

*Leave of Absence**Tuesday, April 20, 1999***SENATE***Tuesday, April 20, 1999*

The Senate met at 1.30 p.m.

PRAYERS*[MR. PRESIDENT in the Chair]***LEAVE OF ABSENCE**

Mr. President: Hon. Senators, leave of absence has been granted to Sen. Andrew Gabriel from today's sitting, and Sen. Selwyn John for the period April 16 to April 23, 1999.

SENATORS' APPOINTMENT

Mr. President: Hon. Senators, I have received the following communication from His Excellency, The President of the Republic of Trinidad and Tobago.

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency ARTHUR N. R. ROBINSON, T.C.,
O.C.C., S.C., President and Commander-in-Chief
of the Republic of Trinidad and Tobago.

\s\ Arthur N. R. Robinson

President.

To: MR. KELVIN RAMNATH

WHEREAS Senator Andrew Gabriel is incapable of performing his functions as a Senator by reason of illness:

NOW, THEREFORE, I, ARTHUR N. R. ROBINSON, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, KELVIN RAMNATH, to be temporarily a member of the Senate, with effect from 19th April, 1999 and continuing during the period of illness of the said Senator Andrew Gabriel.

Given under my Hand and the Seal of the
President of the Republic of Trinidad and
Tobago at the Office of the President, St.
Ann's, this 16th day of April 1999."

Senators' Appointment
[MR. PRESIDENT]

Tuesday, April 20, 1999

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency ARTHUR N. R. ROBINSON, T.C., O.C.C., S.C.,
President and Commander-in-Chief of the Republic of
Trinidad and Tobago.

\s\ Arthur N. R. Robinson
President.

To: MRS. ELAINE TEEMUL

WHEREAS Senator Selwyn John is incapable of performing his functions as a Senator by reason of his absence from Trinidad and Tobago.

NOW, THEREFORE, I, ARTHUR N. R. ROBINSON, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, ELAINE TEEMUL, to be temporarily a member of the Senate, with effect from 19th April 1999 and continuing during the absence from Trinidad and Tobago of the said Senator Selwyn John .

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 16th day of April, 1999."

OATH OF ALLEGIANCE

Senators Kelvin Ramnath and Elaine Teemul took and subscribed the Oath of Allegiance as required by law.

1.40 p.m.

PAPERS LAID

1. The Defence (Rates of Pay and Allowances) (Amdt.) Regulations, 1999
[*The Minister of Public Administration (Sen. The Hon. Wade Mark)*]
2. The 1997 Annual Report of the Environmental Management Authority.
[*Hon. W. Mark*]

DOMESTIC VIOLENCE BILL

Bill to provide greater protection for victims of domestic violence [*The Minister of Culture and Gender Affairs*]; read the first time.

Motion made, That the next stage be taken at the next sitting of the Senate.
[*Hon. W. Mark*]

Question put and agreed to.

Mr. President: The Minister of Culture and Gender Affairs would like to make a short statement on this Bill.

The Minister of Culture and Gender Affairs (Sen. The Hon. Daphne Phillips): Mr. President, this is a very important Bill. There is, in this country today, an unaccepted level in the overall incidence of violence directed against women and children in domestic situations, many instances of which result in fatal consequences. The pervasiveness and the universality of domestic violence has become an issue of global concern. A recent report estimates that each year in the United States of America alone there are over two million women who are subject to domestic abuse and that domestic murders in that country are becoming increasingly common.

In Trinidad and Tobago the litany of violence perpetrated against women continues almost on a daily basis, while those resulting in fatal consequences adorn our newspapers almost every week, this in spite of Government's concerted and proactive attempts to address the problem. Although at an international level the problem of domestic violence has long been addressed by numerous bodies, including the United Nations and the Organization of American States, many countries are still seeking to identify and establish criteria which would lead to the best overall legislative scheme needed to efficiently combat this scourge.

The problem of domestic abuse has been the subject of increasing public concern and attention in Trinidad and Tobago. Over the last two years Government has initiated social measures, community-based initiatives and public awareness programmes through the Division of Gender Affairs and the community police in addressing this problem. Government is of the view that domestic violence can no longer be tolerated at its present levels and that it is now necessary to enact legislation which would represent not only the most protective law possible, but also the most severe criminal sanctions to date to deal with this crime.

Domestic Violence Bill
[HON. D. PHILLIPS]

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The Domestic Violence Bill, 1999, which is being laid before this honourable Senate, has come about as a result of initiatives at creating a comprehensive package of items for addressing the problem, spearheaded by the then Ministry of Community Development, Culture and Women's Affairs in 1996. Between 1996 and 1998 hotline services, connections to shelter and police services, community policing, mail programmes, a public awareness programme, educational projects and community-based preventive services were implemented and are still in place.

However, as a result of in-depth research, very wide consultation and lengthy deliberations, both by the Law Commission and by a special committee appointed by Cabinet in 1996 to undertake a review of the existing legislation, the present Bill was created. It became evident, Mr. President, that there were inherent obstacles in the present legislation which hindered its effectiveness, rendering it difficult for an abused person to take full advantage of, or receive the protection of the law. Thus, in response to public outrage against spousal violence and in an attempt to fulfil its continuing obligation towards ensuring not only that the rights of women are preserved, but also the welfare of the family is advanced, Government in 1996 appointed a Cabinet committee to consider and make recommendations for the reform of the existing 1991 Act.

That committee submitted to Cabinet a report and a draft bill aimed at amending the present law. The Law Commission, also cognizant of the rising incidence of spousal violence within the society and in pursuance of its statutory mandate under the Law Commission Act, was commissioned to make legislation in this regard. The views and concerns of the legislative proposals of both the Cabinet-appointed committee and the Law Commission formed the basis of deliberations of the legislative review committee stage, and it was out of this combined effort that the Chief Parliamentary Counsel, on the instructions of the Attorney General, was able to produce a final Bill containing very far-reaching reforms.

In order to deal more effectively with domestic violence, the proposed legislation seeks to strengthen the existing Act by enhancing the powers and jurisdiction of the court, by enlarging the ambit of the protection order and by ensuring that the response of the police in this area is efficient and effective. The object of the Bill is to provide a wider array of remedies than that which now obtains under the existing law. Included among the new array of remedies, which will become available to victims of domestic violence, are those relating to the

seizure of firearms and other weapons and also to the occupation of the home and other property needed by the family.

There are clauses which seek to empower the court to direct payments in respect of compensation and other forms of interim monetary relief so as to ensure that the victim of domestic violence is not financially disadvantaged as a consequence of obtaining a protective order. Monetary compensation must now be viewed as a necessity, since medical and other expenses are often incurred and the victim, under the present law, must resort to subsequent legal proceedings in order to recover any form of relief. Furthermore, interim maintenance measures may now be effected for the benefit of the applicant or any child in the same proceedings. This new law, Mr. President, will increase penalties for breach of a protective order.

Mr. President: Madam Minister, I was under the impression that the statement you wanted to make dealt with domestic violence generally and not with the provisions of the Bill. We have already taken a decision that the next stage of the Bill will be dealt with at the next sitting of the Senate, but I notice that you are talking about the Bill itself and procedurally it will not be correct for you to deal with the contents of the Bill. Therefore, if you want to make a statement on domestic violence generally without reference to any parts of the Bill, then you may continue, if not, I would advise that we defer until the appropriate stage when we meet next.

Sen. Dr. The Hon. D. Phillips: Thank you, Mr. President. I will defer.

Mr. President. Thank you.

REGIONAL HEALTH AUTHORITIES (AMDT.) BILL

Bill to amend the Regional Health Authorities Act, 1994 [*The Minister of Health*]; read the first time.

Motion made, That the next stage be taken at the next sitting of the Senate. [*Hon. W. Mark*]

Question put and agreed to.

PUBLIC ACCOUNTS COMMITTEE (VACANCY)

The Minister of Public Administration (Sen. The Hon. Wade Mark) Mr. President, I beg to move the following Motion:

Public Accounts Committee
[HON. W. MARK]

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Whereas there exists a vacancy on the Public Accounts Committee by the resignation of Sen. Elizabeth Mannette,

Be It Resolved that this Senate appoint and nominate Sen. Joan Yuille-Williams to be a member of the Public Accounts Committee in place of Sen. Elizabeth Mannette.

Mr. President: Hon. Senators, again I just want to point out that this matter, procedurally, is not on the Order Paper and, therefore, under Standing Order 25, where we can ask for dispensation from Notice, I ask that, with the consent of the Senate, we deal with this matter. Do I have your consent?

Assent indicated.

Question proposed.

Question put and agreed to.

NATIONAL INSURANCE (AMDT.) BILL

Order for second reading read.

The Minister of Finance (Sen. The Hon. Brian Keui Tung): Mr. President, I beg to move,

That a Bill to amend the National Insurance Act, Chap. 32:01 be now read a second time.

If you will recall, Mr. President, in the 1998/1999 budget statement I had informed this honourable Senate that work on the first phase of the comprehensive reform of the pension system in Trinidad and Tobago was near completion. As a matter of fact, Mr. President, I announced the first specific changes to be implemented.

1.55 p.m.

A number of proposals in the budget statement included the following:

1. Introduction of a Pension Plan for Government daily rated employees.

This plan, Mr. President, is being negotiated between the relevant unions and the Chief Personnel Officer.

2. Effecting the necessary administrative changes to the national insurance system to make it more relevant to the needs of the population.

3. An increase in the National Insurance Scheme contributions payable, by raising the current insured earnings ceiling from \$1,000.00 per month, to \$3,510.00 per month, an introduction of a new earnings class system while still retaining the current total contribution rate of 8.4%.

I also talked, Mr. President, about an increase in the National Insurance Pension benefit. *[Interruption]* By all means.

Sen. Daly: Can I have your guidance, Sir, on whether the press is permitted to take still photographs of us while we are in session? If so, I have an interest in a newspaper and I would like to advise them.

Mr. President: I am sorry; I did not advise the Senate, but permission has been granted. Something is being done about the Parliament and they did get permission to take a photograph, or photographs while the sitting was in session. I apologize to Senators.

Sen. The Hon. B. Kuei Tung: Thank you very much, Mr. President. I also spoke about an increase in the National Insurance Pension Benefits. This means that the 38,000 existing national insurance retirees will receive higher pensions at no additional cost to themselves.

I spoke about an increase in the other National Insurance Scheme benefits including: maternity, sickness, employment, injury and medical expense. I spoke, as well, about the consolidation of the food subsidy with the old age pension payment into a single pension payment.

I spoke about an increase in the income qualifying ceiling under the old age pension from the current level of \$5,000.00 per annum or \$416.00 per month, to \$7,440.00 per annum, or \$620.00 per month. In other words, people over age 65 who earned less than \$620.00 per month will also be entitled to a Government old age pension.

I spoke, as well, about an increase in the old age pension from \$520 to \$620.00, an increase of \$100.00 per month.

Finally, Mr. President, I mentioned the linking of other income which included national insurance retirement pension to the old age pension as part of our harmonization process.

The fundamental philosophy behind the harmonization of the old age pension and the national insurance retirement pension benefits is to ensure that all retired

citizens receive, at least, a minimum pension to maintain an adequate standard of living. This can be achieved by using an appropriate combination of social assistance, social insurance programmes and by better targeting scarce national resources towards the needy. This phase will also lay the foundation for future substantial reforms.

The reform under Phase I of the pension reform exercise is one of our several attempts to remove every single senior citizen over age 65 from living below the poverty level, and guarantees to them some level of dignity to their daily existence.

The increases in old age pension that I mentioned in the budget took effect from February 1, 1999, but the implementation date for the changes under the National Insurance Scheme had to be pushed back from February 1, 1999 to May 3, 1999, in order to allow employers sufficient time to adjust payroll systems to accommodate the new contribution levels. This accommodation was as a result of a request made to us by the employer organizations. So that the purpose of our being here today is to see if we can implement these changes in time for May 3, 1999.

Mr. President, the National Insurance Scheme has not changed in 19 years. As a matter of fact, the exact scheme that we operate today is precisely what has been—barring some very minor modifications in benefits and so forth, but in terms of the level of contributions and, maybe generally, in terms of the benefits, other than a few administrative changes which have been made—the scheme today is as it was when it was introduced 19 years ago. This, in spite of several actuarial valuations which recommended an increase in the national insurance benefits and contributions over the past 19 years. It is obvious that by the pure march of time, this scheme is becoming more and more irrelevant, and it is not serving the purpose for which it was intended 19 years ago, because it was never updated.

The value of the benefits, therefore, would have been eroded significantly over the years. The revised contribution and benefits structure is, therefore, necessary if the national insurance system is not to become marginalized. Furthermore, appropriate legislative changes need to be effected to improve administration, enhance efficiency, and to make the national insurance system, generally, more relevant. These changes are also necessary to facilitate the current and future reforms under the Pension Reform Programme.

Our pension reform process requires amendment to several pieces of legislation. The first Bill, which is before this honourable House, is part of a package of three Bills aimed at effecting Phase I of the pension reform exercise.

Mr. President, I now turn to clause 3(a) which defines certain terms used in this Bill.

Clause 3(b) amends the Act to allow a single woman or a single man to be treated as the spouse of a deceased insured if they have cohabited for a minimum of three years immediately preceding death, and if the insured has not nominated anyone as his or her beneficiary.

Clause 4 makes the National Insurance Board of Trinidad and Tobago a body corporate and enacts consequential amendments.

Clause 5 provides an exemption from liability to members of the board in respect of acts done *bona fide* in pursuance of the National Insurance Act. It is merely an attempt to provide them with some protection with respect to acts that they have done which are in the best interest and in pursuance of the National Insurance Act.

Clause 6, specifies the particulars which should be included in the National Insurance Board's annual report. This would ensure that certain information is provided to the public to allow a clear understanding of the manner in which the national insurance system is being managed. At present the Act limits the annual salaries which the board may pay to its employees, without the approval of the Minister of Finance. Over the years this has hampered the board's ability to recruit and retain suitable professional staff. Therefore, clause 6 will attempt to correct that.

Clause 7 amends the Act to determine the terms and conditions of its officers and employees with the exception of the executive director. In the case of the executive director, the board will be empowered to fix the salary and allowances of the director, subject to the approval of the Minister of Finance.

Clause 8(a) amends the Act so that the administrative expenses of the National Insurance Board's pension fund plan will no longer be borne by the board.

The Act, at present, does not allow for bad debts to be written-off.

Clause 8(b) now provides a mechanism for the write-off of such losses.

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Clause 8(c) removes the 9.5% restriction on using the revenue of the board for payment of benefits and administrative expenses. With this amendment the amount of the board's revenue which may be used for these purposes is to be fixed by the Minister of Finance consistent with actuarial recommendations.

Clause 9 amends section 24 of the Act by increasing the membership of the investment committee. The fifth actuarial review of the National Insurance Board recommended that the minimum contributory earnings limit be increased to \$80.00 per week. It is currently \$5.00 per week.

Clause 10 amends the Act to increase the minimum contributory earnings covered by the National Insurance Board to \$80.00, and also provides for persons who earned less than \$80.00 per week, to be treated as employed persons within the meaning of the National Insurance Act, as at May 2, 1999.

Clause 11 of the Bill, sets out the circumstances in which registration of employers, employees and unpaid apprentices is required, and provides penalties for failure to do so.

2.05 p.m.

For example, an employer is compelled to register as an employer within 14 days of employing his very first employee. He is also required to register his employees if they do not provide him with their National Insurance registration numbers within seven days of employment. This amendment also makes it obligatory for an employee to furnish his employer with the relevant personal information within seven days of employment.

Any employer or employee who fails to comply with these requirements is liable, on summary conviction, to fines. These provisions do not apply to domestic or casual agricultural workers, but such workers are required to make application for registration.

Clause 12 of the Bill introduces the National Insurance Registration Card, which will be issued to every employed person and unpaid apprentice upon registration. The current provisions of the Act do not allow authorized officers of the National Insurance Board to access computer equipment on an employer's premises for the purpose of obtaining information and records relating to employees and their remuneration as relevant to the National Insurance system. In other words, Mr. President, 19 years ago when the Act was first enacted, it did not anticipate that employers would have had computer records, and so, the computer equipment on employers' premises was not anticipated. The amendment therefore

amends the Act to allow access to such computer records. It is merely bringing us into the age of technology.

Clause 14 provides for the exchange of data between the National Insurance Board and any Government department, statutory body or agency. This would assist the National Insurance Board in ensuring that all employed persons eligible to be registered under the National Insurance system are, in fact, registered. One recognizes that the Government is the single largest employer on record and, therefore, this amendment will allow the National Insurance Board and any Government department, statutory body or agency to be able to work more effectively to ensure that all employed persons eligible to be registered are, in fact, registered. This clause also makes it an offence for employees of the board to communicate certain information to anyone not legally entitled to such information.

Clause 15, Mr. President, amends section 36(1) of the Act to enlarge the scope of the system of compulsory National Insurance.

Clause 16 introduces a new provision which requires an employer to issue to an employee, upon termination of his employment, a certificate containing certain particulars, including the employee's total insurable wage for that contribution year and contributions deducted from his wages. The employee is required to forward a copy of such certificate to the board on the same day it is issued to him.

By clause 17 of the Bill, the moneys deducted by an employer as National Insurance contributions from the salary or wages of employees are to be held in a trust by the employer for the board. This amendment seeks to ensure that National Insurance contributions deducted by an employer are not subject to any levy on, assignment by, or liquidation of, an employer. This clause also enables the board to charge interest on penalties on amounts due to it from employers. A provision which was not anticipated or included in the original Act.

Clause 18 also provides for the garnishment of amounts due from third parties to errant employers. Something that is quite similar to the powers given to the Board of Inland Revenue.

By clause 19, an increase in the maternity grant is introduced, together with a new basis for the payment of invalidity benefits and survivors' benefits.

Clause 20 provides for the recovery of any excess payment by the National Insurance Board to any person from any other benefits payable by the National Insurance Board to such a person.

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Clause 21 amends section 54 of the Act by replacing the reference to existing tables in the Third Schedule with new tables.

Mr. President, as I was saying, the fifth actuarial review of the National Insurance Board recommended the introduction of the new benefit rates schedule. Accordingly, clause 22 of this Bill introduces a new section 54(a) which provides for increases in the various benefits payable under the Act.

Section 57 of the Act presently provides that the President remake regulations to harmonize pension plans in operation on the appointed date. Clause 23 amends section 57 to make it clear that such regulations apply to all existing pension plans and not only to those in existence on the appointed day.

Clause 24 amends section 63 of the Act to enable the board, rather than its executive director, to be a party to court proceedings to recover sums due and owing to the board.

Section 65 of the Act provides for the recovery of contributions by the prosecution. What clause 25 does is make amendments to this section as a consequence of amendments made at clauses 17 and 26 of the Bill.

The liability of directors and managers of corporations for default by the corporation in paying sums due to the National Insurance Board is set out at clause 26 of the Bill.

Clause 27 provides for contributions remaining unpaid which may now be recovered by the board as a civil debt.

Clause 28 increases the penalties which may be imposed by regulations for any contravention of such regulations.

Clause 29 seeks to redesignate the office of financial controller as its chief financial officer.

Section 30, Mr. President, amends the Second Schedule of the Act by inserting tables B and C as set out in the schedule to this Bill.

Clause 31 adds two new sections to the Act: sections 73 and 74. Section 73 provides for legal proceedings commenced by the executive director before the coming into force of this Act to be completed by the board, and section 74 provides for the National Insurance Act to bind the state. Clause 32 would give retrospective effect to section 4(a) of the Act.

So, Mr. President, these amendments do a number of things, but one can say that what they seek to do is to make the National Insurance Board a little more relevant to today's activities so that it becomes a little more in keeping with what the original framers of the Act had in mind. What this seeks to do today, therefore, is to increase some of the benefits, increase the contributions to make sure that they remain affordable, but more than anything else, make sure that the contributions become more relevant, not only in terms of today's finances, but more relevant in terms of being able to provide them with a pension at the end of their working life.

Mr. President, I know that I have said before that many employers regard national insurance contributions as an expense, and that is rightfully so, particularly for both tax and other financing accounting conventions, but in my view, if we do not do this at this point, we really will not be seeking to do proper nation building, and we cannot have proper nation building if we do not have proper saving and saving elements. We will not be able to have more money available for investments if we do not start putting it aside today. So, today I want to recommend these amendments to this House and to assure this honourable House that this is only the first phase of the pension reform exercise.

Sen. Yuille-Williams: Mr. Minister, it seems that you are winding up. I would like you to check two areas. You talked about those earning \$80 or less. Are you saying that they will now be insurable? I was not quite sure.

You also said that there were eight classes. My information tells me that there are now 12 classes. Is there a difference?

Sen. Dr. St. Cyr: Mr. Minister, I simply want to enquire. There seem to be a number of tables referred to which are missing, without which I have not been able to study this at all. Could you tell me something about those please?

Sen. The Hon. B. Kuei Tung: Some I can answer. There are now 12 classes. As a matter of fact, the Order was signed before by the National Insurance Board so that there are now 12 earnings classes and there are now 12 benefits classes as well.

I could investigate the tables for Prof. St. Cyr during the course of the debate to make sure that copies are given to him. I will also investigate this question of \$80. I, myself, am not too sure. I think the \$80 was part of the law before, but we are trying to remove that to allow them. We did not anticipate people earning less than \$80 per week. We still do not. We would hope that there are no such people,

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because generally, we do not expect that people would be able to survive on \$80 per week. So, I believe that we are trying to make it more relevant, but I am not too sure whether we have dropped the whole \$80, or whether we have retained it. I would verify that for the Senator and confirm it during my winding up.

