

# Media Release

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## FORMER EMPLOYEES OF CARONI (1975) LIMITED *Finalisation of Pension Arrangements*

The Government of the Republic of Trinidad and Tobago and Caroni (1975) Limited are pleased to announce the finalisation of the pension arrangements for the pension-eligible former employees of Caroni (1975) Limited (Caroni). For the daily-paid, your final pension entitlements are being secured through the purchase of annuities by the Trustee of the daily-paid pension plans: *Republic Bank Trust and Asset Management Division*. The process has already been initiated.

The purchase of annuities represents the achievement of a commitment made to you in the **February 2003** Voluntary Separation of Employment Plan (VSEP) which formed the basis of the termination of your employment with Caroni and which committed Government to provide all current and future pensioners of Caroni with a secure framework for the guaranteed payment of pension benefits. This significant milestone has been achieved in the context of the culmination of over **six (6)** years of intense collaborative and detailed verification exercises by the key stakeholders: the employer - Caroni, the insurer – CLICO [Trinidad] Limited, the trustee - Republic Bank Trust and Asset Management Division and the actuary – Bacon Woodrow & De Souza Limited. The result of those exercises had led to a database of **10,508** beneficiaries with:

- *the purchasing of annuities* effective **July 1 2008** from CLICO by the Trustee to secure the benefits payable to approximately **7,651** former daily-paid employees for whom the data available were considered to be sufficient to do so; and
- *the placement of resources into a separate Reserve Fund* to be held by the Trustee to meet the annuity purchases for a further approximately **2,857** daily-paid employees for whom data were not considered to be sufficiently adequate or who simply could not be found. The resources will remain in the fund and after **seven (7)** years would be wound-up with the assets being transferred to the Ministry of Finance which would assume responsibility for meeting any legitimate claim.

Government is making available on or before **December 31 2009** to the Trustee an amount equivalent to **\$400.0 million** to meet the cost of annuity purchases. CLICO in collaboration with the Trustees are in the process of issuing individual annuity certificates setting out the benefits being purchased for former daily-paid employees with a completion date by the end of **March 2010**. The Government of the Republic of Trinidad and Tobago and Caroni are fully confident that the *guarantee arrangements* it had put in place with CLICO is secure and sustainable. Caroni would advise you thorough advertisements in the print and electronic media on the manner in which you may seek further information in respect of your pensions.

Finally, for monthly-paid pensions the reform of the monthly staff pension arrangements has already been put in place with all deferred pensioners now participating equitably in the upgrade which took place in **July 2003**. The Trustee and Caroni had now agreed to wind up the plan and to distribute the emerging surplus to all members on a *pari-passu* basis. The increased pension associated with the benefit improvements will be paid on or before **March 31 2010**.

The Government of Trinidad and Tobago and Caroni are working assiduously to deliver to you those other commitments in the *February 2003 VSEP*, including the residential services lots and two acre-

sized agricultural plots for which offers are being made and leases executed. In fact, in respect of residential leases 2,042 offers have already been made and with acceptances, executed leases would be delivered on or before **March 31 2010**. Former employees would benefit from substantial subsidies relating to the infrastructural development of the residential service lots with the average subsidy being **\$145,000**. In respect of agricultural leases with subsidized infrastructural development, 3,628 offers have already been made with 2,427 acceptances. 1,284 leases have been executed and the delivery programme should have them in the hands of the beneficiaries by **January 31 2010**; but all eligible beneficiaries, in the interim, have been given licences to occupy and to cultivate their plots.

We wish to express our deepest appreciation to all our stakeholders as well as our former employees for their part in ensuring that the restructuring of the sugar industry was as smooth and as orderly as possible. We are in no doubt that we have now within our communities an appropriately trained pool of human resources who have been accessing good value jobs and very soon as they would be constructing their new homes and would be able to live in a more secure, comfortable and modernised environment.

*Deosaran Jagroo*  
*Chief Executive Officer*  
*Caroni (1975) Limited*