



CARONI (1975) LIMITED
A New Vision A New Day



Government of Trinidad and Tobago



Deosaran Jagroo
Chief Executive Officer

“Implementing your Pension Arrangements”

Dear pension-eligible former employees of Caroni (1975) Limited:

The Government of Trinidad and Tobago and Caroni (1975) Limited are pleased to inform you that the final arrangements with respect to your pension entitlements have been finalised and a secure framework established for the guaranteed payment of pension benefits to current and future Caroni pensioners as was committed to you under the **February 2003** Voluntary Separation of Employment Programme (VSEP). This revised framework takes into account actuarially determined shortfalls in the resources of the daily-paid and monthly-paid pension plans. The new arrangement will be retroactive to **June 30 2008** - the date of the winding-up of the Caroni pension plans. The cost for meeting those pension payments would be met from the existing resources in the plans equivalent to approximately **\$90.0 million** and funding from Government in an approximate amount of **\$360.0 million**.

Former pension-eligible daily-paid employees would recall that in **June 2007**, Government and Caroni jointly published a brochure entitled *Understanding your Pension Entitlement* in the print media which provided a precise definition of the benefits to which you would be entitled upon the winding-up of the pension plans. Those arrangements have not changed; however, our then anticipated deadline of **December 31 2007** for the winding-up of the pension plans could not be met given the need for establishing a credible database in the context of the incomplete records which existed at Caroni. This endeavour was particularly challenging and further complicated by the existence of undocumented and informal institutional pension practices. These issues have now been satisfactorily resolved and a viable database of approximately 11,000 pension-eligible former employees has been determined.

Former monthly-paid pension-eligible employees are all receiving pensions from Guardian Life of the Caribbean Limited and those pensions were enhanced in **July 2003**. Caroni and Government have now agreed to enhance the benefits of deferred pensioners on the same basis as those of other members of the staff plan which were enhanced in **July 2003**. Annuities would be purchased on **June 01 2009** for these pension-eligible deferred employees and they would have their benefits paid effective **July 2003**.

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As a result, Caroni (1975) Limited has put in place the following arrangements to allow you to understand the framework within which your benefits are being paid:

- (i) the trustee, Republic Bank Limited - Trust and Asset Management Division, would begin to purchase immediate and deferred annuities for the pension-eligible former daily-paid employees of Caroni (1975) Limited on **June 01 2009** from the insurer Colonial Life Insurance Company [Trinidad] Limited, also known as CLICO [Trinidad], but all payments under the annuities would have an effective date of **July 01 2008**. The initial purchase of annuities would be based on the verification exercise undertaken by Caroni upon the publication of the brochure in **July 2007** and pursued since then by the actuary: Bacon, Woodrow & De Souza Limited, the insurer: Colonial Life Insurance Company [Trinidad] Limited and the trustee: Republic Bank Limited - Trust and Asset Management Division
- (ii) the trustee would defer the purchase of immediate and deferred annuities for all those pension-eligible daily-paid employees in the residual database, in particular, for those who did not participate in the verification exercise through individual efforts; but for whom entitlements would remain until verification has been established
- (iii) the resources to fund those unverifiable claims would be placed in a facility which is called a Reserve Fund which has been established by Caroni and would be held by the trustee for a period of **seven (7) years** during which time any legitimate claim by a potential beneficiary would be honoured
- (iv) Caroni has established a liaison office at its Brechin Castle compound in Couva to address questions relating to the termination of the pension arrangements. Former employees may contact this office at 636-9264, 679-6239 or 679-7441. A similar-type office has been established by CLICO at #3 Rushworth Street, San Fernando and can be contacted at 652-2866, 652-4475, 653-7687 or 653-7686
- (v) only **one** cheque would be made by CLICO [Trinidad] to pension-eligible daily-paid employees whether those employees were beneficiaries under the several pension arrangements for daily-paid employees, or by Guardian Life in respect of former monthly-paid employees who also had daily-paid pensionable service
- (vi) annuities would be purchased on **June 01 2009** for those pension-eligible monthly-paid deferred employees and they would have their benefits paid effective **July 2003**. Clarifications and questions would be addressed by Caroni at its Brechin Castle liaison office in Couva, and by Guardian Life at its offices at Lot #28-30, Endeavour Industrial Estate, Chaguanas and at #1 Guardian Drive, Westmoorings. Former monthly-paid employees with queries can contact the Chaguanas office at 672-5433 and the office in Westmoorings at 632-5433.

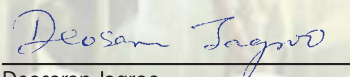
For purposes of information a pension-eligible former employee of Caroni with the qualifying age requirement for the Senior Citizens Grant could receive on a monthly basis **\$2,800** in collective pensions:

Example:

• Caroni pension	\$ 650.00
• NIS pension	\$ 2,000.00
• Senior Citizens Grant	\$ 150.00
	\$ 2,800.00

The Government of the Republic of Trinidad and Tobago and Caroni (1975) Limited wish to reaffirm our commitment to fulfilling all the promises made under the VSEP and to ensuring that your future beyond Caroni remains secure.

Sincerely,



Deosaran Jagroo
Chief Executive Officer

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