



Summary of Proceedings

Public Hearing

Joint Select Committee on Finance and Legal Affairs

Held on **Friday 8th December, 2017**

Subject matter: An Inquiry into certain aspects of the National Insurance System of Trinidad and Tobago.

Venue: A public hearing was held on Friday December 8th, 2017 from 10:18 a.m. to 12:02 p.m. at the J. Hamilton Maurice Meeting Room, Mezzanine Floor, Office of the Parliament, Tower D, The Port of Spain International Waterfront Centre, 1A Wrightson Road, Port-of-Spain.

Committee Members

The following Committee Members were present:

- Ms. Sophia Chote SC (Chairman)
- Mr. Clarence Rambharat (Vice-Chairman)
- Dr. Lovell Francis, MP
- Mr. Taharqa Obika
- Mr. Terrence Deyalsingh, MP

Witnesses who appeared

The following officials of the Joint Trade Union Movement (JTUM) appeared:

- Mr. Trevor Johnson Assistant General Secretary
- Mr. Christopher Henry President, Steel Workers Union of Trinidad and Tobago
- Mr. Peter Burke Vice President, Oilfield Workers' Trade Union (OWTU)
- Mr. Ashton Cunningham General Secretary, Fire Services Association (FSA)

The following officials of the National Trade Union Centre (NATUC) appeared:

- Mr. Watson Duke President
- Mr. Nirvan Maharaj 2nd Vice President
- Mr. Michael Annisette General Secretary

The following officials of the Employer's Consultative Association (ECA) appeared:

- Mr. Kestin Nancoo Chairman
- Neil Derrick Director
- Mr. Ronald Ramlogan Team Leader, Project and Research

Key Issues Discussed

The following are the main issues highlighted during discussions with **Joint Trade Union Movement (JTUM)**:

- i. the need for NIBTT to improve its oversight of the collection of contributions from employers;
- ii. the level of contributions needed and the unwillingness of the population to support increases in the contribution rate;
- iii. the contributions received by NIBTT being unable to cover the benefits paid by NIBTT;
- iv. the need for greater efficiency in the administration of the NIS compliance system;
- v. the NIBTT is not receiving remittances from some employers;
- vi. the NIS system not capturing the entirety of the working population of Trinidad and Tobago;
- vii. the need for comprehensive data on the working population to enable the inclusion of as many members of the working population as is possible;
- viii. the need for self-employed persons to be included in the NIS system;
- ix. the proposed contribution rate of 36% being unaffordable for the future population;
- x. the need to look at the investment climate and investment portfolio of NIBTT;
- xi. the unwillingness of JTUM to support the increase of the retirement age to 65; and
- xii. the creation of policies to allow for the sustainability of the NIS system.

The following are the main issues highlighted during discussions with **National Trade Union Centre (NATUC)**:

- i. the complaints from persons experiencing issues in receiving benefits claims from the NIS;
- ii. the reduction of the fertility rate and the increase in the aging population of Trinidad and Tobago;

- iii. the issue of increases in the benefits given by the NIBTT not being based on the Actuarial Reviews;
- iv. the need for more statistical data to inform policy positions regarding the NIS;
- v. NATUC's position that the increase in the retirement age to 65 was not feasible since the working population are unwilling;
- vi. the possibility that the increase in the retirement age may require a national referendum;
- vii. the need for registration of all employers who are not currently registered or paying the NIS contribution;
- viii. the penalty for defaulting on NIS contributions should be greater than \$5,000 to encourage adherence to the legislation;
- ix. the need for the creation of an Investment Unit at NIBTT with investment experts to boost NIBTT's investment portfolio;
- x. the need for a National Register for Employers (inclusive of private doctors, lawyers, etc.);
- xi. the unwillingness of NATUC to support the mix of an affordable contribution rate and 'trimming' the benefits of the NIBTT as suggested by the ECA; and
- xii. the need to put the existing national insurance policies into effect;

The following are the main issues highlighted during discussions with **Employer's Consultative Association (ECA)**:

- i. the design and structure of the contribution rate of the NIS system;
- ii. the Association not being in support of an increase in the contribution rate;
- iii. the need for both an affordable contribution rate and to update the rationalisation of the benefits of the NIBTT;
- iv. the reinforcement of the Investment Policy of NIBTT to include increased foreign investment ability to more than 25% of the total contribution;
- v. the employers compliance rate of 89.9% (disputed by representatives from NATUC);
- vi. the role of the Association in encouraging members of the ECA to ensure they comply with the registration of contributions to NIS;
- vii. the number of employers who were charged for defaulting on their payment to NIBTT;
- viii. the investment portfolio of the NIBTT in the investment of Apsara Restaurant and Tamnak Thai Restaurant;
- ix. the Association's view that the increase in the retirement age to 65 needed to be hastened, as opposed to what was suggested in the 9th Actuarial Review;

This public hearing can be viewed on demand via our YouTube Channel.

<https://www.youtube.com/watch?v=a8Dnxwh0BWo>

Contact the Committee's Secretary

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Committees Unit

Friday 8th December, 2017.