Sen. Rev. Teelucksingh: Mr. Minister, on the Public Assistance Bill, clause 3, I saw a form for income qualification being \$5,000. Is there a change now? The proposal is \$3,600 per annum as income qualification. Could you guide me on that?

Sen. The Hon. B. Kuei Tung: Is that public assistance or disability assistance?

Sen. Rev. Teelucksingh: Yes. The disability assistance.

Sen. The Hon. B. Kuei Tung: Disability is something that we introduced. It was not yet before us. I do not know whether Mr. President is going to rule me out for going on to one of the Bills we do not have before us yet, but the disability—I am sorry. We are only debating the National Insurance (Amdt.) Bill first. Later on, I will present the other two Bills. I think that was the agreement we had. I thought it was understood. I am sorry. I should have cleared it up. What I am doing is introducing the National Insurance—*[Interruption]* I am sorry?

Sen. Mohammed: *[Inaudible]*

Mr. President: In fairness to the Minister, what he introduced was the National Insurance (Amdt.) Bill and that is what I put to the House. So there was no question of clearing it up.

Sen. Mohammed: Mr. President, I regret that statement.

Sen. The Hon. B. Kuei Tung: I thank you very much for your protection, Mr. President. With these words, therefore, let me recommend these amendments to this honourable Senate, because I think it is really going to do a great deal for the National Insurance Scheme, not only in terms of administrative framework, but in terms of making it a little more relevant, particularly in terms of the pension reform exercise that this Government has started.

Mr. President, I beg to move that the Bill entitled “The National Insurance (Amdt.) Act, 1999 be now read a second time.

Question proposed.

Sen. Danny Montano: Mr. President, I understand, certainly, the general object of the Bill and I have no problem with the general purpose of it, but I do have some difficulty with quite a major part of the whole thing. In the first instance, I really cannot get an overall view as to what is taking place here, because when one reads the Bill, one is inclined to assume that the new contributions are going to be according to table C in the attached Schedule, and the Bill makes reference to certain benefit schedules that are not attached to the Bill. So, we are talking about revenues for the NIB and increased contributions of the NIB, and we really do not know what we are talking about.

At this point, we are talking only in theoretical terms. We know we are going to generally approve an increase in the contributions, and an increase in the benefits, but we really do not know what are the increases. It is puzzling to say the least, but we are standing here in the Parliament of Trinidad and Tobago and we really do not know what we are talking about! [*Desk thumping*]

2.20 p.m.

Mr. President, while I say that I am certainly incapable of understanding what we are talking about, but I just do not have the information that I can really talk about this matter seriously, I have difficulty with the whole business. As I understand it the National Insurance Scheme was formerly administered, I think, by the Ministry of Social Security—

Sen. Mohammed: Social Development.

Sen. D. Montano: I beg your pardon. Sometime in the early part of last year, the agency was moved under the portfolio of the Ministry of Finance. If my memory is right, that more or less falls into line with the time when the NYC contract was finally awarded through NIPDEC to NYC—the airports contract.

Sen. Mohammed: You call that slush funds for the boys.

Sen. D. Montano: It certainly begins to raise some questions, Mr. President as to:

- (a) Why that would happen;
- (b) Why we are talking in the dark.

We really do not know what we are talking about. What are we actually going to levy on employers? What are we actually levying on employees? What are they actually going to benefit? Perhaps it was published by the NIB somewhere, but

with the greatest of respect, I have not received it. I do get copies of the *Gazette* and I have not received anything like that, I do not know if anybody else did. I do not know where it is.

I begin to wonder what exactly is taking place. I went so far as to pick up the last audited accounts of the National Insurance Board that was laid in Parliament, and it quite clearly indicates that the fund, as it is, is in surplus. According to note 2, the actuarial review says that:

“The Fifth Actuarial Review of the National Insurance System carried out during the second half of 1996 by the International Labour Office (ILO), concluded that the system was financially sound.”

I see that they have annual revenues of about \$257 million dollars. I thought that the new contributions were going to be as per Table C. If they are not and we are going to have 12 classes, I have no idea what the revenues are going to be. But I would just like to share with Members that based on this, which will show an average increase of approximately 40 per cent increase in contributions, the increase in revenues for the NIB is going to be in excess of \$100 million dollars a year. Now that is based on misinformation and obviously there is something new that is coming down and it could be vastly more than \$100 million.

Now, I want to tie that in to the situation with the NYC contract that was given by NIPDEC. I certainly wondered how a contract like that is financed. So I picked up the accounts of the National Insurance Property Development Company and I see that in note 4, it clearly indicates that amounts due on Government's sponsored projects would be approximately \$954 million against which they have received \$826 million approximately; a balance owing from the Government of \$128 million dollars. Now these are the accounts for June 30, 1998.

If my memory is right, that NYC contract was awarded sometime after June 1998. So here it is that NIPDEC is financing many of the Government projects, but in fact, Government has to fund NIPDEC.

As I recalled in the budget in October of last year—I did not see any line item in the budget whereby Government would be funding any airport contract. I did not see it and I did look for it, so if Government is not funding it, where is the funding coming from? Now I fully understand that NIPDEC can borrow funds and, apparently, based on their balance sheets, has in fact borrowed funds and is in the practice of borrowing funds from different sources.

When I see that the revenues of the National Insurance Board are going to increase by well over \$100 million a year; and we really do not know how it is going to be applied, I begin to ask certain questions. Is what the Government doing and presented to us credible? [*Desk thumping*]. Or do we, as citizens of the country, have to raise serious doubts—

Sen. Mohammed: We do.

Sen. D. Montano:—about the integrity of what is taking place here.

Sen. Mohammed: Definitely.

Sen. D. Montano: That is the issue. You have a situation where there was an issue concerning Mr. Trevor Romano who is a Director of NIB and who was assigned to act as a liaison officer between the General Manager of NIPDEC and the Board of NIPDEC and he was assigned to do that liaison at a stipend of \$15,000 a month, that was to be effective from September, 1998.

A question was filed in Parliament, in the other place, through the Minister of Finance and the whole matter is certainly less than clear and I would let Senators and the general public come to their own conclusions as to—

Sen. Mohammed: Disappointing.

Sen. D. Montano:—the veracity of what the Government is doing. Let me just explain it to you.

The question was whether any members of NIPDEC were being specifically paid to monitor the activities of the NYC consortium contract and the Minister of Finance responded and I am quoting from the *Hansard* where he said:

“No member of the Board of Directors of the National Insurance Property Development Company Limited (NIPDEC) has been assigned direct responsibility for overseeing the Northern Construction Limited, Yorke Structures Limited and Coosal’s Construction Company Limited (NYC) contract between NIPDEC and NYC at the airport.

The NIPDEC Board, however, did appoint one of its members, Mr. T. Romano, in April 1998, to represent the board at such meetings as may be held with external parties pertaining to the Airport Development Project.

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Mr. Romano is also Executive Director of the National Insurance Board...and receives no remuneration from the board of NIPDEC in respect of this special responsibility”.

Mr. President, in terms of determining the veracity of what Government is doing, one has to pay very close attention to what is being said. When the Minister was questioned further he went on the say—

“I am saying that he is paid by the National Insurance Board as a substantial officer of NIB. NIB has assigned him to attend meetings so he continues to get his regular compensation from NIB but NIPDEC to which he is assigned, which is a subsidiary of NIB does not pay him any compensation for attending the meetings.”

Mr. President, the question was couched and they were talking specifically in reference to the NYC contract. But I think it was generally the intention—

Mr. President: Senator Montano, unless you can give me the direct nexus between what you are saying and this part of the Bill before us, I would ask that you refrain from going further into that matter.

Sen. D. Montano: The nexus is very simple. It is a question of the application of the funds of the National Insurance Board [*Desk thumping*] and how they are being applied. That is my concern here. The fact of the matter is, this Bill has been presented to us without any explanation as to what the revenues are; what the benefits that will be paid out are under the new scheme, and we really do not know how it is going to be applied. We have very serious questions here regarding the payment of a stipend to Mr. Romano.

2.30 p.m.

I have a copy of a memorandum from Mr. Bayley, the chairman of NIPDEC indicating that Mr. Romano is to be paid \$15,000.00 as liaison between the general manager and the board of directors. When someone is asked to tell the truth, it is the normal expectation and the onus on the Government not just to tell the truth, but the whole truth. The question is whether or not Mr. Romano was being paid any money at all. It may have come across in the original form as whether or not he was being paid for the NYC consortium project, but the question really went to the root of the issue which is: Should he be receiving a stipend while an employee of the National Insurance Board? That is the issue.

Mr. President: Sen. Montano, I am not satisfied that the issue you are taking is strictly relevant to the Bill being debated. I ask that you desist from that course.

Sen. D. Montano: All right, Mr. President. The problem here is exacerbated by a very simple fact. We know that there are going to be enormous sums of revenue coming into the National Insurance Board, and I have indicated that based on the contributions, it would be at least \$100 million. In all probability it may be \$200—\$300 million more than what the National Insurance Board is now collecting, but if Senators would look at clause 4 of the Bill, it would be seen that there is an establishment of an investment committee. In fact, in the original legislation, there was an investment committee, but now there is a new one and the composition is slightly different.

Mr. President, I want you to understand that we have an Insurance Act which governs specifically how insurance funds of insurance companies which are registered in Trinidad and Tobago could be applied and what could be admissible assets of an insurance company. The Minister has indicated that since 1980 there has been no substantial legislation dealing with the National Insurance Scheme while we had an opportunity, and the fact that the dollar was floated in 1994 created very different investment opportunities for the National Insurance Scheme.

What are we to expect of the National Insurance Scheme? There are no directives in this legislation about how the investments are to be applied. In the Insurance Act there are limitations that any local insurance company must maintain—I believe the number is 70 per cent in Trinidad and Tobago assets. It is a very substantial limit and we have no such limit here. There is no such requirement in the Bill and I have to ask why.

Mr. President, when the Bill is presented in a virtual cloak of secrecy and when we see what is actually taking place between the National Insurance Board and NIPDEC, that there are no regulations governing the investment funds which are going to be enormous, questions must be asked. It seems that the Government is not shy about trying to control things. If one looks at clause 8 where losses which have to be written off must be subject to the approval of the Minister and expenses must not exceed a certain sum as approved by the Minister, one sees that the Minister is quite prepared to control certain things and is willing to put it in the legislation to govern the activities of the Board by not actually subscribing to the view that it is the Minister who should control it. The point is that the Minister is quite prepared to control the activities of the National Insurance Board. If that

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is the case, why are we not governing the investment activities of the investors? It comes as if we are talking about hundreds of millions of dollars per year. Where are these investments going to reside? Are they going to reside in New York, Paris, or in London? I would hope that a substantial part of it must reside within our shores. That is the nexus of the whole business, the application of funds.

There are many opportunities for investment. We have enormous foreign investment taking place right here. Are we saying that we are not to develop the indigenous savings, we cannot finance these things ourselves nor even a small part? I do not accept that view at all.

Mr. President, without looking at the benefit schemes, it is difficult to assess what the Government is really doing. One of the things I do know is in three and a half years of governance, the Government has completely ignored its social responsibilities. I talk to bankers on a regular basis and they have said that the financial debt of the country has been coming down, the debt service is becoming a smaller and smaller per cent of GDP and Government revenues and that is very good. But there is something called a social debt, and while the financial debt of the country may be coming down, the reality is that the social debt is escalating at a staggering rate. While the general level of infrastructure is breaking down and not being repaired fast enough, there is a social liability that can be quantified and is escalating at a rate faster than the financial debt. It has to be translated sooner or later into a financial obligation. The schools must be built and brought up to international standard, hospitals must be renovated and fully staffed. That is what is necessary here. The roads must be built, and do not talk about water. Since Severn Trent left a few days ago, I have had no water in my house for the past 10 days. I would not be surprised if the Minister's former wife has moved back with him, for she does not live too far away from me.

Mr. President, one has to look at what is taking place here. There have been signals from the Government. The Government wants to privatize the National Insurance Scheme. In the kind of vacuum of information we have, what are we to make of all these plans? How do we speak intelligently when they have a complete vacancy of information? The Government is on record as making sweetheart deals with close associates. We are all familiar with the Winsure/Maritime deal which we insisted had to be properly measured by a firm of actuaries before any money and policies were handed over. Given that background of Winsure/Maritime, Romano, NYC what are we looking at? What is the Government going to be doing with \$200 million a year?

Mr. President, I want to draw Senators' attention to a number of specific problems which I had with the legislation and I would like to appeal to the good sense of the Minister, and coming from the private sector he would understand some of the difficulties. While I am aware of the need to tighten up certain parts of the legislation, I do have specific problems to which I would refer you.

Clause 17 seeks to amend the Act by adding a new section 39A(b) which says:

“An amount of money payable by an employee as a contribution under this Act and deducted by the employer from the salary or wages of his employees shall—

(b) be kept separate and apart from the assets of the employer;”

There have been problems in the past because the liabilities of employers to the National Insurance Scheme did not have the preferential treatment that income tax has, and what had happened on many occasions, which I saw myself, was that if a company had been put into receivership, in truth and in fact, the National Insurance Board was standing like any other creditor, and because of the quasi-governmental institution it was felt that by accretion of law that the liability to the National Insurance Board should be a priority charge. I have no difficulty with that at all. That is certainly the situation with the taxes which are deducted as the PAYE taxes. Why has this Act in fact given the National Insurance Board a priority charge? There is absolutely no need to separate the assets and take the insurance funds to some other bank account. That does not do anything except tend to create a bigger administrative headache. It does not occur within the PAYE or health surcharge scheme which again has the same accretion. They require charges, but they do not have to be physically separated from the companies or the employers' assets. The priority charge remains and there is no requirement to separate them and I see absolutely no reason why in this case the assets must be separated.

There are at least four situations within the income tax law which are the PAYE, health surcharge, business levy and income tax—whether it is corporation tax or personal income tax—and in all four situations there is a priority charge to the state, but in none of those situations those funds have to be physically separated from any other funds of the employer and, therefore, to require this is just to create an administrative headache on the part of employers.

So too, is the proposed section 39B which says:

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“Where any employer fails to pay the amount of contributions payable by him to the Board under the provisions of this Act on the due date, he shall be liable to pay—”

a penalty and interest.

Mr. President, I have no difficulty with the penalty and interest. This is the same thing which occurs with the taxation scheme, but the “due date” in the definition section means the last day of the month. The problem with that is that many employers pay their employees on the last day of the month. The pay is in fact prepared that morning and everybody is paid by afternoon. It is only the larger organizations that might pay several days in advance of the month end or week in advance or whatever the case may be. It is for that reason that the income tax authority saw fit to allow employers to remit their PAYE and health surcharge 15 days after the end of the month in which the salary had been paid. It is for that same reason the value added tax scheme gives employers 25 days after the end of the period to calculate and remit their VAT, but now there is a situation where knowing what the situation is, the national insurance is due on the last day.

On the last day of any month, the banking system is in a mess where everybody is cashing cheques and so forth and the practice of the National Insurance Board—this is a practice, it is not law—is that they either want cash or certified cheques.

They do not accept business cheques so it becomes a real headache on the last day of the month to send someone to the bank to line up there to get a lot of cash and/or a certified cheque and then hustle it to the National Insurance Board.

2.45 p.m.

Mr. President, it is not necessary. Give us the 15 days because everybody, when they are doing the payroll, have certain routines. They do the payroll and then on the 15th, most employers remit the PAYE, health surcharge and the NIS payments on the same day because it is simply a convenient time to sit to do it. They do all at the same time because the information is coming from the same source. So it makes absolutely no sense to have everyone scurrying around to try to pay it on the last day of the month. It makes absolutely no sense at all, so I appeal to the Minister to allow us to have a bit of flexibility here.

In fact, the issue of the benefits has already been raised. I was going to talk about that. I do not know what to say about that because I have no information on it, so I am unable to say anything.

I would just like to refer to clause 28 where, again, we had another peculiar change where the penalties in section 71 are being changed from “a penalty of five hundred dollars or three months imprisonment...” to “a penalty of one thousand dollars or six months imprisonment”. I could safely understand how, because of inflation, \$500 could be translated to \$1,000 in order to be as punitive as it was when it was originally enacted. But how is it that a three months prison sentence is subject to inflation as well? I mean three months in jail in 1980 had to be just as bad as three months in jail today.

Hon. Senator: Yes. You have more company now. [*Laughter*]

Sen. D. Montano: With all due respect, we keep seeing these things and no rationale is being given to us as to why the sentences are being increased. Now, if you give us a rationale, we can talk about it. If you think it is a deterrent, say so and then we can debate that, but at this point, I do not know why it is being changed and it certainly does not make any sense to me. I really do not think that it is going to be a deterrent. I think that people are either going to comply with the law or they are not going to and the penalties do not seem to make a whole lot of difference.

With those words, I leave the rest of the Bill to my colleagues on this side and I thank you very much.

Sen. Diana Mahabir-Wyatt: Mr. President, I think that this amendment to the National Insurance Act is an amendment which is long overdue. The Minister in his introduction spoke about the purpose of this which is trying to make it a little more relevant. He was very careful to say, “ a little more relevant and a little more in keeping with what the aims and objectives were”. I have a great deal of sympathy with this. I was, in fact, one of the persons on the tripartite committee that developed the original Act some time ago and I am very much aware of what the original intentions were, and it is amazing what difference 19 years make in the relevance of an Act because the structures and situations are different.

Sen. Kuei Tung: Let me inform you. I was given some information. I was a little bit incorrect. The Act was actually passed in 1971, not 1980. The last amendment was 1980. I do not want you to make the same mistake I made since you said 19 years and the amendment was, I think, not major, but there was an amendment.

Sen. D. Mahabir-Wyatt: Thank you, Mr. President, it looks like I am older than I remembered that I was and I am grateful to the Minister for reminding me. [Laughter]

The point I was trying to make was that the intentions of the National Insurance Act when it first came up were very real, sincere and genuine and these were to make sure that people in Trinidad and Tobago would be taken care of when certain situations arose in their lives when they could not generate income. I have been very critical for some years now over the failure of our social security support network to keep up with the obligations that we originally envisioned for it. I am very pleased to see that this Bill has come before us but I am very disappointed, to be perfectly honest, to see that it does not provide even more in terms of assistance for people through pension—people who are going to have to suffer in times of illness.

While I am glad that certain provisions have been included in the Bill, which I will mention as I go along, I really feel that we have to make a total commitment, and this is just the first step in a series of steps to bring the National Insurance Act up to something which is far more relevant to the period of inflation that we are entering. It is a help and it goes a small way but we have a long, long way to go yet.

I make some comments about the Bill. First of all, I wonder if the Minister when he is winding-up, could explain why we need clause 4 to create a body corporate because it is my understanding that the National Insurance Board is already a body corporate. Is there some legal omission that took place here? The National Insurance Board has been operating since 1971 and has been operating as a legal entity—as a body corporate.

In the Explanatory Note to the Bill before us, clause 4 amends section 3 by repealing the first subsection of that and establishing and incorporating the board. This may be a legal omission that I do not understand but I am just wondering why it was necessary in the first place.

I was very interested to see that clause 6 which amends section 13 is going to specifically define what the annual report of the board has to speak about. The old section talks about the annual report covering the operations or proceedings of the board and the operations of the Act, and going through the latest annual report of the National Insurance Board, which I have with me, it covers those areas such as financial

management, preparing for pension and reform, international relations and the insurance operations, which are extremely important to what goes on in the board.

I am just wondering, in addition to this, why the drafters saw the need to be more specific in terms of what exactly had to be included, because this does go on to a number of things such as the number of contributors and beneficiaries, contribution income collected, fixed expenditure in the administration and so forth. I mean, all this stuff is there anyway so I just wondered why it was necessary to include it in the Bill. It is simply a question of information that I would like to have cleared up.

I also refer to clause 7 which amends section 14 of the existing Act. The Minister explained why clause 7 was necessary and this is the controversial clause which was bound to be raised—and I am surprised it was not raised in a more fiery way by Sen. Montano—which had to do with the board appointing:

“...on such terms and conditions as it thinks fit an Executive Director, a Secretary, a Chief Financial Officer...”

Now the existing Act has, by and large, the same provision as that subclause (1), and it says that it:

“...may, subject to the approval of the President, appoint on such terms and conditions as it thinks fit, an Executive Director, a Deputy Executive Director, a Secretary, a Financial Comptroller...”

This removes from the President the necessity of—in other words, the board no longer has to get the approval of the President to appoint these people on terms and conditions. I think that is eminently sensible. I do not think that staff at this level should have to go to the President; it is just a complete nuisance.

But subclause (2):

“Subject to approval of the Minister, the Executive Director shall receive a salary and allowances as may be determined by the Board;...”

That I have no problem with; I am just wondering why we have to add:

“...and no other officer or employee shall receive salary or allowance higher than that of the Executive Director.”

This sounds to me to be a bit specious, if I can put it that way. You may very often have the need to appoint or to get in a specialist—on some particular aspect,

for example, of an actuarial study—who would be working for the board and people who do that kind of actuarial work do not come cheap, as we know.

Now, the old Act had a provision that anybody who was going to be paid more than an annual salary of \$18,000 a year, the Minister had to give permission for an increase in salary. I have been arguing for years and years against putting in the law specific amounts of money where it comes to salary, emoluments or allowances, because money values change so quickly and at \$18,000 a year, obviously, you are not going to get anybody to work. But, why this restriction saying that no employee can receive “salary and allowances higher than that of the Executive Director”?

