



**Government of the Republic of Trinidad and Tobago**

**STATEMENT BY**

**THE HONOURABLE DAVENDRANATH TANCOO,**

**MP**

**MINISTER OF FINANCE**

***SAFEGUARDING THE NATIONAL INSURANCE***

***FUND***

**FEBRUARY 27, 2026**

# HOUSE OF REPRESENTATIVES

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## **Introduction**

Mr. Speaker, I rise today to deliver this statement on the Report on the Operations of the National Insurance Board of Trinidad and Tobago (NIBTT) and the Audited Financial Statements for the Financial Year which ended on June 30 2025.

My contribution today does not dwell on the mechanics of the financial report. It speaks instead to the deliberate, evidence-based interventions undertaken by this Government to safeguard and stabilise the National Insurance Fund.

This Fund is the bedrock of financial security for more than 600,000 workers, pensioners, and vulnerable families, whose protection was threatened for nearly a decade under a former administration that failed to act with the urgency and responsibility the circumstances demanded.

## **11<sup>th</sup> Actuarial Review**

For years actuarial warnings regarding the widening imbalance between contributions and benefit payments were issued by the International Labour Organization (ILO) in their Actuarial Reviews.

Mr. Speaker, it is important that this Honourable House understands the extent of the delay that occurred under the former administration with respect to the Eleventh Actuarial Review of the National Insurance System.

The Eleventh Actuarial Review was submitted to the Ministry of Finance on **October 19, 2022**. Yet, astonishingly, it was **not laid in Parliament until April 19, 2024**, a delay of eighteen months.

Mr. Speaker, actuarial reviews are not optional documents. They are the primary instruments that guide responsible decision-making for the long-term sustainability of the National Insurance Fund.

They alert policymakers to demographic pressures, financial imbalances, and the urgent need for intervention.

But rather than laying the Review in a timely manner, rather than ensuring transparency, accountability, and swift policy response, the former administration allowed it to sit for a year and a half while the Fund continued its downward trajectory.

Mr. Speaker, that delay had consequences. While the Review remained on the former Minister's desk, the deficit between contributions and benefit payments widened. The Fund continued to be drawn down. And the warnings of nearing depletion grew more urgent.

This Government, under the leadership of the Honourable Prime Minister Kamla Persad Bissessar, has taken a fundamentally different approach. We do not delay critical information. We do not withhold actuarial findings. We act decisively, guided by data, transparency, and our duty to safeguard the National Insurance Fund for current and future generations.

## **Erosion of the Fund**

Mr. Speaker, the 11th Actuarial Review confirmed that the Fund faced progressive erosion. Continued deficits at that trajectory would have placed the National Insurance Fund on a path towards eventual exhaustion within the next 6 to 7 years or by 2033 to 2034. What would that mean? It means that our elderly would have not been able to access pension payments- citizens would not be able get medical benefits such as financial grants that is what the PNM close their eyes to.

Key operational statistics as prescribed by Section 13 (2A) of the National Insurance Act during the financial year ended June 30, 2025 revealed the following:

- Contribution income amounted to \$5,000.8 million;
- Benefit expenditure amounted to \$6,628.0 million;
- Unrealised losses was recorded at approximately \$246.1 million

- Withdrawal from the Fund of \$1.9 billion to finance the National Insurance System deficit; and
- The total Fund balance declined from \$28,090 million in 2024 to \$27,360 million.

But let me be very clear, Mr. Speaker: this structural imbalance did not materialise in a single financial year. It was not an unforeseen shock. It was the cumulative consequence of a decade of delay and denial by the former Minister of Finance to protect this Fund and our citizenry.

The failure of the PNM to make the required changes, and then to turn around and refuse to support those very same changes, was reckless and deeply irresponsible. It threatened to jeopardise lives and put benefits at risk for both current and future generations.

And what makes it worse is this. They knew exactly what would happen if they did nothing. They knew the consequences. They knew the warnings. They knew the risks. Yet they still chose to do nothing. They sat on their hands, watched the situation deteriorate.

That was the PNM gambling with people's lives.

This level of behaviour is completely unacceptable, and it must be condemned in the strongest possible terms. The country must never forget who let it reach this point, and who refused to act when action was required.

