

MINISTER OF FINANCE CIRCULAR NO. 06 DATED DECEMBER 18, 2017

TO:

All Permanent Secretaries, Heads of Departments, Chief Administrator, Tobago House of Assembly and Heads of Statutory Authorities subject to the Statutory Authorities Act, Chapter 24:01

SUBJECT:

Timely Submission of Accurate Records of Service, Pension and Leave (P&L) Records and Computation of Contract Gratuities for the Processing of Pensions and Gratuities

The annual recurrence of the tardy submission of officers' Records of Service¹, Pension and Leave (P&L) Records and contract gratuities by Ministries, Departments and other Agencies (MDAs) remain a matter of grave concern that perpetuate the lengthy delays in the processing of terminal benefits and gratuities as well as undue financial hardship to persons awaiting payment.

2. This concern was also included in the Reports of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago in previous years. However, the Pensions Management Branch, Treasury Division of the Ministry of Finance continues to be plagued by innumerable omissions and inaccuracies in data submitted by MDAs that are fundamental to determine, among other things, persons' separation and pension benefits as well as contract gratuities.

3. This Circular serves to remind you of your statutory obligations and the standardized procedures for accurate preparation, continuous maintenance and timely submission of Records of Service, P&L Records and contract gratuities to the Comptroller of Accounts.

Statutory Requirements and Internal Policies

4. Accounting Officers must comply with the statutory requirements in the undermentioned legislation to facilitate the timely payment of pensions and gratuities² by the Comptroller of Accounts on officers' effective dates of retirement:

| Legislation | Chapter | Section/ Regulation | No. of months before retirement date to submit particulars of service |
|------------------------|----------------|----------------------------|--|
| The Civil Service Act | 23:01 | Regulation 33 (2) | 3 |
| The Education Act | 39:01 | Section 15 | 3 |
| The Police Service Act | 15:01 | Regulation 183 (2) | 3 |
| The Fire Service Act | 35:50 | Regulation 43 (2) | 6 |

¹ Records of Service pertain to daily paid employees.

5. Research has shown that, other legislation which do not specify the number of months have prompted relevant MDAs to establish internal policies as indicated in the table below:

| Legislation | Chapter | Internal Policy: No. of months before retirement date to submit particulars of service |
|---------------------------------------|---------|--|
| Prison Service Act | 13:02 | 2 |
| Defence Act | 14:01 | 9 |
| Municipal Corporations (Pensions) Act | 25:05 | 3 |

6. Further, the Wages and Conditions of Service for Government Hourly, Daily and Weekly-Rated Employees between the Chief Personnel Officer and the National Union of Government and Federated Workers representing Central Government Services, the Tobago House of Assembly and certain Municipal Corporations as well as applicable Circulars have also instigated the establishment of internal policies in relevant MDAs to submit Records of Service to the Comptroller of Accounts between three (3) to twelve (12) calendar months before an officer's retirement date.

7. Unless otherwise specified by legislation and with a view to regularizing the timely processing of pension payments, Accounting Officers must ensure that Records of Service and P&L Records of all officers whose retirement are known to be imminent are furnished accurately to the Comptroller of Accounts not less than three (3) calendar months before the date on which the officers concerned are due to retire.

Responsibilities of Accounting Officers

8. In spite of the statutory obligations and internal policies, Accounting Officers continue to be remiss about their responsibilities.

9. The importance of adequate preparation, quality and timeliness of the submission of these Records prior to the time of retirement are **critical success factors** to fulfil the statutory requirements and internal policies. The preparation of Records of Service and P&L Records is a recurring exercise which must be sustained to ensure compliance with the Regulations. Appendix I provides Guidelines for the Preparation of Certified Pension and Leave Records.

10. Accounting Officers are reminded of their responsibilities to ensure the timely preparation and submission of accurate Records of Service, P&L Records and contract gratuities to the Comptroller of Accounts. Appendix II presents a list of common errors that delay the computation of Pensions and Gratuities. Appendices III, IV and V provide checklists of documents that are necessary for the computation of retirement benefits and processing of contract gratuities.