I know of situations where there are sales people working in a retail firm who sell on commission and earn more than the executive director. As long as they are bringing in, who cares if they earn more than the executive director? I know this is not on all fours, but if you have specialist expertise where you are employing somebody for a short period of time, you may well have to pay them more than the executive director, providing you get the approval of the Minister. There are safeguards built in where you have to report this, under clause 6 (2A)(c)—in other words, any fixed expenditure. Well, that would not be fixed expenditure, expenditure in terms of administration of the system. I do not know why it is necessary and it seems to me to be an unreasonable restriction.

I would like to comment very briefly on the amendment to section 22 because, for many years now, I think for the first 14 or 15 years of its operations, I was on the Board of Directors of the National Insurance Board and for most of that time, the board suffered under this 9.5 per cent of revenue of the board which was allowed for the purpose of administration. I am glad to see that has been removed and replaced with “an amount consistent with the recommendations of the actuary arising out of the periodic review of the National Insurance System”. It was always the actuary’s recommendations that made far more sense than a specific amount built into the Act.

I note it is not in relation to this one, but it is still in relation to other pieces of legislation that come before us, we are still doing this ridiculous nonsense of putting specific amounts as though we have not learned from years of experience that inflation and social changes completely alter values in terms of financial and monetary standards.

3.00 p.m.

I have another question and I am wondering whether this is a typographical error. In the Bill, under clause 9, the Act is amended by repealing section 24 and substituting the following—this is in relation to the Investment Committee. I think that the National Insurance Board probably has more money to invest than any other individual body in this country. The amount of money that goes into the National Insurance Board is enormous.

The operations of the Investment Committee, therefore, are extremely important and it is right that people should be sensitive about it. I think it is quite right that Sen. Montano should be worried about it. I do not happen to agree with him; maybe we get advice from different people, but I do not happen to agree with him that all moneys of the National Insurance Board should, perforce, be invested in Trinidad and Tobago. I think that under certain circumstances, when there are no investments of suitably high return which are available, the Board should be able to invest, as the Unit Trust does, abroad.

However, in section 24(9) itself, it is stated that the composition of the Investment Committee consists of:

“(a) the Chairman of the Board as Chairman;”

I have no problem with that.

“(b) the Executive Director;”

I have no problem with that. But, then there is a provision:

“(c) “three other members of the Board appointed by the Minister;”

I am wondering why in (d) we also have:

“(d) three persons nominated respectively by the Minister, the Directors who are nominees of Business and the Directors who are nominees of Labour.”

Clause 24(d) gives you nine people plus the Chairman of the Board, which is 10, plus the Executive Director which is 11. To put three other members appointed by the Minister, seems to put an usually heavy government bias into the Investment Committee. [*Desk thumping*]

While, I realize that there are certain national guidelines that have to be followed, it does seem to me that, in the Investment Committee particularly, of

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the National Insurance Board, this is neither advisable for either political or national reasons, nor is it sensible in terms of the operations of the National Insurance Board itself. I am wondering if this was a mistake. I hope it is. Because it is not something that I feel comfortable with supporting otherwise.

The other thing which I would like to find out the reason for, is that under the old system the Financial Comptroller or what is now being called the Chief Financial Officer was a member of the Investment Committee. That person has been removed in this Bill from sitting on the Investment Committee and I just cannot figure out why. There is no reason which has been put forward either in the explanation or by the Minister.

Under section 24(1) of the existing Act:

“...an Investment Committee consisting of—

(a) the Chairman of the Board, as Chairman;”

Just as it is here, it has always been that way. The Executive Director was not on, previously, but now is going to be on. I have no problem with that.

“(c) three persons nominated respectively by the Minister of Finance, the Directors who are nominees of Business and the Directors who are nominees of Labour;”

I would just like to mention that it always was the Minister of Finance who nominated people to the Investment Committee of the National Insurance Board even when the Board itself was under the Ministry of Labour.

But then the Financial Comptroller was on, and the Financial Comptroller has been removed. I just cannot figure out why it is that the person who is the Chief Financial Officer of the National Insurance Board, who is going to have to be carrying out a lot of this stuff, has been taken off.

Just a couple other comments, Mr. President. In relation to the benefits—again there is this peculiar thing—we used to have a minimum contribution earnings limited which used to be \$5 a week. Now, we have repeated our mistake by still putting in a monetary value. It is now \$80 per week. I agree with Minister Kuei Tung—anybody who is earning less than \$80 a week is in a pretty powerless state. I notice that what the amendments do is ensure that the people who earn less than \$80 a week will not be insured by the National Insurance System anymore. I have a great deal of compassion for anybody who earns less than \$80 a week. I

just want to know under what aspect of the social safety net or the safety net, will these people be caught. Because there are people, we know, in Trinidad and Tobago who do earn less than that.

Sen. Kuei Tung: It stands at \$80—\$130. You have to decide how it should be done. After \$80 you have to pay it. The point is after May 03, 1999 people who are earning up to \$80 will no longer be asked to pay national insurance. They really cannot afford it in the first place. So there must be an \$80. I agree, like you, to remove the number from it, but I cannot do it because it is already in the tables. I know what it means. I think the undertaking that Government has to give is that there must be—and I am hoping that the Senate understands and appreciates the importance of this—a periodic review. Failing to do that, makes it really irrelevant very quickly.

I hope that successive governments will take the cue from us and say, even though, I know, over the years, it has been hard to try to bring about change in it, we must as a nation decide that it has to change. If not, as I said, it becomes marginalized quite quickly. I do not think that we can avoid the \$80 this time.

Sen. D. Mahabir-Wyatt: Okay, but since I brought it up and since you did agree that we have to have periodic reviews, I hope the next one does not take 28 years.

I agree with you, I think that we should have some sort of an undertaking. We should build it into our procedures that there should be a review of the National Insurance Act, at least, once every 9 or 10 years or less, because otherwise it is bound to become irrelevant after a while. The new contribution ceiling which has gone up, as the Minister just mentioned, to \$810 a week, does mean that a larger percentage of the population is now going to be covered under the provisions of the National Insurance System.

I gathered, from recent research, that this means something like 80 per cent of the working population will now be covered. I think that it is quite instructive to realize that 80 per cent of the population in Trinidad earns \$3,500 a month or less. There is only 20 per cent of the population that earns more than that.

One other question which was bound to come up, and that has to do with the registration provisions which are covered in the amending Bill. The obligation, quite rightly, which existed before, has been tightened up and the legal responsibility for the registration of employed persons is now shared by the employee and the employer, which it was not before.

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I really do feel that the legal obligation for registering domestic employees, if not casual agricultural workers, should also be shared by the employee and the employer, because we do have a substantial number of people who are employed in that capacity, and who are not covered by the National Insurance System, and they get old, too. They get old, they get sick, they get into a position of disability and they do not have any coverage because in 9 out of 10 cases their employers do not cover them. I think that it is important that this be considered, also. The time has long passed where we cannot include categories of workers simply because they are domestic employees. I think because they are women—at least 80 per cent of them are women—I feel very strongly about this.

I would like to add my agreement to that of Sen. Montano about the new provisions which ensure the improved collection of NIS contribution with the provisions that include a penalty of interest and the power given to the Board to garnish moneys owed by employers without having a court order. I like the idea of the trust as well. I think that is very good. Moneys should be held by the employer in trust for the Board so that interest can be charged. I think it will make compliance an awful lot easier. We run across cases continuously in this country, where employers who run into financial difficulties—and there are going to be more of them over the next 10 years—deduct moneys from employees wages but do not submit them to the National Insurance Board. When the Board tries to ensure compliance, the moneys have just disappeared. I am very pleased to see that these provisions have been put in.

The only thing that I wish to find out in relation to the money being put in trust is: does that include government as an employer? Because there are certain government departments which, unfortunately, have been making deductions for national insurance and have not been paying those moneys into the National Insurance Board. There is a substantial amount of those. I want to know: will government as an employer also fall under the provision 39A where the amount of money that has been deducted is going to be held in trust for the Board by the employer, and if this will be charged? These are the major comments that I wish to make. I do hope the Minister will reassure me about the make-up of the Investment Committee.

In closing I would just like to repeat that I am very pleased to see that finally this amending Bill has come to Parliament. It is so far out of date. I mean, it is so late having come. Twenty-eight years is far too long to have something which is as important to social security of people in this country as this is, held back.

Subject to the queries that I have asked, I am pleased to support the Bill. Thank you, Mr. President.

3.10 p.m.

ORDER OF BUSINESS

Mr. President: Hon Senators, before calling on the next person to make his or her contribution, I would like your consent to revert to item 11 on the Order Paper, "Statements by Ministers", to permit the Minister of National Security to make a statement. Do I have your consent?

Assent indicated.

SHOOTING (PRIME MINISTER'S RESIDENCE)

The Minister of National Security (Sen. Brig. The Hon. Joseph Theodore): Mr. President, I made a statement yesterday coming out of the incident that occurred at the Prime Minister's residence yesterday morning. I should like, with your leave, to make a statement clearing up certain issues and perhaps indicating to this honourable Senate the situation as it exists and what plans we have.

At approximately 8.33 a.m. on Monday, April 19, 1999 two officers of the Trinidad and Tobago Defence Force died of gunshot wounds in a murder/suicide tragedy which occurred at the Prime Minister's La Fantasie Road, St. Ann's, residence. A third person, a civilian employee, was also shot in the incident and is hospitalized and reported to be in a stable condition.

The information is that Lance-Corporal Anthony Caesar, a soldier of the Trinidad and Tobago Regiment, fatally shot Commander Noel Penco of the Trinidad and Tobago Coast Guard, a comptroller of the household at the Prime Minister's residence. Ms. Heather Wiltshire, an assistant to the Prime Minister's secretary, attached to the Prime Minister's residence, was also shot, after which Corporal Caesar turned the weapon, a service pistol, on himself.

Commander Penco, with 28 years service and 17 years commissioned service, had been comptroller of the Prime Minister's household since 1995 and was promoted in that position in November 1997. He was married with four children. Lance-Corporal Caesar had been attached to the household as a driver for the past

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four years and had a very good performance report as a soldier. He was married with one child.

An investigation into the actual details of the tragedy is being conducted by a team of police officers headed by Assistant Commissioner of Police, Mr. John Grant. The Defence Force is also undertaking an inquiry. It should be noted that at no time were there any security procedural breaches at the Prime Minister's residence.

Prime Minister Panday, who was at the time in Costa Rica on official business, has cut short his visit and will return to Trinidad and Tobago this afternoon at approximately 3.45 p.m. The Ministry of National Security, meanwhile, has enlisted the assistance of the Ministry of Health and has been provided with the services of two psychologists and two psychiatrists who will interview those persons who were directly involved in yesterday's incident to determine whether they have been negatively affected and to prescribe treatment as deemed necessary.

In addition, His Excellency, The President, and the Prime Minister have been approached for the members of their household staff to undergo evaluation to determine whether counselling or any form of treatment is required. Steps are also being taken to ensure that every member of the Trinidad and Tobago Defence Force and special units within the Police Service are exposed to ongoing psychological evaluation. The in-house psychiatrist, Dr. Bonterre, will be closely involved in this project as the Ministry continues to seek and implement measures to avoid the recurrence of incidents of this nature. Mr. President, I thank you.

Sen. Daly: Mr. President, in accordance with the ruling in May's, page 306, may I ask a question? It is either 306 or 308, on the right-hand page.

Mr. President. Let me just check that. Page?

Sen. Daly: It is either 306 or 308, Sir.

Mr. President: I found it.

Sen. Daly: I think the footnote is 8.

Mr. President. Yes, it would appear that it is permissible. For the benefit of Senators, without going into all details, just let me read a small section of it.

“As no question is before the House, debate on such statements is irregular, but questions arising from the statement are normally raised and replies given by the Minister.”

It also says:

“The Speaker has indicated that Members who wish to put questions in relation to a ministerial statement should be in the Chamber at the time when the statement is made.”

Sen. Daly: Mr. President, is the Minister prepared to disclose whether any motive for this incident has been discovered, given the fact that reputations of people are involved?

Sen. Brig. The Hon. J. Theodore: Mr. President, I have here a report from the Commissioner of Police dated April 20, 1999 and it states on page 3 of the report, and I quote:

“The motive for the shooting is not clearly established as yet...”

Basically, Mr. President, I would like to stick to the first line of the sentence that the motive for the shooting is not clearly established as yet. This is the point made by the Commissioner.

Sen. Daly: That is misleading. On a point of order, Mr. President. For the Minister to do that is basically to mislead the Senate. My question was very specific. Do they have any preliminary indications about motive? Basically, then, therefore, it is to mislead the Senate to say that they have information but they do not want to read the “However”. We understand that it is preliminary, but it is clearly misleading the Senate to say you have a report from the Commissioner that says something but qualify it. I would ask you to rule that my question be promptly answered. We have a right to know.

Sen. Brig. The Hon. J. Theodore: There is no intention to mislead the Senate. There are several bits of speculation.

Sen. Daly: By the Commissioner?

Sen. Brig. The Hon. J. Theodore: As pointed out by the Commissioner, he says the motive for the shooting is not clearly established and I think it is only fair that the term “clearly” be taken in the context that it is used and at such time when the appropriate information is available, I should like to assure this honourable Senate it will be passed on.

Sen. Mahabir-Wyatt: Mr. President, I have one other question arising out of the Minister's statement. Can the Minister indicate if any specific concrete measures are being contemplated to provide the kind of psychiatric help and evaluation for members of the police force and the regiment before such crises occur, rather than waiting until after such crises occur? With the greatest of respect, one psychiatrist for 6,000 men is totally inadequate.

Sen. Brig. The Hon. J. Theodore: Mr. President, in looking at the situation with the matter of the stress-related activity of the police, we found that the police were reluctant to approach the psychiatrist simply because he was located on police premises. We started a programme only last Friday, Mr. President, on the 16th, where the psychiatrist is to visit the various divisions to point out to the police officers what services are available. We are also providing separate offices, not at police premises, where they can consult in confidence with the psychiatrist and welfare officers without fear of being branded in some form or the other. This programme has started, and it will continue, and the intention is that, once what we call the awareness programme is finished, there will be an office to which they go to consult.

Sen. Mahabir-Wyatt: The regiment as well?

Sen. Brig. The Hon. J. Theodore: Two welfare officers have already been advertised for in the Police Service. In the regiment it is not as difficult because the psychiatrist is there, but simply, there was not a programme to which people should go as a matter of course. It was more so that when they were referred by the medical doctor they saw him and this, again, is what we have passed on to the Acting Chief of Defence Staff, that it be made a regular feature of army life, very much like an annual medical inspection. I would like to say that in the Police Service, however, Mr. President, all recruits on entry do have a psychological evaluation before joining and this has reduced the drop-out rate and it has greatly improved the quality of officer coming into the police service. Thank you, Mr. President.

Sen. Ramnath: Mr. President, in the context of the Minister's statement, would he not say that the headline in today's *Guardian* has been an act of gross irresponsibility, not only being inflammatory but one which has attacked and impugned the character of certain people involved with the incident?

Mr. President: I just want to mention that I will not permit further questions. I will close it after the Minister has replied.

Sen. Dr. St. Cyr: Mr. President, of the three persons—

Mr. President: Sorry, Senator. After the Minister has replied to the question raised by Sen. Ramnath I am not permitting further questions. I want to close it then. We are entering into a debate on it and I do not think that was what was anticipated in May's.

3.25 p.m

Sen. Brig. The Hon. J. Theodore: Not being a journalist, nor the chairman of any newspaper, I am certainly in no position, Mr. President, to comment on the front page. What I do know is that the headlines do make the news and the headlines do sell the papers. I will leave it to the people so engaged to consider what damage they may have done by publishing such a front page. Thank you, Mr. President.

Mr. President: We will revert to the Bill that was under debate.

NATIONAL INSURANCE (AMDT.) BILL

Sen. Martin Daly: Mr. President, this is certainly a piece of legislation that ought to be supported. I am in something of a dilemma over the timing of this legislation because if May 3 1999 is the deadline, I would have thought that those who arranged the parliamentary business would have sought to arrange the debate earlier, particularly, as it is now apparent that very relevant information, in the form of the amendments to the figures, was not available until today. I really think it is slightly contemptuous of the Parliament, to begin a debate when these figures are not available. I am not suggesting, for a moment—it has not been clearly established—that the motive of the Government in releasing these only today was to cover anything up. However, it certainly suggests that we cannot conduct a proper debate on the basis of these figures being sprung on us now.

On the other hand, the Bill is very timely, first of all, because there is worldwide concern about the state of safety nets in all the continents of the world. I will refer to that. It is also timely, Mr. President, because the acting Prime Minister told us last night and I quote:

“There is mindless violence stalking the land. The entire nation must join in common cause to deal with what seems to be an increasing problem in which no person and no place appears to be safe”.

Now, that is relevant, with respect, Mr. President, because one of the things we are dealing with in this legislation is the death benefits payable to survivors. So, it is entirely relevant for us to have this clear statement from the acting Prime Minister, that the mindless violence stalking the land is such that no person and no place appears to be safe. I suppose the Bill is very timely in that regard, in that it is proposing to increase the death benefits payable to survivors.

The trouble I have with this, Mr. President, is that I am fearful that the acting Prime Minister may be reprimanded for being unfit to hold office, because he has now joined me in condemning the senseless violence that takes place in Trinidad and Tobago. I am really in something of a dilemma, now that the acting Prime Minister has joined me in my constant assault on the mindless violence. I call it senseless, but I do not mind if he refers to it as mindless. We are debating a very important social measure against a very unsettled social background of some relevance to, at least, one provision in the tables. Mr. President, I have all of the dates on which I have spoken about senseless violence, including my reference to “total quality murder” which brought the pointless reprimand to which I referred. So pointless was that reprimand, I hope it will not be visited on the acting Prime Minister.

I have some other problems with this legislation, however, and I have already circulated some amendments which I hope will take care of some of those problems. May I say that I am totally in support of what Sen. Mahabir-Wyatt has said about this legislation coming far too late. Before I refer to certain specific things in the Act, I am a little baffled by two policy matters. The first is that I hear the Minister say, and he repeated it today, that savings are part of nation-building. I query again, why this Government removed the only real incentive to saving money in Trinidad and Tobago dollars, that is to say, the income tax concession up to one-sixth of accessible income that used to be given for deferred annuity plans. That was the only real incentive to save in Trinidad and Tobago dollars. The fact is, as I think everyone who takes part in the debate would recognize, the provisions made for national insurance really are not going to take care of everyone. Those who can afford it will find it necessary to supplement the arrangements made by the state on the basis of their contributions. It is a pity that

there is no longer any incentive for people to save in Trinidad and Tobago dollars. It really is very unattractive to do so, once that income tax relief is removed by the Government. I am baffled by that as a matter of policy.

I am also baffled, Mr. President, as a matter of policy, why it is that if this is only one phase of the pension reform exercise, we have not had some contemporaneous indication from the Government, as to what are the other phases. Apart from this being timely because of our death rate, commentators all over the world are concerned about the state of pensions for citizens in all the continents of the world.

I refer to *Global Finance*, January 1999 issue, the cover story is: “The World’s Fraying Safety Nets”. “Why Companies Should Care”. The opening paragraph of the article on page 19 says:

“The world’s complex web of social support systems—pensions for the elderly, unemployment benefits for laid-off workers, welfare for the long-term unemployed, disability insurance, health care subsidies—is everywhere looking inadequate or overly costly or both. The changes under way in different countries are only the start of what will be a long era of experiment and transformation as the global safety net is overhauled.”

Then the article reviews what is happening on all five continents in terms of the interlink between state-provided schemes and private schemes.

I would have thought it would be necessary for the Government to tell us what it has in mind—what are the building blocks of its reform plan for us to be better able to appreciate the changes that it is making to the national insurance arrangements. Those are two policy matters that concern me.

There are, Mr. President, certain features of the Bill on which I have made amendments. Two of them, perhaps, are worthy of explanation. Then I will say a word about the NIPDEC question. First of all, if I may refer to clause 9 on page 4, I do not read the proposed new clause the same way as my colleague, Sen. Mahabir-Wyatt. In particular, I do not read 24(1)(b) as she does. I understand 24(1)(b) to mean that there are going to be three persons, that is to say, nominated respectively. It seems to me that the word “respectively” means that the Minister would nominate one, the business directors would nominate one, and the labour directors would nominate one. That does not, in any way, affect the much more

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fundamental point raised by my colleague, in respect of which I have circulated an amendment.

I think it is totally unacceptable to alter the balance of the Investment Committee by the provisions in 24(1)(c), which provides three additional Government Members on the Board. Even if 24(1)(b) only refers to one each, from those sources, the fact remains that this board is capable of being dominated by the Government Members. The Chairman appointed by the Government, three members appointed by the Government, under 24(1)(c), and one member appointed by the Government under 24(1)(d). I think that is highly undesirable. I think the balance that was there before was the right balance, because as has been pointed out, the NIB, or whatever their new name will be, controls a huge amount of funds for investment. One clearly needs to have a proper watch-dog investment committee, and it definitely is not a committee that should be dominated by Government appointees. It should be evenly balanced, so if any proposed investments are considered risky or controversial, a balanced view would be taken, and the Government's view of the investment would not win out in the debate in the Investment Committee.

3.35 p.m.

I understand, from talking to, responsible people involved, that there is a problem with obtaining a quorum, therefore, what my amendment proposes, if it is only a quorum problem, is that under 24(1)(d) they appoint six persons: two from the Minister, two from the directors of business, and two from the labour directors so that there will be a larger pool, but with the same prospective balance when one marries that with the arrangements in 21(4) for a quorum. I may not have got the arithmetic exactly right because, as usual, I had to do this in a bit of a hurry, but I am totally against altering the balance of this committee. If I did not get the proportions exactly right, I am sure that one understands the intention of my amendment. I really would not like 21(4)(c) deleted and the old provisions to remain, or some formula arrived at under 24(1)(d) where we do not interfere with the balance.