Year after year, expenditure exceeded income, reserves were drawn down and actuarial review warnings were issued and ignored

The former Minister of Finance failed to take the corrective action required to preserve this critical institution.

## **Evolving demographics**

Mr. Speaker, during the 2025 financial year the number of contributors declined by 3.0 percent to 473,707 while the number of beneficiaries increased by 1.8 percent to 230,722.

The number of long-term beneficiaries increased by 2.2 percent in 2025. Payment to this group totalled 96.1 percent of the total benefit expenditure recorded in 2025.

What does this mean? Fewer contributors. More retirees. Longer life expectancy. These are actuarial realities. And they do not disappear because a government chooses inaction.

The actuarial reviews warned repeatedly that without reform, the Fund would move toward progressive depletion.

Yet the PNM administration blatantly ignored this advice.

## **Choosing responsibility over delay**

Mr. Speaker, when we assumed office, we inherited a Fund under pressure. The measures introduced in the 2026 Budget

were not optional. They were necessary, responsible and grounded in data.

When reserves are being drawn down annually, responsible leadership acts. When pension sustainability is at risk, responsible leadership does not postpone. When the future of workers and pensioners is on the line, responsible leadership does not play politics.

Mr. Speaker, ignoring the actuarial evidence would have been easier politically. But it would have been reckless economically.

In confronting the structural imbalance within our National Insurance System, this Government has not shied away from making the difficult but necessary decisions to secure the future of the National Insurance Fund.

First, we have moved decisively to **adjust the pensionable age upwards**, gradually increasing it from 60 to 65. This phased approach starting January 1, 2028, aligns the age at

which beneficiaries qualify for full NIS retirement benefits with broader demographic and fiscal realities.

Independent analysts have weighed in, Ernst & Young and PricewaterhouseCoopers have affirmed that this measure is both necessary and responsible to ensure long-term sustainability of the National Insurance Scheme in the face of an ageing population and rising dependency ratios.

Second, we have implemented an **incremental increase in the National Insurance contribution rate**, with a modest increase of 3% which took effect on January 5, 2026, a move that directly strengthens revenue flows into the Fund and helps to restore balance between contributions and benefit payment.

By increasing the pensionable age, we ensure that the Fund can sustain retirement benefits for future retirees without prematurely depleting reserves.

By increasing contributions, we bolster the inflows that support not just retirement pensions, but maternity and

survivors' benefits protections upon which families across Trinidad and Tobago depend.

Mr. Speaker, combined these reforms help to slow the rate at which liabilities grow faster than revenues, preserve the accumulated reserves of the National Insurance Fund and protect the promise of social insurance for **today's workers and tomorrow's retirees.**

This is prudent governance. This is UNC governance: responsible, forward-thinking and anchored in data driven evidence not delay.

### **Laying of the Report**

Mr. Speaker, many may comment on the lateness of the laying of this Report however let the record show that for nine of the last ten years under the PNM Administration, the Annual Report of the National Insurance Board was laid beyond the statutory deadline.

Even if this Report had been laid on the earliest possible day, the actuarial reality that the report contained would have not changed:

- The Fund was depleting.
- The imbalance was widening.
- And the trajectory was unsustainable.

## **Conclusion**

Mr. Speaker,

The data was clear.

The actuarial projections were clear. What makes the difference is that we did not just look at the report at lay it in Parliament. We ACTED on the issues highlighted. Worrying issues! Issues that threatened the lives and livelihood of businesses workers and ordinary citizens. Let the records show as well that when asked to support this the PNM refused. Every one of those on the opposite side refused to support saving the future of our citizens.

The risk was clear.

So we acted.

We acted to stabilise the Fund.

We acted to protect pensioners.

We acted to protect contributors.

We acted in the national interest.

UNC government confronted this the National Insurance Board's Financial reality before this crisis became a collapse.

In conclusion, I wish to place on record my sincere appreciation to the Honourable Prime Minister, Kamla Persad-Bissessar, for her decisive leadership and unwavering commitment to safeguarding the National Insurance Fund and the future of Trinidad and Tobago's citizens.

Mr. Speaker, I thank you.