Proper Management of Records of Service, P&L Records and Contract Gratuities

11. The administration of pensions commences with the annual collection and collating of service records in respect of all serving Public Officers. However, it is recognised that the management of Records of Service, P&L Records and contract gratuities has been a major challenge in the Public Service throughout the years resulting in non-compliance with the provisions of the Regulations and issued guidelines. Specifically, Minister of Finance Circular No. 7, dated April 05, 1968, mandated that the P&L Record “...*should be maintained as a continuous record and reviewed annually...*”

12. In many MDAs, a high turnover of staff and human resource deficiencies negatively impact on the P&L Schedule. Consequently, there is a lack of continuity in the maintenance of Records of Service and P&L Records as well as the preparation of contract gratuities.

13. Accounting Officers are advised to pursue the following course of action **as a matter of urgency** to address the foregoing challenges:

(a) Ensure that the P&L Unit is adequately staffed with trained personnel

If there is a deficiency in the staffing in terms of competency, experience and numbers, it is recommended that persons be engaged on contract for periods ranging between one (1) to three (3) years to update Records of Service and P&L Records in the shortest possible timeframe. This staff should be dedicated to reducing the backlog of Records to be prepared.

Accounting Officers can communicate with the Public Management Consulting Division, Ministry of Public Administration and Communications, to recommend an appropriate organisational structure to include a P&L Unit.

(b) Establishment personnel must be consistently trained

P&L training is a collaborative effort between the Chief Personnel Officer (CPO) and the Public Service Academy. It is recommended that MDAs liaise with the Public Service Academy to arrange training for their staff.

(c) Desk Manuals

The preparation of Desk Manuals will assist in addressing the problem of staff mobility, flatten the learning curve and reduce the time taken to train replacement personnel as a consequence of staff turnover.

(d) Compliance with relevant Circular Memoranda

Staff must be mandated to ensure compliance with relevant Circular Memoranda governing the preparation, maintenance and submission of P&L Records.

(e) Oversight of the P&L function

You must maintain oversight of and monitor the execution of the P&L function in your Ministry/Department. You should request a report on the status of the preparation and submission of P&L Records on a regular basis, *since you remain ultimately accountable.*

(f) P&L Records for transferred officers

Where officers are transferred, it is mandatory that their P&L Records are updated and submitted to the receiving Ministry in a timely manner. Where the receiving Ministry is not in receipt of the Circulating Personal File, the Accounting Officer should write the Accounting Officer of the sending Ministry, informing him/her of the breach in procedures. A copy of the communication should also be forwarded to the Head of the Public Service and the Pensions Management Branch.

(g) Work Programme for the P&L Unit

For the current year, a Work Programme for the P&L Unit must be formulated to facilitate the submission of all outstanding P&L Records as follows:

- (i) Officers in the age group 55-60 years - by March 31, 2018;
- (ii) Officers in the age group 50-54 years - by June 30, 2018, and
- (iii) All other officers - by September 30, 2018

Similar Work Programmes for the P&L Unit must be produced annually.

(h) Prompt responses to queries

Reports of the Auditor General have also indicated that there are delays by MDAs in responding to/addressing queries promptly. These delays further hinder the processing of pensions and gratuities by the Comptroller of Accounts. Liaison Officers must maintain communication with the Pensions Management Branch for clarification on related matters and accelerate the necessary resolution to queries. Communication can be sent via email to treasurydiv.pensions@gov.tt

8. Your attention is also drawn to Paragraph 135 of the Financial Regulations to the Exchequer and Audit Act, Chapter 69:01 which specifies that the minimum period for preservation of records including salary and wages vouchers required for superannuation purposes is sixty (60) years.

General

9. Accounting Officers *must* ensure that Records of Service, P&L Records as well as files pertaining to officers on contract are updated regularly; thoroughly checked and audited internally, before submission to the Comptroller of Accounts or the Auditor General within the stipulated deadlines to facilitate the expeditious processing of payments to officers.

10. All Permanent Secretaries, Heads of Departments, Chief Administrator, Tobago House of Assembly and Heads of Statutory Authorities subject to the Statutory Authorities Act, Chapter 24:01 are asked to ensure that the contents of this Circular are brought to the attention of the relevant personnel in the Human Resource Unit, Accounting Unit, Internal Audit Unit and the Unit with the responsibility for pension administration.