That, Mr. President, is a convenient point at which to deal with the NIPDEC question. I have no doubt that the affairs of the National Insurance Board are probably run with the requisite degree of probity. The trouble is that when we look at the accounts of the Board, we will see that there is a reference to investee companies, and the reference to investee companies is explained briefly by a note from the Auditors which says that this investment represents investments in

NIPDEC, 100 per cent ownership and Trinidad and Tobago Mortgage Finance Company Limited, 51 per cent ownership. The original cost of these investments was \$32.2 million.

From reading these accounts and consulting my colleague, Sen. Marshall, I understand that there is no obligation on the auditors to insist that NIPDEC's accounts be part of these accounts. I am saying, nevertheless, that it should be an obligation of the National Insurance Board, contemporaneously with the issue of its annual report, to issue at the same time and see to it that its wholly-owned subsidiary issues its own annual report.

It is very difficult to explain to governments the perils of non-disclosure and concealment. We just had a perfect example of non-disclosure and concealment. The country has a right to know things. It has an absolute right to know things! And it is no part of the business of the Executive to commit acts of non-disclosure or concealment. The public is concerned to know that the affairs of NIPDEC are in order—and I will explain why they will be concerned to know that in due course—as they are concerned to know that people cannot run about the Prime Minister's residence if they choose, letting go hot lead!

That is why we need to know the motive at the earliest possible opportunity! Suppose it was a political motive? Everyone has seen the film, “Gandhi”. If one listened to the good public of Trinidad and Tobago on the call-in programmes today, that is their concern. If one listened to the good public of Trinidad and Tobago today, they put aside all partisan concern and were concerned to know that either the President or Prime Minister could be assaulted by one of his own guards in Gandhi style. That is why we want to know the motive, and that is why we want to know the state of NIPDEC.

We are not going to speculate. If we have a speculating commissioner, that is the Minister's problem, but that is why we have a right know. It is not “macocious” to want to know the motive. It is not “macocious” to want to know the affairs of NIPDEC. We have a right to know these things because public officials, public office and public money is involved. We have a right to know! I suppose at some stage when we hear all this rubbish about accountability and transparency, we get to the real issue, which is disclosing the facts to the public at the earliest possible opportunity.

Mr. President, I am saying that the Government should direct the National Insurance Board to make sure that NIPDEC issues an annual report

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contemporaneously with the annual report of the NIB. It has also come to me somewhat belatedly, as I listened to the debate, that I can also take care of the NIPDEC question by moving a further amendment which I will indicate orally now and put in writing in due course. I derived this from the benefit of a discussion I had with my colleague, Sen. Marshall. I hasten to say that the infelicities of the amendment are not his.

I am suggesting that on page 3, clause 6, the new subsection (2A) to section 13 where they list the things which the report must contain—I will put this in writing in due course—that we put a subclause (f):

“a statement of any financial or commercial arrangements with subsidiaries or associated companies.”

So they do not have to consolidate anything in their balance sheet. They can follow the auditor's advice, but they will tell us whether they have any financial or commercial arrangements with subsidiaries or associated companies so that Sen. Montano will not have to indulge in—it is very important, and it got me quite worried—any speculation, which apparently qualifies him for the office of Commissioner—of Police, that is—because we only have speculation. *[Laughter]* Sen. Montano would not have to involve himself in any speculation as to whether there is any commercial or financial link between the money taken from First Citizens Bank in the form of national insurance and any project, whether hare-brained or good. We would not have to speculate; we would know. So, I will be moving that amendment in due course.

Nothing I say, Mr. President, do I want to be taken as any suggestion that there is any impropriety in the running of NIPDEC. I do think, however, that the Government was very foolish when it involved NIPDEC in the airport contract. What little I understand about NIPDEC is that it was a vehicle to provide a way for the Government to get involved in property investment—whether by way of construction or whatever it may be. It was a vehicle to provide a way for the Government to use those funds to get involved in property investment, and nothing is wrong with that.

When one has a hot potato which one cannot handle, because the Commission of Inquiry says something; and someone else says something; and the court says something else, and take that hot potato and lob it at NIPDEC, NIPDEC's skin gets burned with it, and I think that we have to address that NIPDEC question because people are concerned to know whether NIPDEC is commercially or financially involved in the airport contract through funds that the NIB has received from First

Citizens. I am confident that they have not done a foolish thing, but the Government has made them look bad because it did not face up to its responsibility in relation to the airport. It chose, instead, to put someone in the way so they could blithely say, "Do not ask us anything about the airport. Ask NIPDEC".

Mr. President, if you read fiction—as I am sure you do—the safest way for the head of any organization, local or foreign, to escape responsibility is to put layers of responsibility between them so that they cannot be charged with the responsibility. And that is all the Government foolishly did. They took the problem which they did not want to address and threw it at NIPDEC. The result is that they made NIPDEC a kind of suspicious object whereas before, I think people were quite happy with the lovely buildings they put up to house offices. I think people were quite happy with that, but now they have this suspicion that somehow, the original noble purpose of NIPDEC has been, in some way, perverted and hence the NIPDEC question that I am not afraid to address; not because I am suggesting that there is any lack of probity in the running of these things, but it all comes back to the fact that people have a right to know. If they could stick NIPDEC with awarding the airport contract, with what else could they stick them? That is why we need a full disclosure, without proviso and without "however". We need a full disclosure of the relationship between these entities.

I emphasize again that I am not for one moment suggesting any lack of probity in the arrangement. I am simply saying that this Government is committed to transparency and I am making a few suggestions as to how it can actually carry out its desire to be transparent in relation to, what I have termed the "NIPDEC question". So, I hope they will take my advice in the spirit in which it is intended and I hope that we will get a proper disclosure in due course. I will move my amendment to that subsection in due course.

Mr. President, to summarize, I think this Bill is worthy of our support. I have indicated what one of my qualifications is in relation to the form of the legislation, and that is the composition and balance of the Investment Committee. I also indicated my policy concerns.

I would just like to make two other small points which escaped me when I was going through the Bill. The first arises on page 2 in relation to clause 3(b)(ii)(aa)(i)—if anyone can follow that without a headache. That is really to do with cohabitants, as we call them. I am not saying that three years is a bad provision. All I am saying is that I think the Government needs to be consistent. We went through a lot of trouble to pass the Cohabitation Relationships Act in

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which we thought out very carefully how one qualified as a cohabitant for the purposes of a court order adjusting property, and the qualifying period there was five years. So, I think it is confusing to put three years here when, in the pioneer piece of legislation—if they like—we have five years.

I ask the Government to consider whether it ought not be consistent and make it five years to be consistent with the Cohabital Relationships Act. Either that, or we reduce the period in the Cohabital Relationships Act, but I think it is very confusing for the administration of the law to have three years for national insurance and five years for a court order. If they like, they could move an amendment to reduce the period of the Cohabital Relationships Act to three years. I am neutral on it. All I am saying is that it is confusing, as a matter of administration, to have different periods.

Mr. President, I was going to say, “however something else”, but the word “however” has been somewhat devalued today. “Moreover” would be a better word. I am a little jaundiced with “however” today. *[Laughter]* I would just like to point out one other thing. I agree with Sen. Mahabir-Wyatt that the statutory trust is a good idea. I do not believe it is properly accomplished by the words that are used here, and that is why I suggested that instead of saying “shall be held in trust”, that we have a deeming provision that it “shall be deemed to be held in trust”.

I agree with Sen. Montano that clause 39A(b) is likely to be administratively difficult. I do not think once one deems it a trust it is necessary to keep it separate, and I would like that reconsidered, because my view is that if the employer is going to take the trouble to remove it from his assets, instead of putting it in another account, he could as well send it to the board one time. It does not make a whole lot of sense. I do not feel strongly about it, but I support the force of what Sen. Montano has said about the administrative difficulty.

Mr. President, I support this Bill and I compliment the Minister for breaking the logjam of 28 years. I hope that he will give those of my colleagues who are arithmetically and economically inclined, sufficient time to study these schedules that were so lamentably late in their circulation. *[Desk thumping]*

3.50 p.m.

Sen. Joan Yuille-Williams: Mr. President I would like to just make some brief comments on the National Insurance (Amendment) Bill 1999, and probably start where Sen. Daly ended. I was very disappointed when I read the Amendment Bill and looked at the Appendix. I thought clearly there was a lot missing. I

noticed that since we are in the Parliament, that we have received a number of tables which we now have to look at. I would hope that in future we could be provided with all the documents necessary to help us interpret the legislation. I knew some things were missing because I had taken some time out to speak to persons involved with this National Insurance Bill and also to read the document and, clearly, I could not relate what I was told to the information that I was given.

When I heard Sen. Montano ask a few questions, it seems to me—and I do not know where that is included—there were amendments other than those contained in this document apparently; and we did not have them. I think we need to look at that.

When I called the Minister a messenger, I remember since he did his presentation he was the messenger, so I would prefer to refer to him that way and get around it. From what I have been told, there are other amendments to the National Insurance Bill which are not included here. I think some of the regulations were amended as well, and probably when Sen. Montano asked questions about payment by cheque and so forth, that might have been part of the regulations. I think the fact that some of these changes had been made, and we were not aware of them, made us question certain things within the document. I do not know how you become aware of those changes in the regulations, but there are substantial changes in the regulations and just being presented with this and they did not come through the presenter's statement at the beginning—

Sen. Kuei Tung: If my memory serves me right, one of the problems as to the reason you are getting so confused is that the original Act allowed the board to make regulations of one kind and amendments that are necessary to amend the Act. But bear in mind, that a board could, from time to time, change its own regulations within which it was empowered to do by the original Act; that includes changing the Constitution. So you would see that some of the Constitutions which we have passed today, were actually signed by the Chairman of the Board and not by me. Some are required by law and some are not required by law.

Sen. J. Yuille-Williams: You will understand what I mean—

Sen. Kuei Tung: No I understand the confusion.

Sen. J. Yuille-Williams: —So I tried to go through this because I remember quite clearly that question Sen. Montano went through talking about payment by cheque, certified cheque or cash. That has been cleared up and I understand that you can pay by cheques, electronics and all kinds of things. I know that can be

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done. So when we asked the question it tells us that we are trying to bring things together and you have made some movement forward in certain areas and, therefore, some of the things that we are asking here today, might sound quite repetitive because those things have not been cleared up. But as you said before, we have only an amendment to the Act, so therefore, you did not have to bring those, so we were at a bit of a disadvantage. Even the Tables and the contribution schedules are not provided.

Let me just go back to the budget speech. I think you needed to have cleared up a statement which was said then. I was speaking to someone who told me that a gentleman went into the National Insurance Board and I think he was to receive a lumpsum of a certain amount of money or take it in monthly contributions, as the case may be, and he refused the lumpsum, if I am correct, because he felt that he could get \$1,000.00 per month, over a period of time. He was sure that he was going to live out that time. That took us back to the statement which was made in the Budget Speech. I think you need to clarify that for us this afternoon. If I can go back to parts of the Budget Speech, I am going to read a section from it on page 34 and I think you need to clear it up. You talked about the deficiencies in the National Insurance System and I quote:

“I propose therefore to increase...the current insured earnings ceiling from \$1,000 per month to \$3,600 per month and introduce a new earning class system while retaining the current total contribution rate of 8.4 per cent.”

For those persons earning \$1,000 and over per month, this will result in increases in contributions from the current level of \$6.45 to \$7.28 per week up to \$22.68 per week at the highest level of insured earnings.

Mr. President I wish to point out that for those persons earning below \$1,000.00 per month, there would be no increase in the contribution level. I propose further to increase the benefits payable under the system.

Pension payments will increase from the current maximum of \$380 per month to \$423 per month up to \$1,055 per month for the highest level of insured earnings and he went on to say that these are subject to an actuarial review. He also said that what this means is that the current national insurance retirees will receive higher pensions than they do at present with no additional cost to themselves. When that was said, the interpretation at the time and even in the Parliament—because I was a little taken aback—was that some people would be receiving up to \$1,000 in pensions per month. People out there

believed it and were looking forward to it and they are still looking forward to receiving their \$1,000 when this is brought on May 3, and I think that is why some of us wanted to see what the pension contributions would be like, to see whether or not it is this \$1,000.”

Regardless of what we think and the amount of money that was mentioned, I think that the hon. Minister needs to tell us exactly what has happened to that promise because I knew he said in that budget statement that you could make promises and sometimes if you cannot fulfil the promises, you will have to do otherwise. I think that in a statement like that where he raised the hopes of a number of people—and in that budget statement, he did raise people’s hopes in several areas and I do not know what is the position now but I think he very well needs to clarify it.

As I said before this gentleman decided that he was not taking this lumpsum because he was sure he could live out 27 months and get that money or some more. So I think that in fairness to the people out there, he could tell them when he will start paying the \$1,055 per month for the highest level of insured earnings. Also, if he could interpret that retirees would receive higher pensions than they do at present with no additional cost to themselves. He needs to look at a number of things like that which came out of the budget statement.

In addition to this, I also listened to Sen Diana Mahabir-Wyatt as she made her comments on the establishment and incorporation of the board and I recognized, too, that it was already incorporated and it seems to me that it was a simple change of name from the Board of Management to National Insurance Board, which it is familiarly called, and I wonder therefore, as she did, why we had to go into this whole thing to establish and incorporate this new body, when that was already done. As far as I am concerned what went on here was merely a change of name, but again, I am not into the legal area so that I would like you to speak further on that.

Section 14 is amended and we have clause 7. A lot has been said about the opening up of this area and the salaries of certain people. I just would like to know; and the information that I have received is that the former limit was \$18,000 and the amendment removed that, and the new limit which the board can direct without the approval of the Minister is \$150,000. I do not know whether the Minister would care to comment on this new limit from \$18,000—\$150,000. That has nothing to do with the Executive Director; that has to do with other

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employees—\$150,000 or less per year in salaries for the other employees and I think the Executive Director—his own would have to be negotiated with the Minister.

4.00 p.m.

I need to clarify whether that is so. We knew that the limit before was \$18,000 and I do not see why we cannot know it again, if it has already been decided.

To what extent was section 22 amended? The expenses of the scheme which would now be taken out from the revenue of the scheme itself, to what extent would that affect the payments? Before, the expenses came from the revenue, the plan would now be at the expenses of the scheme and I want him to tell me what that means to the amount of money in the plan itself since the revenue would no longer bear those expenses.

To add a note on the investment committee, I wish to support any changes in the composition of this investment committee. What struck me is that the old investment committee consisted of five members, four of them were voting members and the quorum was five. Enough has been said about it. I am just comparing what went before. The information I had is that you had five as the quorum, four were voting. When I looked at the new investment committee, I see that there are eight voting with a quorum of four and, therefore, I agree with the comments to point out the imbalance and I would go with any kind of amendment to this clause which would change this imbalance.

After having heard so much, I am quite sure that the Minister would see what is happening. It struck me how could we change to a larger number and get a smaller number for the quorum. Even if he wishes to say the quorum was four out of five, now there are eight and the quorum is still four and when one looks at how it is composed, clearly, this could not make the committee more effective. I think the hon. Minister should make some changes to clause 9 which amends section 24.

I asked about section 29 and having listened to the Minister's response to Sen. Daly, he came up with the answer that those earning \$80.00 a week were no longer insurable, but to say \$80.00 per week does not necessarily mean you are working five days a week. It could be those people who work-part-time, or a couple hours per week. I am seeing here a two-tiered system because those who were earning \$80.00 per week before, would continue to be insurable and those

who are earning \$80.00 now, would not be insurable. That is happening in a number of the Bills we have before us this afternoon. I do not know how we are going to work those matters out because people always like to compare and complain and there would be more people harassing the National Insurance Board. It is happening in the other two Bills where persons in certain classes are getting a different remuneration coming from a different contribution and we are going to have it in this one too. That is why I say it is two-tiered.

Some people who are earning \$80.00 would continue to be insured and after May if one earns \$80.00 or less per week, one is not insurable. We need to think about it because I am seeing that system is going to hurt some people. There would be people running up and down saying my brother or friend is earning \$80.00 and he is insurable, why can I not be insurable? I do not know if it is the change over which is causing it, but it is not something one would like to see within the population and it is something I see repeated in several pieces of the legislation before us this afternoon. This needs to be looked at to see what can be done. When legislation is being introduced or amended, we have to find a way to show some kind of equity so people do not complain, but this is going to be one of the problems with this particular amendment.

I agree with Sen. Mahabir-Wyatt on the issue of domestic and casual workers and this has gone a long way. This morning I had the opportunity to sit in at the meeting for the National Advisory Committee on the 2000 Population and Housing Census, and part of the information collected was time spent on household activities. They have moved in a certain direction and the Minister was part of the Parliament at the time when the bill on Counting Unpaid Work was debated in the Parliament. Next year they are going to be doing this census and that, happily, has found its way into that census and I am wondering why they are still lagging behind on the domestic and casual workers.

My understanding is that it is uncommon for the domestic workers to find the registration office and do everything themselves, while the employers of other workers have a responsibility to do it and I am seeing an imbalance there. Why should it be that way? We need to be very sensitive and at this time when we are amending, those things have to be captured. We have talked about gender issues for years, we have gone a long way and as we proceed, we have to be very sensitive to these things. The hon. Minister would have to do a little more gender

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sensitization programmes with some of her colleagues but in fairness to her, we have come a long way. So that needs to be looked at.

If the Central Statistical Office could have gotten the message on working on time spent on household activities and move that way I think with the National Insurance we need to step back and ensure that we treat the domestic workers equally. They are workers too. I think that having them just as an appendix or just saying they can register but they need to go to the National Insurance Board and do it for themselves needs to be looked at.

The hon. Minister said in his budget speech that they were going to harmonize pension fund programmes and there was an attempt to harmonize it and when we talk about the other Bills we have to look at the nature of this harmonization because clearly, I do not know what was his intent in harmonizing it, but to me, very early I saw that harmonization meant to some people less money. I am getting very worried that that could be the objective. In harmonizing this, I understand that previous to now, if a programme had to be harmonized, the legislative people had to give consent, now, as long as the President makes a regulation it automatically harmonizes the fund. I know for example, National Insurance is going to be harmonized to some extent with the Pension Fund, and as we talk about it, we would see the effect of that on the pensioners and the harmonization goes far, not only in terms of looking at what you get as pension, and looking at what you get in national insurance to ensure that you do not pass a certain figure, but it also goes beyond that.

I do not know if it is to keep a check on it, that the National Insurance Board would now be preparing the pension cheques so it is well within their grasp to see exactly what is happening. They would be printing the Old Age Pension cheques and clearly, I do not know if that depends on the harmonization that we bring everything together so that we could see exactly that you do not go above what exists. The harmonization to me, and I hope the Minister would give us a reason for it, is not just that you would wish to ensure that you keep people within a certain range and they do not go above it, this harmonization really seems to have affected the old age pensioners. I think the Minister could dispel that fear and tell us it is not that way. As I said before, I understand that the National Insurance would now be doing the Old Age Pension cheques. I think previously it was done

by some other statutory board, but now it is going to be done by the National Insurance Board which is closer to what is happening, so people could now see that nobody crosses the \$620.00. I think I would like to hear a little more about the harmonization of these pension funds and those which are down for harmonization. Or is it only the old age pension cheques or public assistance?

I think there might have been other changes, and in the budget the Minister said that invalidity and a number of other benefits including maternity, sickness, employment, injury and medical benefits would also be increased and I was trying to see what has happened or where we could find it. If we are saying that we are increasing the contributions, I think it would have been only fair that we see how the contributions from these to the persons involved are increased. It is all well and good to present the increased contributions, but the basic pension coming from those we have not been able to see. I do not know if the latest pieces of legislation which are before us would tell us anything about the increased payments, but I know it tells about the increased contributions and I feel in fairness to the classes about which I talked; the maternity, sickness, employment injury and medical expenses, we should have at least known what are the increased payments because we have to say we agree to the increased contributions based on increased payments.

When I look at classes I—IV, I notice they are below the old age pension and I was wondering why they are still below the old age pension range if that is part of the harmonization. I think the Minister needs to let us know what has happened.

The invalidity and sickness benefits are another area I would like the hon. Minister to tell us something about because previously they used to be together, but in the legislation these benefits are now separated and he needs to make a comment on that.

Mr. President, as we look at this piece of legislation, I understand and agree with the Minister that the time has come, after so many years, that we needed to address it and bring it in line with what is happening currently, but I still feel in so doing there are a number of changes we needed to make to the legislation. I am afraid, however, that because of the lack of information in terms of the documents presented, we had very few, and even the lack of information in terms of the presentation we are not really able to do as good as we would like.

4.15 p.m.

As you know, we are very zealous on this side and we like to make meaningful contributions to any bills that come before the Parliament but when, at times, the information is not as explicit as it could be and we are given little data to go along with what we have here, we seem to be having a problem and I did have a problem with this bit of legislation.

Therefore, hon. Minister, I think there is much work still to be done on this Bill before we really accept it. There are substantial amendments made to the Bill and I think in fairness to all of us—we are all contributors to the scheme and we all would like to know what is going on. As some people said, there is much money being collected through the scheme and, clearly, we would have liked to know how some of it would be spent, what kind of payments will go for the different categories, as the case may be, or some mention made of it. It is all well and good to tell us how contributions will be increased, but at the same time, we would have liked to know what are the payments.

I think I have asked the questions that I would have liked to ask of the hon. Minister. As I said before, I am not into actuarial science but I think I can read a little and, therefore, I hope he would take it in good faith that I need to have some answers to the questions.

