1,205	1,711	124	15,344	0	0	19,553	160	66
Trust Companies	69,155	1,076	5,747	13,392	39,094	23	0	0	2,260	61,592	6,536	1,027
Self Administed	9,861	2,239	0	661	3,953	64	0	0	10	6,927	2,039	895

Source: Insurance and Pensions Supervision Department, Bank of Guyana



TABLE 2.5: SECTORIAL INTEGRATION OF ASSETS INVESTED IN GUYANA 2020-2021		
SECTORS	2020	2021
Banking System	7,692	12,281
Cash at Bank	1,614	5,953
Fixed Deposits	6,078	6,328
Public Sector	514	1,268
T/bills	402	1,268
Bonds/Debentures/ Shared Plan	112	0
Local Gov't Sectors	0	0
Private Sector	45,877	65,400
Shares	25,294	41,242
Mortgage/Loans	263	211
Bonds/Debentures/ Shared Plan	1,220	1,232
NBFIs	2,624	5,798
Real Assets	0	0
Pooled Funds (Deposit Administration)	13,268	15,122
Others	3,208	1,794
Total Locally Invested Assets	54,084	78,950

Source: Insurance and Pensions Supervision Department



13.3 Annex 3: Classification Description & Methodologies

TABLE 3.1:
PENSION ASSETS BY INVESTMENT CATEGORIES

Cash Deposits	Cash are current account and other short-term savings in the financial system. Deposits are funds 'placed on deposit' with a financial institution that include certificates of deposit.
Stocks and Shares in Companies	All forms of shares in the capital of enterprises, quoted shares and other equities of listed companies on a stock exchange.
Corporate Bonds	Corporate bonds refer to fixed interest securities or bonds or debentures issued by companies, including financial and non-financial enterprises. These are private sector issued and represent fixed term investments having a fixed maturity date or dates for the repayment of principal.
Securities of Governments	These are inclusive of treasury bills and bonds issued or guaranteed by central and local governments. They are fixed - term investments having a fixed maturity date or dates for the repayment of principal.
Mortgage Loans	Mortgage loans are inclusive of mortgages and other loans, including other instalment credits and all other types of loans.
Investment Arrangements	Investment arrangements are also referred to as deposit administration contracts. They represent retirement savings instruments provided by life Insurance and Pensions companies with (usually) a guaranteed investment return (e.g. guaranteed investment contracts). In these Insurance and Pensions contracts the underlying assets belong to the pension plan/fund, not to the Insurance and Pensions company.



Real Estate	This refers to pension fund investments in real estate or property.
Other Investments	Pension fund investments not included in the above categories.
Non-invested Assets	Non-invested assets represent current account assets including all types of receivables (debtors, interest and taxes recoverable). Current account cash at bank is excluded.
PENSION PLAN/FUND LIABILITIES	
Actuarial Liabilities	Actuarial liabilities represent the going concern liabilities of pension plans (mainly defined benefit plans) valued by a plan Actuary. The liabilities calculated are based on actuarial assumptions including demographic and financial assumptions, which represent the present value of the pension benefits accrued in a pension plan.
Accumulated Account Balances	This represents the accumulated cash contributions (employer's and members' contributions) into defined contribution pension plans plus accumulated interest earned from the investment of contributions.
Operating/Other Liabilities	Operating liabilities refer to current liabilities, including creditors and accruals, refund of contributions payable, unpaid pensionable benefits, and all other types of payables.
Defined benefit	A pension plan where the benefits payable to members or beneficiaries are calculated according to a formula in the plan rules that relates the benefits payable to the salary of each member at a time, or averaged over a period of time, as specified in the plan rules.



Defined contribution	A pension plan where the benefits payable to each member are determined according to the balance in that member's individual account on the date of leaving the plan, where the method of accrual to that account is specified in the plan rules.
Fully Registered Plans	Pension plans registered under the Insurance and Pensions Act of 1998 by the Bank of Guyana and previously by the Commissioner of Insurance.