Colm Imbert
Minister of Finance

Guidelines for the Preparation of Certified Pension and Leave Records

- (1) Forms "A" and "B" are to be prepared in quadruplicate, for distribution in the following order:-
- (i) Original retained as part of the officers' Circulating Personal File;
 - (ii) Duplicate to be submitted to the Comptroller of Accounts;
 - (iii) Triplicate to be retained for the Department's Records, and
 - (iv) Quadruplicate to be submitted to the Director of Personnel Administration.

(2) **Preparation of Forms**

Following are the required details of the forms:

- (i) Particulars of service and salaries from date of first appointment to date of retirement must be submitted on the prescribed Pension and Leave Record Forms "A" and "B". All sections of the forms must be completed in full. The words "not applicable" (N/A) or "NIL" must be inserted in any area which does not relate to the employee at any particular time;
- (ii) Ranges of posts must be indicated and where posts have been re-assigned, salaries must be shown in the re-assigned ranges;
- (iii) Change in incremental dates and details of leave must be recorded;
- (iv) It must be ensured while compiling particulars that the incremental date of an officer who resumed duty in his substantive post after a period of no-pay leave (other than no-pay leave granted on grounds of public policy) is set back by the unexpired period of his incremental year at the time he proceeded on no-pay leave. Chief Personnel Officer Circular No. 5/68 refers;
- (v) The Acting Allowance column on Form 'A' should clearly show continuous periods of acting which affect salaries and incremental dates upon promotion. Any additional relevant information should be provided in the Remarks column, which should also contain any other change in the circumstances of the employee;
- (vi) In the case of an officer who has held an acting appointment for a period of less than three (3) years immediately preceding the date of his retirement, the salary which he would have been in receipt of at the date of retirement in the post from which he was promoted, must be quoted in the remarks column;
- (vii) Vacation leave taken in the last 3 years must be included;
- (viii) Where the officer was on full pay study leave, the final results of the course of study must be provided;

- (ix) Period(s) of absence in respect of secondment to another Service must be reflected on the Pension and Leave Records and notional salary in the officer's substantive office shown. The authority for the secondment together with any relevant Cabinet Minute and Note must be provided where this has not already been furnished in accordance with Comptroller of Accounts Circular No. 3 of 1989 dated 16th January, 1989;
 - (x) Where an officer has left the service on grounds of marriage or because of termination of contract and has been re-employed in the service and retired in pensionable circumstances, it must be stated whether the officer received a marriage gratuity or contract gratuity on previous disengagement from service;
 - (xi) Section "C" of the Pension and Leave Record must be completed to show whether the officer was granted any periods of No-pay or Half-pay Leave. A nil record is to be furnished where appropriate, since the section is not to be left blank in any circumstances;
 - (xii) The forms must be checked by the Human Resource Officer, verified by the Internal Auditor and certified by the Permanent Secretary or Head of Department, and
 - (xiii) Final Pension and Leave Records must be submitted at least three (3) months before the officer's date of retirement to allow for all aspects of processing to be undertaken;
- (3) The full names of officers/teachers must be recorded in the appropriate columns of the forms and not abbreviations. It is very important to insert the date of birth of each officer/teacher as in some cases persons have the same name and the date of birth is used to distinguish them.
- (4) All forms must be verified by the Human Resource Officer, signed and stamped by the Internal Auditor and certified and stamped by the Permanent Secretaries/Heads of Departments. Where more than one form is used, each one must be certified.
- (5) The Ministry or Department at which an officer/teacher is currently serving (substantive) has the responsibility for the collection and submission of all required data. Where officers served in more than one Ministry/Department it would be necessary to ensure that certified Pension and Leave Records are furnished by the Ministries/Departments from which officers were transferred.

Common Errors that delay the computation of Pensions and Gratuities³

Common errors in the submission of documents that delay the computation of pensions and gratuities are as follows:

Monthly Paid Officers and Corporations

- Incorrect data on periods of service, incremental dates or acting rates.
- Computations with respect to the averaging principle are frequently inaccurate due to incorrect periods and salary/acting rates being used.
- Arithmetical errors in the calculation of Gratuity and Pension.
- Incorrect information on periods of service, incremental dates, acting rates
- Dates of appointments and promotions do not agree
- Pension and Leave records are not signed/stamped by an authorized officer and/or not certified by Internal Audit.
- Missing documents/information such as Pension and Leave records with respect to acting and details of vacation leave for three years prior to retirement.
- Delays in responding to/addressing queries promptly.
- Outstanding increments not paid

Fire Service

- Files for Fire Service Officers are submitted to the Comptroller of Accounts months after officers retire, in contravention of the legal requirement of six months before the date of retirement of these officers.
- Errors in computation with respect to broken service for auxiliary officers.