Thank you very much, Mr. President.

Sen. Kelvin Ramnath: Mr. President, first of all, I would like to express my profound thanks to the hon. Minister of Finance firstly, for introducing this matter in the last budget and, secondly, to have brought legislation so early so as to give effect to this provision.

You would appreciate, Mr. President, that many of the provisions in this Bill have to do with citizens of Trinidad and Tobago who are not earning very large incomes. In fact, it has to do with many underprivileged citizens as well.

Sen. Montano: Everybody.

Sen. K. Ramnath: But some of us do enjoy contributions of certain pension plans; we contribute to certain pension plans and so forth. If one were to look at the ceiling, one would see that those who earn fairly good salaries really are not going to benefit considerably from the payouts that would come at retirement, or whenever they are due. That is why I say that the Bill has its greatest impact on the lower income bracket.

It demonstrates enormous concern on the part of the Government to look after the underprivileged, the dispossessed and the lower income groups. In fact, it is a fulfilment of the stated objectives of the UNC that it was committed to looking after all citizens of Trinidad and Tobago, particularly, the lower income groups. It is, therefore, extremely visionary on the part of the Minister of Finance to have introduced this major change to the Act.

Sometimes, when I listen to contributions coming from the Front Bench particularly, I wonder whether they never had an opportunity to do something like this after having not only been in power for so long, but having introduced the Act themselves when they were in power.

They come today to deal with minor administrative details. They did not have the concern of the citizens when they had an opportunity to do so. That reminds me, Mr. President, of what was once called the long-term funds available to the Government of Trinidad and Tobago during the period of the oil boom, frittered away, stolen, misused and abused.

[MR. VICE-PRESIDENT *in the Chair*]

Then comes a new government in office that is seriously attacked for misuse and abuse of power. They behave in this indignant, self-righteous manner as if they did not have an opportunity after having actuarial surveys done and recommendations made to change the National Insurance Scheme.

Sen. Yuille-Williams: As far as you are concerned, we do not need a Parliament.

Sen. K. Ramnath: I am never distracted by these utterances. But, they had the opportunity to do so and they failed to do so. They failed to look after the weaker sections of the community when they had power to do so.

As the Minister rightly indicated, it has been a long time, a very long time since the inception of the Act, that major changes have taken place to benefit the poorer classes in the society. That is why the Government has to be congratulated. I am not sitting on the Front Bench. I am here on an occasional basis but I think I have a responsibility to publicly—

Sen. Mohammed: I think you should get a pension for that.

Sen. K. Ramnath: Well, I need to talk to somebody about my pension after having served 15 years in the Parliament but that would be coming soon. This is part of the whole process of reviewing retirement schemes in the country. In fact, there is also the need for reviewing pension plans in the country and legislation that currently affects those plans but I am quite sure that you will understand that a three-year old government has actually done miracles in such a short period of time.

Sen. Mohammed: It is emptying the Treasury.

Sen. K. Ramnath: I do not want to get into other areas, but this is a classic case of having done something so tangible and if one were to read what was presented—I think many people have not read it—we are going to have an increase in sickness and maternity benefits; increase of retirement, invalidity or survivor benefits; increase of injury or death benefit.

We, as a government, are making these provisions at a time when the economy is in no way comparable to the state of the economy in the boom years. We are doing it during a difficult period. When they had the billions of dollars in the coffers, these social welfare changes were not contemplated. In fact, they were more concerned about other issues. They were more concerned about race tracks. *[Laughter]* They were more concerned about projects which, today, they cannot defend.

Sen. Mohammed: Just as you cannot defend the airport.

Sen. K. Ramnath: I am hearing some noises emanating from the Leader of Government Business on the other side. I am sure that when the debate on the airport comes, Mr. Vice-President, Minister Mark might negotiate to have me spend another day here. But, I certainly will have something to say here and elsewhere.

On this matter of whether the National Insurance Board, through its subsidiary, has anything to do with the airport, or the Government has put to shame as one hon. Senator said. I think he is more aware than most that we exist as a society and as a government in a situation where the systems and processes are so archaic and antiquated that it—

Sen. Shabazz: Just like you.

Sen. K. Ramnath: I am quite sure the Vice-President did not hear that.

Sen. Shabazz: It is like you are in the nineteen seventy-something Parliament.

Sen. K. Ramnath: You are insulting. You are insulting me. You should be more civilized than to insult me.

Sen. Shabazz: I am not.

Sen. K. Ramnath: The systems that we inherited as a government makes it extremely difficult to progress at the rate which is necessary for us to build a total quality nation and, from time to time, we are hearing these insidious remarks, we hear tongue-in-cheek remarks about total quality nation coming from a certain Senator on the other side. But the Senator should understand that in order to build a total quality nation, you have to put in place total quality management systems and from the moment you try to introduce systems in this country, the very people who complain about a lack of progress and a lack of process are the ones who most strenuously object to any changes. A good example was when a previous government wanted to appoint a board to manage the police service.

Sen. Shabazz: You are not in the ULF; you are in the UNC.

Sen. K. Ramnath: And when a Prime Minister said very openly that if he had to change the nature of the public service and he had to introduce that situation, he would do so.

When you want to make certain changes to institutions that have been archaic and antiquated, you are opposed from all sides including the newspapers. You cannot even go to Guyana on a private trip in the Esequibo on an island to get some environmental education and awareness without being attacked for being in conspiracy with the ruling party of that government. You do not even wish to give the police in this country an opportunity to do a proper investigation and you come—

Sen. Prof. Spence: Point of order, Mr. Vice-President. Are we still on the National Insurance (Amdt.) Bill?

Mr. Vice-President: The answer to the question is yes and I would invite the hon. Senator to continue his contribution on that particular issue.

4.30 p.m.

Sen. K. Ramnath: I am quite sorry. For the benefit of eminent Prof. Spence, I was replying to an earlier remark made in the debate by Sen. Daly. Perhaps I am not as astute and sagacious as he is to include my statements as he would. Of

course—but I am on the Bill. I am talking about making major changes to a piece of legislation, and the processes whereby such changes are difficult to make.

When Sen. Daly obliquely referred to the role of the National Insurance Board in certain commercial projects, I do not know whether he mentioned the Airports project. I simply want to say that, when the project was in the hands of the Airports Authority, people were complaining. When the Government, in its wisdom, took a decision and said: “let us put the management of the project in the hands of the National Insurance Board or NIPDEC its subsidiary”, people are still complaining.

It is quite understandable that people have a right to know, as they have a right to know about what happened in a certain important place yesterday. But, that right to know is based on having the institutions in place to quickly provide for the implementation of certain projects, or for the answering of questions. Therefore, Mr. Vice-President, it is unfortunate for one to get up here and say that because of a right to know, that the Minister of National Security or some other Minister should have come to the Parliament and made a statement when the Minister himself has said “we do not have sufficient information.” That is all that I wanted to say.

It will be irresponsible, on the part of the Government, to pre-empt any police investigation of any matter, no matter how significant that issue might be, as far as the population of Trinidad and Tobago is concerned.

Of course, those on the opposite Benches—particularly in the Front Bench—have to find something to criticize the Government about, and they have to continue to do so irrespective of the quality of the legislation that is before the Parliament. Had they been representatives of the people—as some of us have had the opportunity to be for a considerable period of time—they would have understood that the payment of national insurance benefits is a significant aspect of the daily lives of citizens of this country. In fact, when one looked at the payments made before this legislation is to come into effect, one will see that it was almost insulting for some people to go to the National Insurance Board to collect such payments. The documents are before you. You can see what they used to get and you can see, with the increase in classes, what people will get.

Clearly, that is not a concern of those who represent no one. It is of no concern to those in the Front Benches, who represent no one, to appreciate the significance of the increases in the classes and the increases in the payments that

are going to be made to pregnant women, widows, widowers and persons who have been injured. You have to understand the suffering of many citizens in this country who do not have redress, insurance and the opportunity to get the best medical treatment in the event of their illnesses, because you wasted the money when you should have built proper hospitals in the country. You built towers in Toronto, instead of building hospitals in Trinidad and Tobago. [*Crosstalk*]

Whenever you have the evidence you should bring it. Whenever they have evidence of corruption I am sure the Government will be prepared to entertain it, and so would the courts. The point I wish to make is that these increases are going to benefit a substantial number of people who, today, are not benefiting.

These rates were introduced a very long time ago, and they did nothing about it. I am sure that there are reasons to suggest that there should be further increases as we go along, but the Minister has rightly pointed out that the Government will continue to review the system. I am quite sure that, before we assume our second term in office, there will be further increases. There will be further changes to the benefits that are presented here today. There will be further actuarial reviews.

What has come out of the debate so far, is nothing but innuendo and plain politicking and no consideration of the value of the legislation but some opportunity to criticize the Government for not doing certain things.

Mr. Vice-President: Hon. Senators, I think at this juncture, we will break for tea. We suspend the sitting at this point and reconvene at 5.10 p.m.

4.37 p.m.: *Sitting suspended.*

5.14 p.m.: *Sitting resumed.*

[MR. PRESIDENT *in the Chair*]

Sen. K. Ramnath: Mr. President, before the tea interval I was seeking to draw to the attention of hon. Senators of this Chamber that what is before us is an attempt, albeit late and not as a result of the attitude of this Government but of previous holders of office, to make a difference in the lives of the lower income groups by providing for retirement benefits, maternity benefits, injury benefits and death benefits, *et cetera*. The documents before us clearly demonstrate that not only has there been an increase in the number of earning classes but there has been an increase in benefits payable to the recipients under the Act.

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I was making the point that this is something that is long overdue and something that was not considered, perhaps considered but not at all implemented, in spite of actuarial reviews conducted over the years. It is rather unfortunate that people, especially those in the lower earning classes, have had to bear the burden of not having a decent retirement benefit. It has taken a regime of only three years, not only to increase old age pension benefits to a standard which now makes the underprivileged feel very comfortable, but it has gone on to increase the benefits payable under the National Insurance Scheme. As the Minister pointed out, this is all part of a programme to update pension and retirement benefits and in due course we shall see not only changes in other legislation but even further reviews of the National Insurance Scheme.

I was at pains to point out that opportunities existed in the past for previous regimes to do something more tangible when we were in a better economic position to do so. I, therefore, think that what we should have heard from Senators opposite is not criticisms based on some observation of drafting or some minor points, but they should have been loud in their praises of the Government for having taken such a bold initiative to enhance the pockets of the underprivileged class and the lower income groups. Instead, we heard innuendoes suggesting that the National Insurance Board and its subsidiary, NIPDEC, might have been made a fool of by getting involved in projects such as the Piarco Airport project and so forth. I am quite sure opportunities will present themselves for some full-scale debate on matters of that type.

If one looks at the provisions in the Bill, as I have indicated before, there is much to be benefited. There are many increases to come in maternity benefits, in injury benefits, in death benefits, and not only these increases but increases in the classes of contribution. I am sure that all Senators will lend their full support to this piece of legislation. It is consistent with the approach taken by the Government to ensure that not only do we work towards developing a total quality nation but that we look after all sections of the community.

There has been a lot of criticism, even in this debate, about our aspiration to become a total quality nation. But one cannot have total quality in a society when there are disparities that exist. There are citizens in this country who earn, and rightly so, enormous retirement pension benefits because of contributory plans and because they are in a position to contribute. There are also citizens who have to depend exclusively on old age pension benefits. There are citizens who have to depend exclusively on national insurance benefits, and one of the difficulties one has, especially in those income groups, is that sometimes one is disqualified, by

virtue of income, from old age pension benefits because there is a ceiling associated with it.

One, therefore, cannot conclude that the old age pension benefit is automatic. One might find oneself in a position where one is receiving a national insurance benefit that precludes the payment of an old age pension benefit. That is why, Mr. President, it is important that the Government visited this aspect, for people have been paying contributions for a great number of years and not benefiting in any significant way from the programme. I think I pay national insurance contributions and the truth is that when I looked at what was payable to me on retirement, it was not even worth collecting it. It was not even worth spending time arguing with anybody and producing birth certificates and other documents in order to collect what was payable in previous times.

In fact, although what we see today represents an increase over what people have been receiving based on their contributions, I am sure the Minister has indicated this legislation will be revisited, actuarial reviews will be done and perhaps sooner than later we should see even greater benefits. As you know, retirement benefits are not indexed to the cost of living in this country. Retirement benefits have nothing to do with the fluctuation of exchange rates, and there are many citizens who are deeply concerned, not only in Trinidad and Tobago but elsewhere, that one's pension and retirement benefits can be eroded suddenly to the extent where they mean nothing.

It is no wonder that in many societies people prefer to save their money in US dollars and have US bank accounts. I think it was in this Parliament where Sen. Montano made the point that there was a preference for saving in US dollars as opposed to Trinidad and Tobago dollars and he produced the evidence supporting that statement. So that, one has to be concerned about retirement benefits and that is clearly evidenced by the legislation before us. Notwithstanding the fact that benefits can be eroded by other means, at least the Government in a tangible way is demonstrating its concern.

I am sure that while I am on my feet I can make a plug for those of us who have retired from parliamentary service and who have to wait an inordinate amount of time to collect our pensions. I am told that I have to wait until I am 55 to get my pension as a Member of Parliament, and that is a long time from now. So while I am on the subject of applauding the Minister of Finance with his visionary approach, I hope that the day will come when he will give some consideration to revising the Members of Parliament Pension Bill.

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In some countries, Mr. President, like in Canada, once one has served, from the moment one retires one receives one's pension. I am not asking the Government to be so generous but I think as they review all pension and retirement legislation that parliamentarians will be considered. I understand Senators do not get any pension but that is a matter for the Senators to raise in the appropriate quarter. I want to spare Senators the agony of revisiting those periods when governments could have done far better when funds were available and to simply say that we should lend our full support to this measure. It is a progressive move by the Government and I am quite sure that in due course we shall see further amendments and further benefits, particularly to those who belong to the lower income groups. Thank you, Mr. President.

Sen. Dr. Eric St. Cyr: Mr. President, this is a very serious piece of legislation and once we begin to deal with pensions we are thinking very long term. So that we want to be very careful that we put what we are putting in place in a way that will stand the test of time and fulfil the purpose for which we are putting it in place. I am supportive of the measure before us. I think we are all agreed that when the original National Insurance Scheme was put in place in the early 1970s, in the debate we had then, the nation took a very positive decision that we should start as best we could and improve as we went along. If I may be allowed to, I shall quote one of the American Presidents, Roosevelt, when the Social Security Insurance Scheme in the United States was put in place in 1935, who said then that:

“We can never insure one hundred percent of the population against one hundred percent of the hazards and vicissitudes of life, but we have tried to frame a law which gives some measure of protection to the average citizen and his family against the loss of a job and against poverty-ridden old age.”

I think it is very clear that we should have been updating the National Insurance Scheme from time to time. Every five years or so we should have reviewed adjusting both contributions and benefits, but better late than never.

Having said that, Mr. President, let me make two other general comments. The first is this—that no modern society can progress except it has a high and sustained level of savings. In fact, Arthur Lewis asserted that the key issue in development economics was to understand how a society lifted itself from saving about four per cent of its income per year to saving about 12 per cent, and that he

wrote in the 1950s. Today I dare say, Sir, that the savings rate necessary to take part in the modern world is closer to 25—30 per cent. If we are not doing that, then we are not going to keep up with the modern methods of living in a progressive society.

5.30 p.m.

I think the Minister of Finance is to be congratulated for this measure. I would also like to say, by way of congratulating him even further—I am putting all the good bits first, because I do have some critical comments to make—it is also important that persons be helped to defer gratification by making provision for their own retirement. It is good for their morale and good for their own self-esteem. I think contributory pensions must be central to our social habits.

The measure before us is very timely. I am bothered by the date of implementation, namely May 3, 1999 as proposed, because a matter as serious as this, although we were warned in October of last year, we did not see the concrete proposals until last week. In my view, the most essential bits of those proposals were missing until we saw them a few hours ago here, in this House.

The funds we are dealing with here are not public funds in the sense of tax revenues: they are contributions of citizens. This is insurance money, and our role and the responsible role of the Government in this, is really to ensure that the funds of the people are properly managed in a long-term sense. With that, Sir, I am going to tie that into the investment committee that we are putting in place.

When I started to study the Bill, I really needed to see those several Tables, and I kept marking my draft to see where is C I and where is B I and so forth. We could really have quantified—on the basis of the National Insurance Board's present performance—the increment in contributions which will be received, the increment in benefits which will be paid and come up with what was the net savings that the Minister is, very responsibly, calling on the nation to make. But, without those Tables, I have not been able to do that, bringing—if I may say so, Sir—my few skills as an economist and the skills of a budding actuary who happens to live in my house. So, we were very well-placed to do this. I am seriously disadvantaged. A speaker earlier suggested that it might have been an oversight, or the converse, but I am not sure and I will not go in that direction. I still would like to sit and study these Tables. Were it not likely to be a

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mischievous suggestion, I would really suggest that we could not wrap this up in this sitting, but I leave this to the House to determine the necessary timetabling.

I do think, Sir, that the hon. Minister of Finance has to correct an impression given in October, because just looking here, and quoting from the Budget Statement 1998/1999 he says:

“An individual earning \$3,600 per month and who would have been entitled to a pension of \$338 per month will now receive a pension of \$1,055 per month.”

I know in that debate he did say that would not apply to past pensioners, but only to future ones, and he did make some corrections. Where I want to take him up is in quoting the next paragraph, which states:

“This means that the 38,000 existing National Insurance retirees will receive higher pensions than they now receive at no additional cost to themselves.”

That is the first point I want to debate a bit, because I do not think that is entirely correct. If we were to index the contributions made by present retirees 25 years ago, and the current value of those investments made out of those funds, we see here, that there is an inter-generational cross-substitution cost and benefits relationship between when one contributed and when one does benefit. I do believe that actuarially, the benefits must keep up, first and foremost, with the inflation trend and, secondly, also with the value of the investments, today, made at the time when people contributed.

I am putting it this way, because I would think that if benefits are being upgraded, they must apply to all persons who contributed, or else the early contributors could virtually be cheated.

Turning now, specifically, to the Bill, Sir, I want to speak on two points. The first has to do with the nine and a half per cent maximum administrative expenditure out of current revenue, which is now being removed and left to ministerial discretion. My fear is that the cost of administering these funds is likely to rise.

One of the early concerns—and I think this came up, particularly in the case, when Germany was introducing their national pension scheme—was that the cost of administration should never exceed a certain percentage of current contributions. I think the debate in those days used to be that it should not exceed 5 per cent. Where in this country it was set at nine and a half per cent that was

substantially higher than what obtained in several other jurisdictions. I am told that some years past, the National Insurance Board were approaching the authorities to raise that to 20 per cent, which would be considered a very inefficient administrative cost of a pension and, perhaps, the retirement funds of the people at large being used to generate jobs really, which is what it would have been.

I am concerned that we should remove that 9½ per cent limit and leave it to the discretion of the Minister, subject to actuarial advice. I am very concerned about that. My own inclination would be that we should put an upper limit, and this does not have to do with whether or not a fund performs well or badly. I think that an upper limit is necessary to force efficiency into the administration of this pension scheme.

5.40 p.m.

My second debating point has to do with the Investment Committee. This is where the tables would have been useful because we would have been able to say whether we are generating \$100 million additional investable funds per year, \$200 million or even \$300 million per year.

Really, the integrity of the scheme would largely turn on where these fund are deployed. I know that in the present Act, Schedule I gives some guidelines. I do not think those guidelines are adequate. I think that there should probably be three or four constraints put, such as a maximum of 25 per cent in real estate, which is the only concrete proposal in the present Schedule I. I think that there should have been some constraints put in the Schedule on how much could be put in equity and how much in Class I bonds.

The other set of constraints which I think would have been useful are on the percentage invested locally and abroad. I know that over the years we have come through an era where a certain measure of autarchic thinking has typified the society. We have closed the market and developed our infant industries, and so forth, and the savings we protected from being exported, but I think that we bravely took the step forward—if I may say—into the current economic era in which we live, which is an era of globalization.

It seems to me that with wisdom, part of our top investments should be in international instruments. There are two reasons. The first is that our own markets are relatively restrictive and to put all our investments here would unnecessarily

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concentrate the risks so that if—as has happened in the period 1983 to about 1990—the economy is depressed, the value of our investments would shrink. So, I think it would be prudent to have some international diversification.

The other consideration is that if one does diversify internationally, one also gives oneself a measure of protection from exchange risks and, in a small, open economy, this is not to be treated lightly. So, I really do believe that the Investment Committee should have some broad policy guidelines along those lines and, as I said before, what is done with the surplus—how wisely those are invested—really would determine the integrity of the scheme as a whole.

Turning to the specifics, I believe that there must be a typographical error here because, as proposed, we have “Chairman” for “Chairman”—that is the old Investment Committee—and “Executive Director” for “Financial Controller”. So there is no change there, but where we had three persons on the old committee, we now have, it would seem, six but I would not press that because I understand that there might be some need to tidy up how this is presented.

What I would say, however, is that to the extent that the surplus funds generated are not Government revenue; to the extent that they are really insurees' funds, then the concern of the Investment Committee has to be the protection of the value of those funds and, in fact, the wise investment so that one would maximize the return on those funds. If that is so, then perhaps the interest in the country, from which I think we also need some protection, is the Government, because Government does need to fund projects, and if Government had a great sway on where these investments are placed, then they could influence the direction and the criteria could shift from being the rate of return to other national, social considerations.