TABLE 3.2:
FINANCIAL ASSESSMENT RATIOS AND METHODOLOGIES

RATIOS	DESCRIPTION	METHODOLOGY
Financial Assessment/Soundness Ratios		
Systemic Risk	Systemic risk is the possibility that an event at the company level could trigger severe instability or collapse of the pensions sector or local economy. This is monitored by analysing companies' pension assets and comparing the assets of the pension sector to GDP, total financial assets, and total assets of NBFIs, respectively, and all ratios are expressed as a percentage.	<p>Pension assets ÷ GDP (%)</p> <p>Pension assets ÷ total financial assets (%)</p> <p>Pension assets ÷ total NBFI assets</p>
Liquidity Risk	Liquidity risk refers to the underlying risk wherein short-term financial obligations cannot be met. The level of liquidity is the relative value of liquid assets or accounts to liabilities expressed as a percentage figure. The liquidity ratio is the ratio of liquid assets to cover immediate liabilities or higher-than-expected benefit payments without incurring substantial or material losses.	Sum of liquid accounts (include all pension asset classifications with maturity of one year or less) ÷ total liabilities
Solvency Risk	The relative value of schemes' total assets and total liabilities is expressed as a percentage figure. The ratio measures the adequacy of pension assets in meeting pensionable	Total pension assets ÷ total liabilities



	obligations (liabilities). If a plan is deemed solvent, then it can meet its financial obligations at that date, moreover if the plan is fully funded, then can to meet is long term and future service obligations.	
Market Risk	Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer, or factors affecting all securities traded in the market. Foreign exposure and equity exposure are contributing factors to market risk.	<p>Foreign exposure (%)= pension assets held in foreign currency ÷ total pension assets</p> <p>Equity exposure (%)= pension assets held as equity ÷ total pension assets</p>
Foreign Exposure of Pension Assets	The proportion of pension assets invested outside of the Republic of Guyana or investments in a foreign currency other than the Republic of Guyana dollar, expressed as a percentage of total assets.	Foreign investments ÷ total assets
Equity Exposure of Pension Assets	The proportion of pension assets invested in shares of traded companies listed on a stock exchange (both locally and overseas) is expressed as a percentage of total assets.	Equity investments ÷ total assets
Credit Risk	Credit risk is the risk of loss arising from a counter party to a financial contract failing to discharge its obligations. A pension plan with material receivable accounts or that has	Private bonds ÷ total bonds



material long term investments is exposed to significant credit risk.

**Accounts
Receivable to
Total Assets**

The proportion of current assets as receivables is expressed as a percentage of total assets.

Receivables ÷ total
assets

Inflation Risk

Inflationary risk refers to the risk that inflation will undermine the performance of an investment. Inflation risk is especially applicable to pension funds when there is volatile domestic inflation that negatively impacts real interest earnings. This is measured by monitoring the rates of return on investments.

**Rate of
Return on
Investments**

ROI measures the performance of pension plan/fund investments at the end of the year. It can be expressed in nominal and real terms, for which the latter takes into consideration the influence of price inflation. It is calculated using a common formula for the average nominal net investment return (ratio between the net investment income at the end of the year and the average level of investments during the year). The average real net investment returns have been

Nominal rate: net
investment income
÷ ((total investments
of the current year)
+ (total investments
of the previous
year)/ 2).



calculated using the nominal interest rate (as described above) and the variation of the consumer price index for the relevant year.

Real rate: Nominal rate - price inflation at the end of the year

Efficiency & Profitability Ratios

Net Income to Total Assets

The relative value of net income earned at the end of the year and total assets is expressed in percentage form. The net income ratio measures the level of profitability of pension plans and its contribution to the accumulated assets.

Net income ÷ total assets

Contributions to Total Benefit Payments

The relative value of contributions received from members and on behalf of members, and the total benefits paid out of pension funds. This ratio is a measure of profitability and efficiency.

Contributions received (members' and employer's) ÷ total benefit related payments (pensions, lump sums, death benefits, withdrawal benefits etc.).

Operating Expenses to Investment Income


The relative value of operating expenses or all expenses related to the administration or management of pension plans and investment income expressed in percentage form. This ratio is a measure of efficiency.


Operating expenses ÷ net investment income



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