# Key information benefits and minimum wage Caribbean Netherlands from July 1, 2024

## Social relief

The social relief acts as a safety net for people on a low income. Only people who have resided lawfully in the Caribbean Netherlands for at least five years can apply for social relief. People on social relief are allowed to earn additional income. Income on top of the social relief is exempted up to the level of the statutory minimum wage (WML).

If people receive social relief then they are, however, required to look for work, unless they are disabled or exempt on other grounds.

The number of persons with a social relief benefit in December 2023 was: 902.

## The social relief is established and paid on the basis of a period of 2 weeks:

Social relief basic amount and allowances (USD)	Bonaire	St. Eustatius	Saba
Social relief basic amount	242	254	259
Independent accommodation allowance	445	433	428
Joint household allowance	242	242	242
Child allowance first child	59	65	61
Child allowance second and third child	31	34	32
Allowance full and permanent incapacity for work (VDAO)	364	352	347
AOV allowance (with pension exemption of 31 USD)	445	433	428

#### Social relief for a number of typical households, per 2 weeks and per month:

Social relief amount per type of household (USD)	Bo 2 wk	onaire Month*	<b>St. E</b> 0 2 wk	ustatius Month*	2 wk	iaba Month*
Single, living at home	242	524	254	550	259	561
Single, living independently	687	1,488	687	1,488	687	1,488
Single, living at home, VDAO	606	1,313	606	1,313	606	1,313
Single, living independently, VDAO	808	1,750	808	1,750	808	1,750
Single, living independently, 2 children	777	1,683	786	1,703	780	1,690
Married, living independently	808	1,750	808	1,750	808	1,750
Married, living independently, 2 children	808	1,750	808	1,750	808	1,750
Single, living at home, AOV allowance	687	1,488	687	1,488	687	1,488
Single, living independently, AOV allowance**	687	1,488	687	1,488	687	1,488
Married, living independently, AOV allowance**	808	1,750	808	1,750	808	1,750

<sup>\*</sup> The amount per month is calculated according to the formula: (amount per 2 weeks x 26)/12, rounding downwards.

N.B. The indicated amount is occasionally lower than the sum of the allowances. This is caused by the maximisation up to the statutory minimum wage (WML) according to Section 17b of the Social Relief (BES) Decree. This can well be seen in the household situation 'married, living independently, 2 children'. Because of the maximisation up to the WML additional allowances applicable to independent accommodation are no longer taken into account. The WML per 2 weeks is calculated according to the formula 12/52 \* 2 weeks = 0.462 (rounded upwards).

## The capital limit to qualify for social relief is annually adjusted to the inflation. In 2024 the income limit is:

Capital limit amounts social relief (USD)	Bonaire	St. Eustatius	Saba
Single person < 65 years	5,509	6,355	6,488
Household of which all household members < 65 years	11,017	12,709	12,976
Single person over 65 years	11,017	12,709	12,976
Household with at least one household member over 65 years	22,034	25,419	25,951

Under the **income test**, income from employment or from child maintenance during the period when social relief is claimed is exempted up to the level of the WML. This means that the social relief and this income combined cannot exceed the statutory minimum wage.

For a single person or household member from the age of 65, income from pension (other than the statutory old-age pension AOV) is also exempted up to an amount of USD 31 per fortnight. This amount is adjusted annually; in 2023, it was USD30.

<sup>\*\*</sup> In case of entitlement to the AOV allowance, there is no entitlement to the independent accommodation allowance (Section 14 Subsection 2).

## **Special social relief**

Special social relief can be granted up to the income limit of 120% of the statutory minimum wage for the following costs. From 1 July, 2024, the income limit is USD 2,100 on Bonaire, Saba and St. Eustatius.

Funeral expenses	

Costs for the filling of a water tank and replacement of water pump

Water consumption costs (temporarily in case of payment arrears)

Costs for school uniforms and school necessities

Costs for following a diet on medical prescription

Costs for baby necessities and baby bed

Costs for mattress or sofa bed

Costs for ventilator (for household with elderly person or child), refrigerator, stove, washing machine

Costs for double rent

Costs for personal contribution social facility

Costs for dentist

#### **AOV BES**

The AOV entitlement age is 65. The entitlement to AOV depends on the accrual over the period of residence in the Caribbean Netherlands. The number of AOV benefits in December 2023 totals 4,856.

Of these, **30%** live outside the Caribbean Netherlands. There are **2,831** AOV beneficiaries on **Bonaire**, **398** on **St. Eustatius**, and **247** on **Saba**.

#### From July 1, 2024, in case of complete accrual, the monthly AOV BES is:

Amounts AOV (USD)	Bonaire	St. Eustatius	Saba	Outside CN
Full AOV amount per month	1,488	1,431	1,403	1,488
Cost-of-living allowance	-	57	82	-
Partner allowance	589	679	692	589
Pocket change and clothing budget in care facility	149	149	149	-

N.B. All amounts are based on complete AOV accrual. A considerable share of the beneficiaries has a reduced AOV.

#### An income limit applies to the AOV partner allowance:

Income limit partner allowance (USD)	Bonaire	St. Eustatius	Saba	Outside CN
Maximum joint income	18,837	21,713	22,154	18,837

#### **AWW BES**

The widow's benefit (also for widowers) is paid until the pensionable age. The amount of the benefit depends on age. The highest amount is paid if a widow is 58 years or older, or if she is disabled or caring for a child (children). The benefit for orphans and half-orphans continues until age 15, or until age 25

if the child is of school-age or occupationally disabled.