I do not think that national and social considerations should take precedence in this, because we start off by saying that people are making provision for eventuality in their lives and for old age. I would weight the Investment Committee in a form that will ensure that the technical considerations and an eye on maximizing the rate of return would be what would come through that Investment Committee. As I said, I understand that certain changes would be made, but if they were not made, then as it stands here, I would think that this would give the Government too much of a say in the Investment Committee.

I want to strongly support the proposed amendment circulated by Sen. Martin Daly. I am sorry he is not here. The law may allow for non-consolidation of the accounts of subsidiaries and investments in other companies, but since what we

are doing here is putting in place a structure that will govern and protect the contributions of the population at large, I think that as a Senate, we have a responsibility to ensure that wherever NIB places its surplus funds, we have a proper public reporting of the performance of those funds.

It seems to me that the addition to clause 6 here of an (f), that appended to the NIB report must be a report of investments in subsidiaries and the performance of those investments. Now, we can tie this in to the power we are giving to the Board to now write off losses and other expenditures, and I think that for the sake of transparency, where we invest NIB surpluses in subsidiaries—always remembering that there are risks which go with investments—we would like to hope that they all show positive returns, but sometimes they do not, and I think that there should be an explicit way of monitoring and tracing what happens to those funds. So, I strongly support the proposed amendment by Sen. Daly that we add a paragraph (f) to clause 6 to state: “a statement of any financial or commercial arrangements with subsidiaries or associated companies”, and I would commend this to the consideration of the Hon. Minister.

I did have one or two other concerns. I must make a comment on the protection of deductions from wages and salaries made by employers in the event of a company going into liquidation, and I do fully support—perhaps not in this particular way—that this should be a first claim before other claims come. In fact, it is not a claim on the company's assets; it is really funds belonging to employees which have to be passed over. So, I am very supportive of clause 17.

I must say, Mr. President, that I was a little bothered by the garnishment proposal and I would like to debate there, because it is framed in such a general way that it would seem to apply in a way that could cause difficulties in commercial arrangements. The accountants among us would probably be better placed to know whether there is any validity to what I am going to suggest, but clause 18 tells us that we are to insert after section 45, a new 45A saying that where the Board believes that any person is indebted to or liable to make a payment to another person, and that other person is indebted to the Board for unpaid National Insurance contributions under this Act, the Executive Director may deliver to the first mentioned person a demand for payment.

I know that the concern there is to protect NIB contributions, but I wondered at that provision. I know that the Board of Inland Revenue now has garnishee powers and it seems that we are endowing the NIB with garnishee powers, but I

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was wondering: Is there anyone else to whom we may extend such powers? I did feel somewhat bothered by that particular provision.

5.55 p.m.

I, too would like to take issue with clause 28, where we are changing “a penalty of \$500 or three months’ imprisonment” to \$1,000 or six months imprisonment. I do not think the six months should be there. I think it should remain three months. We have inflated money, but time would certainly not have been extended, so I do not see the basis of that change.

In winding up, let me summarize where I stand. Broadly, I think this is an important piece of legislation, I think it is to be supported and I do support it. I want it to be made very clear that my understanding is that what we are doing is putting in place level of pension rights throughout the society on a contributory basis, so that all persons who have worked—and I see no reason why domestic workers should not be included and why we cannot encourage the employers of such workers to assist by making their arrangements, so that they protect the long-term interest of persons who are very close to them in their homes.

So as far as possible, the entire society would have contributed to some benefits for retirement and/or circumstances along the way. That being so we have to set the level where it is affordable throughout, so that this must remain a basic pension to all. On top of that, I know that there would be private schemes, but those would be additional, but I think the Government is to be commended that we are moving in this direction.

The hon. Minister last year alluded to a general pension review where the principle of portability of pensions would be introduced and some other measures and I wonder whether at sometime soon we could have perhaps, a Green Paper on those issues and have a general debate on it. Apart from my concern about the 9½ per cent, the removal of that upper limit and my concern about the independence of the Investment Committee to protect the interest of the fund and not allow it to be influenced even by social considerations, I think myself that once we have gone into the globalization and liberation mode, it is sensible that we should invest our money the best way we can internationally, and then from those sources, fund projects especially noting that there is cheap money for social type projects from certain agencies. So that we need to break the nexus between where we place our investments and from where we fund our capital projects.

Mr. President with those remarks, I thank you Sir.

Sen. Muhammad Shabazz: Mr. President, what is the Bill really intended to do? The Bill is to reform the existing National Insurance System in keeping with the recommendation of the fifth actuarial review as of July 1, 1995.

Mr. President, two matters here:

- (1) Coming out of this review what we have from the project final and recommendation of the National Insurance System it was the ILO.
- (2) The fourth review said that the system was actuarially unsound more or less.
- (3) The fifth for the 1991—1995 period page 1 of this report:
 “According to the quantitative analysis the National Insurance Scheme in Trinidad is presently in a sound financial state”

Mr. President, here is a scheme with approximately \$4.8 billion in assets to be administered. Regardless of what was said, we of the People’s National Movement understand how important national insurance is to this community.

As a matter of fact, from the beginning what does national insurance really do? Mr. President, it is a much needed safety net for the poor working people whose income is small and could only meet their day to day needs. These are people who are unable to save money—put money in the bank and put aside money for later years. The PNM understood that and our founding father, Dr. Williams, decided that we needed to have some kind of scheme to take these people into consideration to make life easier for them than it would have been without a National Insurance Scheme. [*Desk thumping*].

Cabinet very early decided to set up these studies to find out what are the existing needs of support for these people. They studied the friendly societies; policy decisions on old age pension; public assistance and came up with a scheme in 1972, 27 years ago which was important and vital to the nation and to the poor working classes as a whole.

As we are saying, this scheme is a very sound one. When I hear a Senator get up and say that we did not do anything for 18 years, all that may be true. As a matter of fact, in 1981 or 1985, the death benefits and other benefits were looked at and changed. Yes, there is a need to increase the benefits and if you are doing that, fine!

What we on this side and the people in the wider community are looking at really are:

- (1) How are you going to be administering this fund?
- (2) How are you going to be using the money from the National Insurance?

Mainly because you would understand that after we have established this fund, what was the purpose of the fund? It was really to assemble the domestic financial resources which would be re-deployed to the people, mainly the poorer working classes. Not only that, it was to meet the need of the contributors and their survivors in terms of benefits as promised. So we are paying “X” amount of dollars and getting “X” amount of benefits.

Someone said that the benefits were small and they did not go for it but they did not realize, that the payments were small and that is why the benefits were small.

Mr. President, obviously, if you are going to increase the benefits you must increase the payments. That is a logical thing and that is fine. That has nothing to do with who was there before or who is here now. As a matter of fact, sometimes when I listen to some of the speakers on that side, they speak as though they are so helpless, because of the things the PNM had done before, and that helplessness seems, to transfer itself into a kind of weakness as though they cannot do anything. They should try to come off that and do the things that they are supposed to do and do it feeling positive and strong that they are taking the country to another level working on the base that the People’s National Movement has left—a very solid one. The National Insurance is one of those bases.

6.05 p.m

Of course, another thing this money was supposed to do was to fuel the national development which was a vision of the founding fathers and the early leaders of the People’s National Movement. We appointed boards. What did they do? We must congratulate the National Insurance Board for building a number of houses throughout Trinidad and Tobago. Not only did they do that, but they built them with concessional interest rates. It was made easier. That is what the money from the National Insurance Scheme was intended to do. Now, we see a number of other things happening. There are so many developments which are important to the people in which the National Insurance Board took part.

The Government made a promise in its budget that by February 1 so, so, so would happen. The hope and expectations of a number of persons was raised and today you are saying you spoke with some business group and they say to hold it back. That may be fine, but you made a promise and a commitment and at least you should let the people know. This is something which this Government does not seem to like to do. It can say it made a mistake, it is sorry, it does not have to wait until it reaches here to say that. If a promise is made, it is to be kept. Mr. President, when promises are not kept, they become assumptions.

At the end of the debate in the Minister of Finance's winding up speech it was said that there were going to be more broken promises if the revenues are not there because the financial discipline is paramount to everything we do. The Minister is saying if there are no revenues, these promises would now become assumptions. He would keep the promises only if there are revenues, maybe that is fair, but he must be accountable to the national community. Let the people know what is going on, because where I live, there are people asking when they would get their \$1,000, they want to know when they would be getting their increase. Somewhere it was not understood by the wider community. People here still do not understand what is happening, so one can imagine the confusion of the wider community. I hope this one is a promise and not an assumption.

Mr. President: May I reiterate if you are quoting from a document, you quote the date and page of the document, and say when you are quoting because you are quoting and then making comments. You must quote, unquote, make your comments, go back to quote, unquote. Let there be some order in how it is said.

Sen. M. Shabazz: Thanks, Mr. President. I am saying that we, having fathered and nurtured this system, would support any move that is intended to keep the system relevant and useful to the working people of this country, once the reform keeps faith with its original and honourable intentions. We are going to support as long as that is the position.

What we are seeing is that the National Insurance Board has always been an organization which serves the people. As a matter of fact, the asset is about \$4.8 billion today. There seems to be a feeling that the National Insurance Board funds are no longer utilized for the masses as was done before. What has brought about this?

Everybody is talking about the domestic servant and the casual worker, but on page 6, clause 11, proposed section 30(5) of the Bill states:

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- (a) Nothing in this section shall apply to a domestic worker or a casual agricultural worker but every such worker shall, in respect of each employment as such, himself make an application...to the Board.”

Just look at the two categories chosen. If you were doing something not in line with what the PNM had, and you wanted to do something differently, something more meaningful with more impact, why are you leaving out the domestic worker and the casual agricultural worker? It sends a bad signal. At least, something should have been done to meet the needs of these two classes which are suffering and under pressure in the society. Why have you done nothing?

When we look at all the funds which were invested, if we had listened some time last year there was much discussion during the term of this Government on whether the National Insurance Board, like the post office, should be privatized and whether we should follow the Chilean model. There was much debate on that. We had a vision and we would like this Government to tell us what its vision is. What is it going to do with the National Insurance Board? Is it going to privatize? That question created much debate at a national level in the wider community. Let us know exactly what the position is because there is a feeling that when you privatize and take all this money it may end up in a certain way.

There is the question of how would the National Insurance Board's funds be used? There are certain situations, Mr. President—do you remember when the Huggins building was sold? It was bought and National Insurance Board spent about just a few months after, and paid something like \$2 million more than what this property was worth. People are concerned when they see the money of the National Insurance Board being spent and being used in that manner. When they look around and think who are the people who bought the building, why was it bought? There is a person saying that “I only formed a company to buy that building to sell it over.” People wonder how would the National Insurance Board's funds be used because it is funds which have always been guarded and which almost have been sacrosanct to the People's National Movement and our administration, so we understand the value of that fund to the people.

A Senator said we should not talk about the airport and the National Insurance Board's money going to the airport. Maybe we should not, maybe as Sen. Daly said, it is above board, but when we look at it, it is questionable. It is not only questionable because it is National Insurance Board's money because NIPDEC has the right to spend the money as it sees fit, but it is the things that happen at NIPDEC during the period when this money was to be used. It is common

knowledge, and we talk of transparency. One of the executive members of NIPDEC was sent on leave at the time, not only was he sent on leave, but we do not know whether he is back to work, what time, or when he would be out to work, or what the position is and that is important. That is what would create or destroy confidence in the minds of the people who are contributing to this fund.

The question of the computers was brought up and the Minister said he was just given the figures. I am asking that the Minister does not just take information without checking it over and making sure it is fact, because he would always come up with situations like this. Here is a man who is working at NIPDEC and is being paid with National Insurance Board's funds and nobody knows or understands. Not even the Minister of Government who is responsible is aware that this man is being paid. The Minister comes to the Senate and answers in such a way as though he does not know and creates—

Mr. President: I previously stopped another Senator from pursuing that point. I ask you to do the same.

Sen. M. Shabazz: I am saying that we need to create that confidence in the minds of the people as far as the spending and the use of the funds are concerned which the people put into the coffers of the National Insurance Board.

We talk about the National Insurance Board, an organization which has been running properly. For the record, I would say that the National Insurance Board does not have a board running it. The term of office of the board has expired and at present, no one is running it. We think, if it is to run efficiently and effectively, a board should be in place quickly to ensure its smooth running.

PROCEDURAL MOTION

The Minister of Public Administration (Sen. The Hon. Wade Mark): Mr. President, in accordance with Standing Order 9(8), I beg to move that the Senate continues to sit until the conclusion of the matter now before it, as well as the two additional Bills, the Public Assistance (Amdt.) Bill and the Old Age Pensions (Amdt.) Bill.

Question put and agreed to.

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Sen. M. Shabazz: The point I was making about the National Insurance Board is that things should be put into effect immediately if it is to be viable and remain a good organization as it is.

What we have seen here, and the Schedule shows that at the end of the day it is recommended that the board could administer to the board itself moving from \$18,000 per year to \$150,000 per year and we think that is fine. If you are going to up the money in an organization that is worth \$4.8 billion and you are going to up the money of the board, that is fine. It is very sad when we are talking about the masses to see the workers only being offered four per cent from all the hard work they are doing when the board's money goes up by 10 times the amount it is. The workers are marching, they are asking for more money and rightfully believing that they deserve more than 4 per cent. I think it would be fair to them if you are raising contributions ensuring that the National Insurance Board would have more money, I think a Government which comprises so many labour people who really care, 4 per cent is atrocious and almost obscene, and immoral. There is need to look at these people. If the company is not succeeding, you could tell people there is no money, but when you raise money by so much, you need to talk to the masses, the domestics, the casual agricultural workers, and the poor workers at the National Insurance Board in a different way. Give them much more than that because they deserve more.

Mr. President, I would like to say the 9.5 per cent administrative cost has been there from the beginning too. The people have moved from manual to computers, they are in a different era. Why are you not raising the administrative cost from 9.5 per cent? I agree with Sen. Dr. St. Cyr that you give them a higher percentage, let it be higher, give them more, let them be able to use more to administer the working of the National Insurance Board. I think that is something which the hon. Minister should look at very seriously.

There are 100,000 people out there who are not paying national insurance, bring them into the wider net, look at a way to get these people paying NIS money. Do something. It is time that this Government does something that is completely different to what we have been doing .

6.20 p.m.

Make a name for yourself. Register, so that at the end of the day when we stand up and say, "Yes, we have done national insurance"; you stand up and say, "We have

taken it to another level". Really and truly, you may only be doing what would have been done in any event. Do something new and take the thing to another level.

Mr. President, I think there is one other point I want to make. In all that is happening with national insurance, we need to find a different way to educate people about the benefits being offered by the National Insurance Board. I do not know how they will find a way of bringing about that education, but they need to find a way of educating people as to what are the benefits of national insurance and how they are to be used, because many people still do not know exactly what are all the benefits.

Maybe by increasing the benefits, people will become more interested, but a lot of money and time need to be spent in educating the people as to how this thing should be. The point here is that we on this side think that the Bill, again, has been brought here in a certain kind of rush, maybe because they have a deadline to deal with. It should not be like that. We should have had it earlier to walk through and we would have been able to deal with it far better than we have to deal with it now because we are rushing it. Whatever amendments are going to come, the Government is so set in its mind because it wants this thing to happen by a certain time, that it will not give it the kind of thought process and consideration that should be given. We feel that it should have been brought earlier.

The point has been made more than once about the question of the tables and the categories. We on this side think it is really in very poor taste to bring a Bill of this nature and not give us the opportunity to study it because, at the end of the day, whether we agree yes or no, it might be passed and go through just like that. I think really, if the Government wants to see this thing happen, it should be pulled back and brought to this Senate another time so that after having given it sufficient study, we will come up with proper proposals. [*Desk thumping*]

Having said all that, we on this side still say that the recommendations and the fact that they are going to increase the payments are really very good, but the Government needs to make some kind of apology for holding it back so long. It should implement it and, having implemented it, find a way to educate the people about what it intends to do from here. Also, to state its policy and state its vision of the National Insurance Board as we, the PNM had done from the beginning of time until this time here. We still have a good vision for the board. We would like the Government to state its own.

Thank you very much.

Sen. Prof. John Spence: Mr. President, I would just like to make one very brief comment on this matter of percentage costs. I think Sen. Dr. St. Cyr was making the point that the percentage cost should be decreased, not increased, so I think Sen. Shabazz would miss on the filling. I certainly support Sen. Dr. St. Cyr's position because if you think of it, if the contributions are going to be raised, the same number of people are going to be serviced by the administrators then, in fact, the percentage should be lower. So I certainly would go along with deleting the amendment which suggests that the ceiling should be removed.

Thank you, Sir.

Sen. Philip Marshall: Mr. President, I rise to emphasize the importance of this piece of legislation like previous speakers. I would not be long because the Leader of Government Business of this honourable Senate has told us about the work load ahead of us this evening.

I cannot remember the name of, I think it was a British Prime Minister who said, "Blessed are the young for they shall inherit the national debt." If I recall the hon. Minister of Finance, I believe he emphasized the whole culture of saving in our national community. In fact, I think he reminded us that in terms, for example, of the public service pensions which are not funded, that if we do not have compulsory contribution that it could well be in a few years' time, the aspect of his subject that would be required to fund these pensions could be in the vicinity of a billion dollars. I stand corrected if I have misquoted him, but I think he did quote something along those figures.

I would have thought that the Minister of Finance in presenting this important piece of legislation would have stepped back a bit and provided an overview for us, of the challenges that we face to make this pension system one that is going to be financially stable and one that is going to really target those in need of this support in order to provide them with a required safety net. In order to provide that overview and backdrop, I would like to share with you some of the challenges that I know European countries face and some of the concepts which they are putting in place to alleviate this challenging problem.

Even in developed countries in Europe, governments have estimated that if they do not do anything about raising either the contribution rates or, in fact, lowering the present benefits, that their governments could be bankrupt in 30 or 40 years. This is a major problem, this whole issue of, for them, their very high

level of social benefits on retirement. The people of Trinidad and Tobago, those in most need of help and support, do not benefit from these provisions. So, in terms of our funding requirements, they are much less.

But, let us look, however, at the impact that other ministries can have on this problem. I refer really to the whole issue of education and health. What is the model?

This whole concept of education, adult learning and life-long learning, if you think about it logically, the whole objective is that if you can increase the education of our working people, we may thereby be able to increase their working life, that even if they presently are employed that after reaching the age of 60 they may become self-employed and, thereby, we can increase their working life, increase the period over which they can continue to make contributions and, if you follow the logical argument, if you increase their working life, you also decrease the period upon which they draw benefits.

So the challenge in all this is: How do we increase job employment? How do we increase income generation? How do we decrease the retirement period? And, how do we maximize the much vaunted intellectual and working capital of our people by providing this environment? A key issue to the sustainable development of this pension plan to make sense would be the whole issue of unemployment.

Coming back to the whole question of universal learning and development, it would be important that the Government, in its upcoming budgets, continue to provide incentives for life-long learning and education so that people are in a position, as far as possible, to increase the level of contributions to the National Insurance Scheme for the benefit of others who are not able to do so.

Mr. President, looking at the proposed rates in the Schedule, I have worked out, for example, in Class VIII, that the total average weekly contribution as a percentage of the average weekly range is going to be somewhere in the vicinity of 9.5 per cent and that is a significant increase in weekly contribution. Just by way of comparison, going back to Europe for a second, the contribution rate in some of the developed countries is as high as 17 or 18 per cent. So that the proposed rate as a percentage of average weekly earnings is not unreasonable in terms of the vision of this support system.

What concerns me, Mr. President, and to follow your guidance, I refer to the *Review of the Economy 1998* and the statistics on the population and the labour

force and, also, the mid-year estimates of population by age. This is Appendix IX and Appendix X. To remind you, we have a work force of approximately 476,000 people. I believe the statistics are really that we have about 468,000 people in paid employment and we have about another 104,000 people who are self-employed.

However, looking at the accounts of the National Insurance Board, there are about 259,000 people who are officially registered. I may have misinterpreted that figure but it would seem to me that we need to have greater compliance on registration, both from the perspective of the employers and also, the employees.

This is a difficult problem because, very often, people who work in the informal sector may not wish to have any deduction from their income. Unscrupulous employers may also support them because they do not have to make their contributions and most of their working life, they make little contributions, then nearer the end, they then try to make contributions and beat the system. So, it would also be very important that our record-keeping and administrative support reduces that incentive to escape the national insurance deduction net.

I drifted slightly. I was really trying at this point to talk about the whole ratio of people over the age of 60 and our working-force and our registrants. In Appendix X of the *Review of the Economy*, we have in our population nearly 114,000 people age 60 and over. We have a workforce of about 476,000 people. You would see that if all those 476,000 people were registered and if they contributed about 10 per cent of their income, you would have the equivalent of about wages, for 45,000 people which is 10 per cent of 476,000 people to support about 113,000 people.

What that would theoretically mean is that people who are over the age of 60 and who are retired, if we had a full registration, could possibly earn about 50 per cent or slightly less of what their average weekly wage was, but we do not have that level of registration and I think, therefore, that the challenge being faced with our older pensioners is that they probably do not even earn or get paid possibly even 25 per cent of their average weekly wage. That is known, in fact, as a replacement wage. In other words, what percentage of your normal weekly average wage is replaced by a pension income?

Mr. President, for this system to work, for the legislation to be really enhanced, I certainly would like to see either in this version of the Bill or in continuing and enhanced versions, an emphasis on compliance and an emphasis on total coverage as far as is possible.

I just have a few other points to make in terms of the benefits of insuring that we have adequate national insurance pension systems.

6.35 p.m.