Police Service

Errors in acting Records of Service.

Daily Paid Officers

- Records of Service are not submitted for the last year prior to retirement.
- Daily rates used for calculation of benefits are not updated in accordance with current Collective Agreements.

Contract Officers

- All relevant documents are not submitted.
- Calculation of unutilized leave is not in accordance with the Chief Personnel Officer's guidelines.
- Errors in computation of gratuity
- Computation of Contract Gratuity not signed and/or stamped by Internal Audit and/or the Permanent Secretary/Head of Department

³ Source: Report of the Auditor General on the Public Accounts of the Republic of Trinidad and Tobago for the Financial Year 2016 and the Pensions Management Branch of the Treasury Division

Checklist of Documents that are necessary for the Computation of Retirement Benefits for monthly paid officers

- ☐ Audited and certified Pension and Leave Record for entire service
- ☐ Copy of Ministry's memorandum to DPA noting retirement (signed copy)
- ☐ Copy of DPA's noting for retirement on grounds of marriage/ill-health/ special permission
- ☐ Written option for an unreduced pension or a gratuity and reduced pension (signed in blue ink before date of retirement)
- ☐ Copy of letter of first permanent appointment from the Director of Personnel Administration (DPA)
- ☐ Copy of Letter of Confirmation from the DPA
- ☐ Approvals for Secondments, No Pay Study Leave etc.
- ☐ Computer generated Birth Certificate with supporting Affidavit (duly cross referenced) if applicable
- ☐ Adoption Certificate if applicable
- ☐ Computer generated Marriage Certificate for female officers if applicable
- ☐ Divorce Decree with accompanying Marriage Certificate
- ☐ Deed Poll, if applicable
- ☐ Certificate of Citizenship status
- ☐ Computer generated Death Certificate
- ☐ NIS and Income Tax File Numbers
- ☐ Current Address, Contact Number and email address
- ☐ Statement of Indebtedness from Ministry with detailed workings of any overpayment if applicable.

General Information:

- Unless otherwise indicated, originals must be submitted.
- Foreign Certificates must be issued from relevant Government Authority or have an official seal.
- Certificates in foreign languages must be translated by a recognised body eg. NIHERST, Foreign and CARICOM Affairs.

Checklist of Requirements for the Computation of Retirement Benefits for daily paid officers

- ☐ Original Birth Certificate with supporting Affidavit, properly cross Referenced (if necessary)
- ☐ Letter stating the Retirement date (in the case of voluntary retirement)
- ☐ Original Marriage Certificate, if applicable
- ☐ Audited record of service for the period of officers' employment, verified and stamped by the Head of Department/Permanent Secretary
- ☐ Statement of Indebtedness
- ☐ BIR and NIS Numbers
- ☐ Telephone contact number
- ☐ Class/Grade of Officer on Record of Service
- ☐ Letters of Administration, where applicable

Checklist of Documents that are necessary for the processing of Contract Gratuities

- ☐ Audited and certified Computation, stating the Contract period and a Diligence and Fidelity Clause.
- ☐ Computation must be stamped and signed by the Internal Audit and the Permanent Secretary/Head of Department
- ☐ Copy of Cabinet Minute for creation of position
- ☐ Copy of Contract Agreement
- ☐ Memorandum with attached Schedule, Terms and Condition/Appendix from the Chief Personnel Officer
- ☐ Copy of Ministerial Minute approving employment of the officer/Terms and Conditions
- ☐ Letter of Assumption of Duty
- ☐ Documents in respect of re-designation of post
- ☐ National Insurance (NIS) and Income Tax (BIR) File Numbers
- ☐ Current Address, Contact Number and email address
- ☐ Statement of Indebtedness from Ministry with detailed workings of any overpayment, if applicable.