



Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE

**Replies to Questions posed to the Honourable Colm Imbert,
Minister of Finance
at the 21st Sitting of the Senate held today, March 22nd, 2022**

Question No. 107 to the Minister of Finance

Regarding the 2021 NIB Report, where a 10.4% increase in NIS contributors, a 3.74% decrease in contribution income and a steady increase in beneficiaries lead to the NIB's need to withdraw over \$1Bn from its investments to pay benefits to citizens in 2021, can the Minister provide a status report on:

- i. what is being done to ensure that NIS contributions are paid in accordance with the law; and
- ii. what is being done to boost the NIB's investment portfolio income?

Reply

To ensure that NIS contributions are paid, the NIBTT has established a Compliance Unit to oversee and manage the NI contributions, inclusive of robust mechanisms to assure that NI contributions are submitted to the Board.

The NIBTT has also advised the Ministry of Finance of Ministries/Departments/Agencies (MDAs) with arrears of NI contributions. As such, in an effort to assist the NIBTT in its collection drive, the Budget Division of the Ministry of Finance is consulting with the MDAs to ensure that funds are made available to settle their outstanding NI liability. The Ministry has also requested that the office of the Comptroller of Accounts undertake a 'systems survey' which includes, inter alia, the provision of training to aid MDAs in ensuring proper processing and timely remittance of NI contributions.

With regard to measures to boost the NIB's investment portfolio, by Legal Notice 132 dated September 17, 2018, the Government has increased the overseas investment limit from 20% to 30%, allowing an increase in foreign investments with a view to achieving more attractive

returns on investments. The Ministry of Finance is also reviewing the policy mix adopted by the NIBTT in relation to the management of the NI Fund as it relates to domestic and international investments. These measures have resulted in an exceptional investment portfolio return of 14.18% in 2021. This resulted in an increase in the net asset value of the National Insurance Fund by 7.43% or \$2.13 Bn to an overall total of \$30.78 Bn.

It is also noteworthy that the number of contributors in the National Insurance System during 2021 was recorded at 446, 116, increasing by 10.4 percent from 404,197 in 2020, whereas the number of beneficiaries only increased by 0.9 percent from 204,613 to 206,569 in 2021.

In addition, in accordance with Sections 3 and 24(1)(d) of the NI Act, Government has appointed representatives to the Board of Management and the Investment Committee of the NIBTT with qualifications and experience in accounting, finance and management.

Question No. 109 to the Minister of Finance

Given the ongoing public discourse on the increase of the retirement age from 60 to 65 and the NIB's continued advocacy for said increase so as to reduce its benefit expenditure and given that retirement pensions, retirement grants, survivors' benefits and invalidity benefits accounted for 95% of said expenditure in 2021, can the Minister advise as to:

- i. whether the Government still intends to increase the retirement age; and
- ii. if the answer to (i) is in the affirmative, how does the Government plan to execute said increase.

Reply

The Ministry of Finance recently commenced stakeholder consultations, beginning with the National Union of Government and Federated Workers Union (NUGFW) in February 2022. Discussions with other trade union bodies will continue in the near future.

With respect to the execution plan Madam President, discussions are still at the embryonic stage whereby concepts are still being worked out. These will be communicated once finalised.