One of the most significant benefits, naturally, Mr. President, as Prof. St. Cyr said earlier in his presentation, is that the savings rate for a developing economy like ours is approximately 25—30 per cent. I believe that our national savings rate is approximately 13 per cent of our domestic savings.

This is why—just straying for a second—in the whole issue of the Investment Promotion Bill, we continue to rely on the savings of foreigners for our development. This is why it is very important that this scheme, this saving can be used to promote the required investment in Trinidad and Tobago, to provide the required real job, real productive activities, thereby increasing employment and thereby increasing the wider net to enable the contributions so that we can arrive at a financially sustainable pension plan.

I end my contribution, Mr. President, by again reinforcing Sen. Dr. St. Cyr's contribution on the importance of the Investment Committee; and the importance of the independence of the Investment Committee.

Mr. President, the reason a lot of public pension funds systems are not contributed to is because employers—I am not saying in Trinidad and Tobago, but in other developing countries of the world—have been so upset by the poor investment performance. They regard national insurance contributions as an additional tax on labour. We must remind ourselves of what really is the return on investment from the Investment Fund and what is the rate of inflation.

You will appreciate, if for example, the return on investment is 7 or 8 per cent and let us say a rate of inflation is 6 per cent, the real income is only 2 per cent. One has to deduct the rate of inflation from the rate of interest to really understand what the real income is. What does that mean? That for older people who get fitter and who live longer, pensions in their hands could be meaningless two to three decades forward.

These target contribution rates—in fact, I believe, Mr. President—will be required to go substantially higher to counter the whole issue of the indexing of incomes against inflation, if we could ever get to that stage. And most importantly, the changing demographics between the number of people who are in the workforce and the number of people who are retired. Because as the

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population ages, although we have a young population, what one in fact would find is that there is an ever increasing number of people who are retired and a smaller number of people in the workforce to support them. So it is a vicious circle of contributions, and if, as the hon. Minister of Finance has said, Government really cannot be in a position to intervene and necessarily fund that shortfall—

I end the contribution by saying that I would certainly like to see this Bill take a very holistic view of the whole issue of pension contributions; the whole issue of the proposed second-year pension systems where contributions will be compulsory and that it also takes into consideration the goals of the Ministry of Health as people get fitter, live longer and offer more potential; the Ministry of Education to promote life-long learning and therefore to enable the National Insurance Board to receive the maximum contributions. I thank you, Mr. President. [*Desk thumping*].

Sen. Prof. Kenneth Ramchand: Mr. President, I support the National Insurance (Amdt.) Bill, and commend the Government for introducing it since this Bill is part of what seems to me, to be an intention to increase benefits that would come to older people; to encourage savings; and a third point that I cannot overlook, it represents a movement towards equity of a sort, since to the extent that employers are making larger contributions—to that extent—a certain amount of equity is being established in a society with those who have, putting in more to support those who do not.

Mr. President, the question of pensions is very important in all societies and it is no less so in ours. The quality of life and the quality of death are affected by pensions: the quality of life of approximately 120,000 people over the age of 60, and the ability to face death with dignity, to know that there is money there for a decent funeral and so forth. Pensions have to do with the quality of life and the quality of death for a significant part of our population.

Being well-off or reasonably well-off in this period has a lot to do with one's sense of self-worth. Many of our older citizens who are on the sidelines really need to feel that, economically at any rate, somebody cares for them and that things are going to be okay. I think that sense of self-worth is also being contributed to by this Bill. I notice that although we are not talking specifically about increased health care, pensions and increased benefits do have a lot to do with supplying needs of older members of society for better healthcare. The

attention to be paid to the partners of those who die—the widows—I think that benefit is a very important one.

Mr. President, I commend the Government for bringing this Bill which seeks to improve very essential benefits to a significant proportion of the population. My comments on the Bill will take some very broad lines. I cannot go into the mathematics and the actuary business that we have heard so far, but I think that there are certain principles that need to be affirmed—principles that I see being hinted at in the Bill.

I think that there is a need to devise our own pension scheme to rationalize the various systems by which retired people are taken care of in our society. We need to rationalize the old age pensions, other welfare schemes and the National Insurance Scheme, to have an integrated system so that there is not too much duplication and that somebody can say: “well you are getting an amalgamated pension of such and such”. We need to work out this integrated system, bearing in mind that there are many private schemes that almost make it unnecessary for some citizens to be included into the integrated schemes.

6.45 p.m.

Now, I know this sounds communistic but, Mr. President, I can assure you that there is a pension scheme to which I contribute in the University and I can say it here—and I am sure many of us who have private schemes and are in private schemes ought to be able to say it—when I retire I do not need old age pension and I do not need national insurance. The pension scheme to which I have contributed as an employee of the University is enough to suit my needs. It is not that it is a major pension but I feel that the private scheme to which I have contributed takes care of me.

I will be very happy if my contributions to the national insurance went to people who do not and did not have the income that I have. I would be quite happy for my contribution to go to the unemployed. Similarly, I do not want the old age pension. I want that to go to people who did not have as good a salary as I did. I know that sounds communistic and over-idealistic, but I think that those of us who have better salaries and better working conditions and who have been able to buy our houses early, have a moral responsibility to share with those who do not have. So I feel that when we devise a pension system appropriate to this country, we should look at the fact that there are many private schemes that provide adequately for people after they have retired.

I see the Minister looking at me as if—but, Mr. President, I do not really want to go into that. I want to concentrate on the particular Bill. One of the central principles in the National Insurance Scheme is that the benefits one gets are in direct proportion to the contributions one has made. I do not think I can quarrel with that, but I do want to argue later on that there should be a certain waiving of that principle when we come to decide what to do with the surpluses and the profits. In general, the principle that your benefits are in proportion to your contributions is an acceptable one but I think a certain amount of variation is required in some cases.

The contribution we make, the employee and the employer, Mr. President, can also be seen as an investment and if one can say that one's benefits are in proportion to one's contribution, one can also say one's benefits are in proportion to one's investment. It is the question of investment about which I want to talk a little, and I hope I do not stumble over the figures. I am quoting from the National Insurance Board Annual Report and Financial Statements Balance Sheet as of 1998, June 30.

As far as I can make out, Mr. President, it says here that the total assets of the National Insurance Board are \$4.6 billion. It says that the investments are \$4.4 billion. So the NIB is investing \$4.4 billion. The investment income, as I understand it, is \$392 million, which is something like about 9½ per cent. I hope I am reading the figures correctly. But I feel I must be wrong, Mr. President, and I have asked my colleague here from Ernst and Young, who are the accountants, to explain this to me.

How is it that if one invests \$1.4 billion in fixed deposits and one has \$1.7 billion in Government securities and other bonds, how does one manage to make 9½ per cent? Because it seems to me that to invest so much of one's money in fixed deposits and Government bonds is really bad investing. If they are getting 9½ per cent doing that, then I feel some way should be found to invest the money in order to get more profits. More profits must be available—9½ per cent sounds good but if the 9½ per cent is realized when more than three-quarters of one's fixed deposit is in Government securities and bonds, then I feel a lot more can be done.

I would like to see, Mr. President, some indication, either in the Bill or somewhere, that such and such is the range of investments open to the National Insurance Board. I am saying you can invest so much in this, you can invest so much in that, and there should be some kind of ruling or direction about overseas

investments. I do not think that investing our money overseas is in any way like the shipment of money overseas by our businessmen. The investment of National Insurance Board money overseas is not a leakage of funds; it is, in fact, going to bring in funds. It is not a loss of foreign currency, it is going to earn foreign currency and I would like to see the National Insurance Board investing some of that money in overseas enterprises.

Now, Mr. President, the assets from the document I quoted are given as \$4.6 billion and although my maths are not so good I have a feeling that, given the additional contributions, the assets could really come close to \$6 billion. So the question is, what does one do with this \$6 billion? What does one do with the surplus of money brought in over money expended on benefits, and secondly, what does one do with increased profits? Because if one is investing more and investing more wisely, one should be making more investment income. It is at this point, Mr. President, that I want to return to that basic principle of national insurance, the connection between the size of the contribution and the benefits.

I cannot spell it out now, but I would like to look forward to a National Insurance Scheme that is a two-part scheme in which we work out what is the cost of living, what is the cost of maternity, what is the cost of health care for the aged, what is the money that every single one of us has to put out, whether we are employed or unemployed, have a low income or a high income, and the national insurance benefits, as I say, should have a kind of two-tier system where a part of it is based upon need, that everybody gets this amount on the National Insurance Scheme, and then the rest will vary according to the amount of contributions one makes.

Mr. President, that would be a way of getting those with higher incomes to help support those with lower incomes. How else can we use the increased funding that is available? I would like to see national insurance money spent on leisure and physical activity for older people. I would like to see it spent on the building of homes and providing trained health care for the elderly. I would like to see trained nutritionists at work working out diets for the elderly. I would like to see the problem of senility, of Alzheimer's disease, being tackled partly out of national insurance funds. This would be a way in which those of us who are employed can make a contribution to the welfare of the society.

So I think there are many things to be done with national insurance funds if we learn to relax the principle that what one gets is dependent upon what one puts

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in. In addition to better care for the elderly, Mr. President, we have to think about the unemployed, people who were, by and large, throughout their lifetime, unemployed, and of course those who are lower paid.

I have a brief comment on the Bill's suggestion that domestic workers and part-time agricultural workers should not be included. Mr. President, I would like to see them included and this is another area where national insurance funds can be used. Because, I have said it before in this Senate, if I employ a domestic worker and I am paying that domestic worker out of a salary on which I pay income tax, then I think it is wrong to tax me further by asking me to pay employment insurance for that employee. So in the case of domestic workers and casual agricultural workers, I want them registered as workers. I want them eligible for national insurance. I want them to pay their contributions but the Government should pay mine, because I am already paying so much money in tax on the dollars that I am using and I am providing employment and I do not employ these people for profit. I employ these people because I cannot go out and cut my own grass and I cannot stay home and cook.

Sen. Ramnath: You cannot?

Sen. Prof. K. Ramchand: I have to go to work. [*Interruption*] Yes, I can only deal with my income that I am paying them out of. It is income after tax. So you either give me tax relief or you waive my contribution to the insurance for domestic and casual agricultural workers.

So, Mr. President, having given you these fantasies, I would like to close by repeating that I commend this Bill, but think that serious thought should be given to integrating national insurance with old age pension and other welfare schemes and to develop this new system, bearing in mind that there are private schemes that cater satisfactorily for many people. Secondly, I would like to see some more thought given to a welfare component in national insurance. In this way, Mr. President, the national insurance, by which those who are paid well are contributing to those who are paid not so well and those who are unemployed, will become truly national. Thank you.

Sen. Cynthia Alfred: Mr. President, I have three points on which I should like to speak and I shall be brief. I would like to add my concern to that of Sen. Joan Yuille-Williams, Sen. Shabazz and other Senators on the Independent Benches with respect to the domestic and agricultural workers. I think it is ironic, Mr. President, that of all the categories in which an exception is made, these two

areas are the ones. If we read clause 11(5) of the proposed section 30 that is on page 6, it says:

“Nothing in this section shall apply to a domestic worker or a casual agricultural worker but every such worker shall, in respect of each employment as such, himself make an application for registration and shall give notice to the Board of any change in such employment.”

I think the very words, Mr. President, “casual agricultural worker”—and then everything else is fine for everyone else except the two categories of people who are already under pressure; the two categories of people who find it difficult to make ends meet because they are going to be paid the lowest wage. To add insult to injury, so to speak, it says that in every other case the employer shall see about the employee but in these two cases you are not really worth the effort. “So, therefore, you will find your way down to the Board and you shall register yourself. If you do it, that is your business, and if you do not do it, that is also your business.”

7.00 p.m

I think, Mr. President, that this subclause is unfortunate in the way it is worded. I think greater consideration should be given by the Minister of Finance, in respect of this category. Notwithstanding what Sen. Prof. Ramchand said about having to pay a domestic worker or agricultural worker out of his wages, we have to be realistic; if we are going to employ someone, then we should be prepared to go the whole distance. I do not see why these workers should have to go and register themselves. In the first place, they are not going to do it. Look at their circumstances, the chances are that—especially the domestic worker—she may start at 6 a.m. and perhaps work until 8 p.m, sometimes more often than not, the person is not given much time-off and, when the person is given some time off to tell her to go down to the National Insurance Board to get registered and pay her own contributions is not good enough and, if provisions are being made for everybody else, then provisions should be made for the domestic and the agricultural worker.

The self-employed, Mr. President, are not mentioned at all. I remember mentioning it when I made my budget presentation last year. I was told that some self-employed persons do pay contributions. Again, it is left too wide open. If it is not entered here some consideration should be given, as a matter of urgency, to have self-employed persons brought into this scheme. I think that one presumes

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that self-employed persons are persons who, perhaps, would earn over \$5,000 or \$6,000 per month, but there are self-employed persons who would be getting, perhaps, \$400, \$500 or \$600 at the end of the month. The same way that we are putting in place systems for most persons to get a pension at the end of their working days, in the same way we should make provisions for the self-employed. We should put them in their respective categories, and have them registered. They would be given a certain class according to the schedule, and so forth, and let them pay their contribution. So, they can rest assured that at age 65, they can retire as everybody else. Otherwise, we might have them working at age 70 or 75, because they would not have the savings that others would have had under the scheme.

Finally, Mr. President, I am not sure if I have misread this, or if I do not understand it. On page 11 of the Bill, clause 19

- (h) “a claim for survivor’s benefit shall not be paid where it is made in respect of a deceased insured person who was paid a retirement grant...”

I think I understand that. The person was already paid the grant, and therefore, one presumes that the moneys would have gone to the survivor. But he says:

“or had attained retirement age, and would have been entitled to a retirement grant had he made a claim for benefit...”

Does this mean that the survivor will get the grant? It is not stated and I am not sure. The last part states:

“or would have been paid a retirement grant in respect of his claim for retirement had he survived.”

I get the impression, Mr. President, that if the deceased person, before he died of course, was paid a retirement grant, then the surviving person is not entitled. I asked myself, why not? Let us assume that he was paid a grant at age 65, and he died at age 75, one could assume that the money would have finished. Why should not his or her survivor get survivor’s benefit? Had he lived and claimed his benefit, what happens now that he is dead? Is not his dependant entitled to survivor’s benefit? I am asking the question whether the survivor will be getting the grant, or what provision would be made for the survivor? I do need to have this explained.

Having made those three points, Mr. President, I would like to thank you and hope that the presentation I made, though brief, especially with respect to the first

two, would be given some consideration by the Ministry of Finance and by extension, the Government.

Sen. Nafeesa Mohammed: I would like to make a very brief intervention in this debate this evening. I know it is very late in the night; I am not going to be long, I can assure you of that. As I listened to this debate this evening, I could not help but go back in time and remember the story of “*Robin Hood and his Merry Men*”. In that legend there is a guy, Prince John, who used to actually tax the poor in order to give to the rich. I say this, because from all that we have heard here this evening, there are so many unanswered questions still, as to where the contributions are going in terms of this fund, and whether in truth and in fact moneys from this fund, under this National Insurance Scheme, are being used for purposes that are indeed matters of great concern from an economic and national standpoint.

As I sat this afternoon and listened to our colleague who visits us from time to time, the hon. Sen. Kelvin Ramnath, I could not help but conclude that Sen. Ramnath, with all due respect to him, is suffering from a serious political tabanca, and that is, he is missing being on this side of the Chamber in Opposition. [*Desk thumping*] I was amazed to hear Sen. Ramnath. [*Interruption*] He knows very well that the doors are very wide opened. As I listened to him speak on this Bill this evening, I really felt that I should make a few comments, because he spoke about this Bill that seeks to amend the National Insurance Act that was passed in 1971. He sought to give kudos to the UNC Government and the Minister of Finance for bringing these amendments. Really and truly, Mr. President, credit has to go to the People’s National Movement for the vision it had, when in 1971, the Minister of Labour, Mr. Errol Mahabir, presented the Bill that established the National Insurance Scheme in Trinidad and Tobago which has been recognized as being, perhaps, the most significant piece of social legislation ever to be passed in this country, [*Desk thumping*] and credit must be given to the People’s National Movement for bringing that Bill to the Parliament in 1971.

7.10 p.m.

Some references were made to the development or the evolution of this kind of social security system in our country. I know that reference was made to colonial days when we had inherited the English system of poor relief. I think there was a Poor Relief Ordinance where, sometime in 1939, I believe it was, for

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the first time, an old age pension was introduced by way of the Old Age Pension Act, 1939.

Later on, there was a further change or development in that process when the Public Assistance Act was passed—I think it may have been in the 1950s—and the main thing about that Act was because of the concept of poor relief and the actual words that were being used, there were concerns that were felt to be too much of a charity kind of concept. And so, it was developed into what is called a Public Assistance System which was introduced in the 1950s.

It was not until 1971 that there was the introduction of this National Insurance Scheme, and one would see that it took years for this scheme to actually materialize in the form of legislation because a tremendous amount of work went into it. This scheme, actually, has been part of the vision of the People's National Movement as set out in the People's Charter, which is the vision document of the party from 1956. When the PNM came into Government in those early days there were several groups of individuals involved in the process of coming up with a National Insurance Scheme. We had the international organizations, through the ILO, involved in the process.

In the late 1960s there was a situation where, in fact, a tripartite approach had been adopted. There was business, there was labour; in fact, the trade union movement played a significant role in the evolution of this National Insurance Scheme, and when the hon. Minister of Finance comes to the Parliament and talks about the years of neglect of the system, and for how many years nothing was done; and for how many years there was no amendment to the Act, the long and short of it—as the Hon. Minister of Finance himself is aware—is that this system is very complex, and in terms of the need for change, we acknowledge that there are problems involved in the system.

Our concern, Mr. President, is the manner in which this Bill was just thrown at us, and at this point in time, being railroaded through the Parliament. It was only last Tuesday that we, for the first time, had sight of this Bill, together with two other pieces of legislation, yet, in one week's time, they expect that we would come here and just go along with them and agree to whatever amendments are being proposed in this piece of legislation. We want to record our strongest objections to the manner in which this debate has been taking place today.

I raise this, Mr. President, because of the fact that while we recognize that there is need for change in the system, we believe that with such a complex

process, one needs to involve the people, the interest groups, and whoever they may be in this process. Where is our Senator, Mr. Selwyn John, who represents the trade union movement? One would have thought that with a piece of legislation like this, he would have been here to make a contribution on it.

Mr. President, I came across a newspaper article which was published in the *Trinidad Guardian*—and I hope that Sen. Ramnath is taking note. It is the *Trinidad Guardian* of Wednesday, March 17, 1999 at page 37 and, in fact, the first part of the this article was published sometime before on February 10, 1999 at page 41. This article which was published in two parts is a very thorough overview of the present National Insurance Scheme which was prepared by someone who is well-recognized in this country as being an expert in the field of national insurance. He has been, in fact, a consultant for a number of years in this field, and I refer to Mr. Hubert Dolsingh.

Mr. President, going through this article, Mr. Dolsingh highlights 26 issues that need to be addressed in terms of amending the National Insurance Act, and I would like to recommend this article to the Hon. Minister of Finance for him to have a look at it. I have to ask whether, the Government had, in fact, been in consultation with people involved in the field and in the system, because clearly, had there been such consultation, concerning the amendments with which we are dealing today, we would have seen some attempt to address the very many concerns that have been raised here this evening. They are very valid, legitimate concerns which have been raised with respect to the National Insurance Scheme.

In fact, at the end of the article a very strong call has been made in terms of retaining the original objective of the scheme to provide all employed persons with social insurance coverage, regardless of their earnings, class, age and occupation. If the number of issues raised in the review were not addressed in the proposed amendments, then I would recommend postponement of its implementation to take effect in February 1999 to the twenty-eighth financial year of the scheme on July 1, 1999, and to make available copies of the proposed amendments for public comments and recommendations and to hold public seminars to solicit the views of and a wider participation from insured persons and their employers.

Mr. President, the long and short of it is that when we are talking about national insurance in this country and a system that seeks to provide national insurance for persons who have been employed, the reality is that there are many people in our society who are not even aware of the fact that they may be entitled

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to some benefits from this scheme. There are very many people who are not even aware of their rights.

When I listened to Mr. Ramnath talking about this piece of legislation being directed at assisting the poor people—[*Interruption*] Mr. President, I am hearing some mutterings on the other side, [*Laughter*] and I remember as a child sometimes visiting this Chamber. That is why I said the Senator is suffering from a political "tabanca" because when he was on this side, his conduct and behaviour were really something of which to take note.

It is unfortunate that the hon. Senator who has served in this Parliament for some 15 years—and who has been championing the cause of the people in his area in Couva and other parts of Central and South Trinidad, and who is accustomed to talking about the troubles—today is prepared to put on blinkers and close his eyes to the injustices that are taking place. That is why today, with these amendments, I can only conclude that it is a classic case of Prince John and his merry men. That is what this Bill is seeking to do: facilitate a slush fund, because up until this time in this Chamber, no Member from the Government's side has sought to explain or give some accountability with respect to some of the very serious concerns that have been raised—questions that have been raised in this country for a number of months—and in terms of how the funds in this National Insurance Scheme are presently being used.

The hon. Minister of Finance owes this country an explanation. I am calling upon him to please clear up whatever it is. This is an editorial from page 8 of the *Sunday Express* of April 18, 1999. There is no need for me to go into it, but clearly, questions are being raised because of the fact that a particular individual is said to be receiving more than one salary in circumstances where the Hon. Minister himself had denied it.

Mr. President: Senator, again, please. You are very well-aware of the fact that two previous Senators have been advised. Do not have me say anything that—

Sen. N. Mohammed: Thank you very much, Mr. President. I was just hoping we could get an explanation from the Minister by the time this Senate is finished this evening.