The number of AWW benefits hovers around **250**, of which about 50 are outside the Caribbean Netherlands.

#### From July 1, 2024, the age-related monthly AWW BES amounts are:

AWW BES (USD)	Bonaire	St. Eustatius	Saba	Outside CN
Widows	688 - 1,488	688 - 1,488	688 - 1,488	688 - 1,488
Half-orphans	499 - 595	499 - 595	499 - 595	499 - 595
Orphans	543 - 686	543 - 686	543 - 686	543 - 686

## **Child benefit BES**

BES child benefit is for all children up to the age of 18. It covers about **5,200** children. The monthly child benefit amount is **\$225** per child on Bonaire, **\$216** on Sint Eustatius and **\$225** on Saba. If a child from the age of 3 years has intensive care needs, there may be additional entitlement to an allowance under the Temporary Regulation for Children with Intensive Care BES.

## Health insurance / accident insurance BES

In case of sickness, there is question of entitlement to sick pay: 80% of the daily wage, as long as the employment relationship continues, maximum of two years. In case of an industrial accident, there is a right to accident pay: 100% of the daily wage for the first 52 weeks, then 80% of the daily wage.

The amount of the benefit is capped at the maximum daily wage. The maximum daily wage depends on the size of the working week:

- USD 224.65 for a 6-day working week
- USD 269.57 for a workweek of 5 days or less.

The benefit is paid to the employer. The employer is required to continue payment of the wages up to (at least) the same amount as the benefit. If the employment was terminated then the accident benefit is paid to the (former) employee themselves. This currently concerns about 60 persons.

The pool of employees for whom loss of income benefits due to occupational disability are provided is dynamic.

The RCN unit SZW's insurance doctor assesses the incapacity for work.

## Severance Pay (BES) Act

In pursuance of the Severance Pay (BES) Act, the employer pays its employee a lump-sum benefit if the employment come to an end other than through the fault of the employee. The amount of this benefit is based on the final wage earned and the number of years of service. If the employer is unable to pay the

benefit (in a timely fashion) due to insolvency or suspension of payment then the employee is, under certain conditions, entitled to the benefit via SZW. The number of benefits paid by SZW to former employees arrives at a few per year.

#### Trend benefit costs SZW

The benefit costs including child benefits for SZW increased from almost €16 million in 2011 to around €67 million in 2023.



## Statutory minimum wage

From July 2024 the statutory minimum wage for persons aged 21 and over is:

Statutory minimum wage (USD)	Per hour	Per month* (rounded)	Per year (rounded)
Bonaire	\$ 10.10	\$ 1,750.67	\$ 21,008.04
St. Eustatius	\$ 10.10	\$ 1,750.67	\$ 21,008.04
Saba	\$ 10.10	\$ 1,750.67	\$ 21,008.04

<sup>\*</sup> Formula used for the amounts per month: (hourly wage \* 40 \* 13 weeks)/3 N.B. For young persons the statutory minimum wage amounts to a percentage of these amounts: 20 years = 90% (\$9.09), 19 years = 85% (\$8.58), 18 years = 75% (\$7.57), 16/17 years = 65% (\$6.56).

#### The trend of the statutory minimum wage from 2011:

Statutory minimum wage (USD)	Bonaire	St. Eustatius	Saba
01-01-2011	4.20	4.20	4.20
01-01-2012	4.45 (5.9%)	4.67 (11.2%)	4.48 (6.6%)
01-01-2013	4.55 (2.3%)	4.89 (4.6%)	4.61 (3.0%)
01-01-2014	4.63 (1.8%)	4.97 (1.7%)	4.96 (1.4% + 6.1%)
01-01-2015	4.70 (1.5%)	5.14 (3.4%)	5.09 (2.6%)
01-01-2016	4.70 (-0.9% + 0.9%)	5.32 (-0.5% + 4%)	5.37 (-0.9% + 6.5%)
01-01-2017	4.73 (0.6%)	5.80 (-1% + 10%)	5.68 (0.2% + 5.43%)
01-01-2018	4.76 (0.6%)	6.09 (2.1% + 5%)	5.68 (-1.3% + 1.3%)
01-01-2019	5.16 (3.5% + 5%)	6.46 (1.1% + 5%)	6.21 (4.4% + 5%)
01-01-2020	5.48 (1.2% + 5%)	6.63 (0.7% + 2%)	6.54 (0.3% + 5%)
01-01-2021	5.48 (-4.8% + 4.8%)	6.63 (-3.3% + 3.3%)	6.54 (-1.6% + 1.6%)
01-01-2022	6.03 (4.3% + 5.7%)	7.30 (2.4% + 7.6%)	7.19 (3.2% + 6.8%)
01-01-2023	7.13 (12.2% + 6%)	8.34 (9% + 5.3%)	8.27 (9.7% + 5.3%)
01-01-2024	9.06 (1.9% + 25.15%)	8.97 (-1.10% + 8.67%)	9.54 (2.80% + 12.58%)
01-07-2024	10.10 (0 + 11.44%)	10.10 (0 + 12.55%)	10.10 (0 + 5.83%)

N.B. Between brackets the inflation percentage is mentioned and, where applicable, the increase in policy terms in addition to the inflation.

## Tax-fee allowance

The tax-free allowance is USD 20,424 (2023: USD 17,352) pursuant to Section 24 of the Income Tax (BES) Act. For the elderly, this amount is increased by the so-called elderly person's tax credit, which amounts to USD 1,577 in 2024 (2023: USD 1,470).