As I was parking my car here at 12 o'clock today, the 12 o'clock news was going on, and the headline on the news was the fact that there were hundreds of

workers at Nipdec House who were today protesting in front of their office at Cipriani Boulevard against a proposed increase in their wages by a mere 4 per cent when other people at the top levels in the system are getting a 100 per cent increase. So, it is a very pertinent fact.

There have been several newspaper reports which I would not go into, but there are comments in terms of the expenses that are involved in administering the system; how they are escalating. This is an area of concern to us, because in this Bill, there is a particular clause—I think it is 8—that is actually seeking to remove a ceiling that exists in the previous legislation, of 9½ per cent of contribution revenue of the board as being used to deal with expenses. They are proposing to remove that ceiling and, in fact, give the Minister a free hand in terms of determining that contribution. This must be a matter of great concern in terms of clause 8, and I ask the Hon. Minister to please look at that proposal again, because there ought to be some sort of limit or ceiling, otherwise it would really confirm our concerns about this whole thing being intended to be like a slush fund for the merry men.

Mr. President, there is another aspect. Not too long ago, there was a problem with asbestos at the Ministry of Legal Affairs, which was being housed at the Huggins Building, and the employees had to vacate the building. Lo and behold, just around that time a question had arisen in the other place and the answer that came out of that question gave an idea as to where the NIB's funds were being spent. This is why we have to register our concerns.

Reports are that a valuation report had, in fact, been prepared for that building. I think it valued the property at close to \$8 million. Lo and behold, we saw reports of a particular company being formed and the property was purchased at one price and sold to the Government, via the NIB, for another price of \$10 million. Whatever it is, we have to register our concern about what is happening, because clearly there is a lack of accountability and transparency taking place. We are, therefore, asking the hon. Minister of Finance to please, in his winding up, try to give us some explanation and clarify some of these perceptions that have been existing.

We have heard a lot of talk about Nipdec being a subsidiary of the National Insurance Board and we must be concerned about where the money is going. I trust that our honourable Sen. Kelvin Ramnath, regardless of which side he sits will, too, register his concerns to ensure that whatever wealth that is being generated or created in this country is used in the broadest possible way to benefit the people at large of the

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Republic of Trinidad and Tobago—whether they are from Laventille, Caroni, Cedros or Mayaro—and not just a particular group of friends and individuals and other persons who are well known to the national community.

So, Mr. President, I just wanted to register these concerns. I thank you for the opportunity to say a few words on this Bill. [*Desk thumping*]

7.25 p.m.

Sen. Rev. Daniel Teelucksingh: Mr. President, I am not going to be long but I rise to lend my support, in a few words, for the National Insurance Bill 1999, as a significant improvement to the corpus of our social welfare legislation.

Mr. President, all of us here are covered by the National Insurance Scheme, but more particularly, several thousands of low income persons have benefited already from the scheme and the proposed increases are long overdue.

Mr. President, this legislation is desirable. I see this among what I would call, our bills of compassion. Later on this evening we might be doing Chapters 32:02 and 32:03 of these bills of compassion which focus on poverty and Government is to be complimented for making provisions for those who are financially marginalized in our society.

Mr. President, the real topic for today's consideration is poverty. That is the topic. How do we as a Parliament and a nation address various issues relating to this problem? Poverty has created its own fearsome challenge in our society; but in addition to poverty, the happenings of the last week may remind us that ours is a land of many sorrows. More sorrows that tend to engulf this nation; sorrows that tell us of senseless slaughter among neighbours; slaughter of colleagues in the work place; among lovers; on the nation's highways and in other high places.

Mr. President, we need to be guided as a Parliament. Sometimes I feel very disappointed in the kind of debate as to who is responsible for what, when there is so much suffering in this land. I am very disappointed at the attitude of leaders in this country; people who formulate legislation. We think about kudos for ourselves and this is very disturbing. I have to say it as I see it and understand it. Who is going to lead and guide a troubled and disturbed society, when we think only of ourselves and we are so impervious to what is happening in our society and the community for whom we legislate and are supposed to lead? Can we use our collective wisdom, even once in a while, to recapture for Trinidad and Tobago

that which is the nation's moral and spiritual axis? I wish I would see some of this kind of genuine concern.

I want to echo—and I feel very strongly about some of the sentiments of Sen. St. Cyr. The National Insurance funds guarantee a form of financial security to our citizens and such funds belong to the contributors and that is very important. All pension funds should therefore be carefully protected and preserved; and that is important.

Mr. President, it is no wonder that clauses 6 to 9 in the Bill provide for the Investment Committee. The framers must have been very particular about having this Investment Committee and devoting so many clauses in the Bill to it.

Mr. President, I have a concern. I remember sometime—I do not have the details—when the divestment of T&TEC was being discussed—the workers had to fight to protect their pension funds and I think the same thing applied to BWIA. Workers came from everywhere because certain directors wanted to do something with the pension funds of T&TEC and BWIA, and it was a fight.

I hope the hon. Minister in his reply will spend some time to address this, because it is a very important part of the Bill and previous speakers touched on it from various angles. Where are the checks and balances for prudent investment and protection from the manipulation of this fund, whether it be by Government as some people mentioned? What about the directors and the managers? I am very much concerned about this. You have an Investment Committee and the quorum could be as little as four.

Mr. President, I remember not too long ago, when the non-banking financial institutions of this country, directors and managers had a whole lot of money, millions at their disposal and we thought—just as some of the managers and directors and movers and shakers of T&TEC and BWIA thought—what they could have done with the pension funds there. Concerning the non-banking financial institutions, one wonders who was responsible and who was monitoring all of this. I am asking this question. We are talking about a lot of money, approximately \$4.6 billion in total NIB assets; a net investment income amounting to \$415.7 million, that is a lot of money. Other companies had a lot of money two decades ago and suddenly there was a problem and we wondered what is happening. Could the hon. Minister please help us?

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Who is going to oversee on a regular basis the investment decisions of that company? Who is going to do this? Is it the Board? To whom will the Investment Company be accountable? That is a very serious and important question. What about high risk investments, especially in a time like this, who is giving approval? A very important question.

Mr. President, this is a serious Bill and I am very happy that there have been so many contributions on this important piece of legislation where various issues have been brought forward and it is because we are all concerned about that vast sum of money, all belonging to people. We would like to know more. I am very concerned about the custodians of that fund. I thank you very much. [*Desk thumping*]

The Minister of Finance (Sen. The Hon. Brian Kuei Tung): Mr. President, let me begin by thanking Members on both sides, the Independent and the Opposition Benches, for their comments and contributions. I gather from the comments that are being made in the main that this honourable House has given its support to these amendments because one realized the importance of these amendments. As I said in my opening remarks, it seeks to bring a little more relevance to the National Insurance Board.

I am aware that for several years the National Insurance Board has been crying out for amendments that would help it to become more efficient. I was hoping that because we recognized the way the National Insurance Board has been developed that we could, in fact, depoliticize this debate. I did not think that anything I had said in my introduction to these amendments to this Bill can be regarded as having politicized it in any sense. When I said that it took more than 18 years to bring about any amendments it was not really meant to be a criticism; it was to show how difficult it has been over the years to even bring about amendments.

I myself was just whispering to one of my colleagues that I have been eating and sleeping pensions and national insurance for the last two years and I am finally here and I am glad I am here at this point. It really hurts my heart to come and appear to be unprepared because I am not. But some little thing certainly crack.

Let me apologize first that some of the papers had to be given out today. We had a major problem at the Government Printery.

7.35 p.m.

A number of its old printing presses have really reached the end of the line and unfortunately, a number of Government's forms are suffering, so from some of the tables which were dated early April have only recently been printed because they have been sitting there.

This morning when I inquired of my ministry why we do not seek to go out on contract to print forms for the Government, I was told that these are the only people who can print these forms because they are treated highly confidential until they are printed. It shows we are still working with very archaic rules and regulations. We are heading into a new millennium but we are still thinking as if we are way back in the 1920s and 1930s. This came home to me today; when we had to make an amendment to allow the National Insurance Board to liaise with computer systems in the private sector. It just goes to show today, in 1999, the National Insurance Board does not have the legislative power to liaise with computer systems. How archaic can we become?

I do not know how many pieces of other legislation have such restrictions. I wonder. I am glad I am here, because as I mentioned to another colleague on the other side, sometimes you have to take the bull by the horn and say enough is enough, we are going with what we have. It is better to do some amendments now and correct them, but if we wait until they are perfectly correct, another five years would pass and we will never get it done.

There is an actuarial review that is done every five years that screams at you and says; "you are becoming more and more marginalized." It is financially sound but not relevant. It does not make sense being financially sound and not serving the needs of the people for which it was designed, because being financially sound only means that it could meet its liability, but if its liability to the people are so small, then it really does not make sense having it, and by saying it is financially sound really does not say anything much.

I assure you that the regular actuaries, incidentally are regular, and there are several types of actuaries, people do not understand that. Actuaries specialize in different areas. There are life insurance actuaries who specialize in life insurance; there are pension actuaries, who specialize in private pensions; and there are those who specialize in social pensions. I know actuaries like accountants go through certain dispenses but there are specialists who deal in those areas and we do not use private sector actuaries, or even pension actuaries to do this, we use social

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pension actuaries who we bring from the United States of America to make comments on these systems and they are hard-pressed. When they say you are financially sound, they know in terms of dollar figures, the pension payments you are making are becoming irrelevant very quickly. That is why I started by saying I would want to hope that having done this, and having seen how it can be done, that more reviews and recommendations which are made by the actuarial review would be accepted by future governments. Do not wait for 10 years please, because even 10 years—as Sen. Mahabir-Wyatt suggests—in my view is way too long. I would have hoped for three years, but the law requires a five-year actuarial review, and I think we should take the bull by the horn and do the reviews every five years religiously.

Incidentally, I want to caution this Senate. The fact that I have come here after 18 or 29 years, does not mean that what we are doing would hit into today's world. The problem is, I had to have a balancing act and that is why I spent so much time. How much could you put on the private sector? I have not gone anywhere near where the actuaries really wanted to take us because we have been playing catch up for so long and have done nothing, that I had to try to do something that would bring us fairly close to where the actuaries wanted us. This in no way would take us out of the woods and we may have to stay in future, with the five-year actuarial reviews in order to catch up. So do not think we now have something that is good for 1999. I suspect if we bring it up to the late 1980s or 1990s, but we are nowhere near where we should have been if we had done constant reviews as were required by the favours of the forefathers who framed this.

Sen. Shabazz: The founding fathers.

Sen. The Hon. B. Kuei Tung: I did not want to criticize this and I think it is too important for us not to get caught up in politics. The National Insurance Board has had a history of ups and downs and I am not going to point any finger at anyone, it is irrelevant. What is relevant is meeting the needs of people for whom it was designed. I can assure you it is not. What I am seeking to do today is bring it on par to where it should be.

There were a number of questions which were raised. I would start by talking about how I see the National Insurance Board. I start with the last point which was made because I think if I do that I would put it into perspective very quickly. The word “harmonization” seems to have frightened people in many areas. The word meant to some people that they would find out what income I have and give

me less old age pension, or less national insurance, so harmonization is not good for me.

People have made it a job to try to hide from the Social Development Department how much income they have so they could get that to make ends meet. There is nothing wrong with that. Many of these people were literally at the bottom of the table crying for help. Many of them had more liabilities and expenses than they anticipated, but we have to get it right. That is why I said that we have to get it right to address the needy. I did not want to talk about how much they need. I do not think it is fair for us to sit and legislate that a person who has no dependants should get the same old age pension as someone who has dependants, and I cannot get there yet and I am not going to get there until I am able to determine in a very clear sense who is getting what, because the needy then have to be identified and you can only identify the needy when you know precisely how much is slipping through in the cracks. That is what harmonization has meant to some people so they are fearful.

My colleague, Sen. Prof. Ramchand spoke about harmonization. He has an adequate private pension plan. Why am I trying to harmonize anything? Leave him with his pension plan and you go into whatever you want. Let me explain to you what National Insurance has done and what the founding fathers intended. In case you do not know it, everyone of us who sit here make a contribution to the National Insurance for which we would not get a full benefit. Did you know that? Did you know that the intent was that the higher paid would pay for the lower paid? So in terms of benefit, the ones at the lower end get a higher benefit than he contributes, and those at the higher end get a lower benefit. That is a fact. If Sen. Prof. Ramchand and everybody around here drop out of the scheme, then the people at the lower end would have to get lower benefits. What harmonization is seeking to do—

Sen. Prof. Ramchand: Mr. President, just to clarify for the Minister, I was dropping out of the scheme only in the sense that I did not want the pension, but I would make my contributions.

Sen. The Hon. B. Kuei Tung: What you are going to find is that you are actually buying a more costly benefit than someone who is at the bottom of the table where you would get a less costly benefit in terms of what it is costing you for contribution versus benefit. We recognized that if you are going to address the relevance of the scheme, employers are going to bow, and employees are going to save. There are persons like Sen. Prof. Ramchand to whom I make a pension

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available, but it costs me much more money and then they pay these higher wages of National Insurance on people like Sen. Prof. Ramchand again, which is going to cost me more money, and in order to make sure we harmonize it. In other words he is saying, I want to provide and here I use an example. Here is Sen. Prof. Ramchand with \$5,000 per month. Are you saying National Insurance is going to give him \$1,000—and I would return to that question of \$1,000—I do not want to give him \$6,000. He is going to get \$5,000 from me, and \$1,000 from National Insurance? So I am going to give him \$5,000 and he is happy with it. That is where the harmonization is going to come out, where you are now going to be able to see where an employer—and that is one of the amendments we are doing today—is able to say, now that I know you are providing \$1,000, I would now provide \$4,000 instead of \$5,000 and let us harmonize it. I would make my obligations whether it be union and/or employee agreements, but I meet my obligation to him, but I do not have to meet it more because it is going to hurt me in the long run if you keep upping this for employees up and down. That is harmonization. So there are several elements of harmonization in my view, which we want to address initially but we are making amendments which would deal with many of them ultimately.

Sen. Montano said there was no equivalent to a Second Schedule in the Insurance Act and as I indicated to you, there is a First Schedule which is not as comprehensive, but it was meant to give guidelines to the Investment Committee. The First Schedule to the original Act clearly stated what investments the assets of the National Insurance Board were allowed to invest in and they could not stray from that. It did not fit and I think the only one which had a percentage component was real estate, the others did not stipulate a maximum percentage, but I think they were allowed to invest in Government bonds, fixed deposits and so forth and they could not go outside of that schedule so their investment needs were really limited. That is one of the checks and balances for which Sen. Rev. Teelucksingh was searching. They really cannot invest in assets that are too speculative. I think they were allowed to invest in mortgages.

I want to remind Senators that the National Insurance Board is not a Government organization. We politicize everything, so ultimately, the people lose sight of what is happening and they think the Government is running the National Insurance Board. I was glad Sen. Mahabir-Wyatt raised the point that she was a member of the tripartite committee which was involved in developing the National Insurance Board which is literally an equal partnership between government, business, and labour. That too is a check and balance because no one

could run off on a particular tangent for whatever ideology, whether it be social or otherwise. In other words the checks and balances were clearly there and Government does not, as some people seem to think, direct national insurance or NIPDEC.

There are questions people ask me about the National Insurance Board and National Insurance Property Development Company of which I am not aware because I am not involved with the board on a day-to-day basis, and I do not see that as my responsibility as the Minister of Finance. So anyone who wants me to become involved in managing the National Insurance Board, I am sorry to disappoint them. I am not involved on a day-to-day basis in running the board. I take complete responsibility because I am the first to say, if I am in charge of responsibility, I have to entrust that responsibility to members of the board, and if they do something wrong, I am the first to deal with it. However, I assume what we are doing is right and the checks and balances which Sen. Rev. Teelucksingh are crying for are there so I am not going to run from my responsibility because it is part of my portfolio and, if so, I am prepared to accept responsibility.

If something falls apart here I have no choice but to face that responsibility. But please do not ask me to be there on a day-to-day basis doing the day-to-day management. I cannot do this, it is physically impossible for me to do that. Remember that the tripartite committee was always intended to be sacrosanct as someone said, and I point out that there was a mistake in the drafting with respect to the Investment Committee. There were not supposed to be three additional members appointed by the Minister. It was supposed to be three members appointed by the Minister, business, and labour but somewhere along the line, business and labour got left out so it looked as if the Minister wants to hog the whole Investment Committee. My apologies. I am also not responsible for typing and printing, but I have to accept responsibility. It is my Bill and I would.

7.50 p.m.

Sen. Dr. St. Cyr: I thank the hon. Minister for giving way. The real error was the first of those three which should have said “three persons nominated by the Minister” not “from the board”, and that raises a different sort of issue as to whether someone who has no connection with the National Insurance Board would really be in the most sensible and responsible position in terms of investigation.

Sen. The Hon. B. Kuei Tung: Thank you very much, Sen. Dr. St. Cyr. If I tell you what the problem is, you will understand how I arrived at this particular solution. The problem that came to me—and I had discussions with the National Insurance Board when we were framing—is that they had a quorum. I thought and I know Sen. Joan Yuille-Williams thinks differently—I thought they had five members with a quorum of four, but they had difficulty getting this quorum because it was too close. The reason they had four is that they actually had four with five members, one of whom had no vote. The five they had on the old investment committee was the Chairman and three, one member each representing government, business and labour; and the Chief Financial Officer who had no vote. So they really had a quorum of four out of four. That is the difficulty they had because the fifth member had no vote.

So I asked what they wanted me to do? Now, these members, incidentally, were not members of the board; they were supposed to be technical people. In order words, let me give a quick background. There are 10 members of the National Insurance Board. I am talking about board membership—the chairman and three each from government, labour and business. The investment committee had another board that was quite different from them. They were not allowed to use anybody else but the chairman under law. Only the chairman could have gone to the investment committee under law and they were required to appoint a technical person to represent the Minister or government, business and labour. My Permanent Secretary was on the investment committee, but she was not a member of the National Insurance Board itself, so there were different members of the board.

I thought I could solve the problem by selecting three members from the board who represent Minister, government or business, so that was three; plus the three technical people; plus the Chief Executive Officer whom I gave a vote; plus the Chairman who was already there; and the financial officer who does not have a vote because he must be there. He manages the funds, the cash flows and everything. That is how we solved it but the legislation did not capture what I said and that is where I said it sounded as though three members came from the Minister, but it really was not three members from the Minister under any circumstance. I really felt that the ratio had to be kept alive and sacrosanct and I have tried to maintain that. You have seen the actual amendments that I have and I hope they capture it.

It was only to allow more membership on the investment committee. I also tried to keep the ratios even for meetings, so that I now have a quorum of four out of nine, one without a vote—four out of eight—in the hope they can have regular meetings and in the event the technical person is absent, maybe the board member can come who represents either labour, business or government. That, basically, is the solution that I found to that.

I know many Senators talked about the composition of the investment committee, so I do hope that I have cleared up all of the fears and misgivings that were raised. I hope that in the final amendment—and let me tell you what I think is good news. I have three proposed lists of amendments and two that I raised and I am happy to say that they are all correct amendments and that the Government is going to accept them all without exception, as long as we can capture the policy. That is to show how—

Sen. Dr. St. Cyr: Mr. President, I wondered whether the Minister, as we have caught him in such a generous mood will accept one more, [*Laughter*] that we delete clause 8(c).

Sen. The Hon. B. Kuei Tung: What I was hoping you would propose, Senator, was a ceiling. I think the National Insurance Board will be happy with a ceiling. Now, I can suggest a ceiling if you wish and if it is acceptable to everyone—because there is no ceiling now—I would think that right now their experience is a little under 19 per cent. They were 19 per cent and they went to 18 point something, so if you put a ceiling, it would help.

Let me tell you something. We have had 9.5 per cent in law. In their whole history, they have never honoured it, so putting 9.5 per cent or any ceiling that they do not honour—or that they could not achieve...I should not say they never honoured; they could not achieve it.

Sen. Dr. St. Cyr: Sir, if now we are doubling, or more than doubling contributions, I think this is a basis for maintaining 9.5 per cent which is high internationally and forcing the board to operate within that level.

Sen. The Hon. B. Kuei Tung: Let me mention one other point before we get carried away with that. We are not really doubling the revenues. The figures that were given to me based upon the increased contributions—I do have a pile of notes; I hope I can pull it out—and I know that I should have given this to Senators, but I did not think of it at the time; maybe I should have interrupted

someone and given it. The figure that was given to me for increased revenue as a result of the new contributions, is \$140 million. Now, that is not doubling.

As a matter of fact, I do not remember what the actual gross revenue of the National Insurance Board is, but I am sure it is way more than \$140 million a year if you include other things. The estimated increase in benefits expenditure is \$80 million, so the net increase in cash flow is only \$60 million. So, we may be getting close to the 9.5 but I do not think they are anywhere near that. I think it might be more, even in the range of 15 per cent with this increase.

But I accept what the Senator is saying that we should have, and that is why I had felt that the actuary's recommendation would be the maximum because if the actuary recommended—and I use a number—15 per cent, I could say no. But that limits me as well because I cannot go beyond the actuary's recommendation. It would not be practical. So, it was supposed to be my approval on the recommendation of the actuary, and if the actuary recommended something, my limit of approval is really no more than his. I could go lower if I think they should be going lower, but I cannot go higher than his. Is that right?

Sen. Dr. St. Cyr: I think we would be well advised to put a constraint even on the hon. Minister. [*Laughter*]

Sen. The Hon. B. Kuei Tung: Another constraint.

Sen. Dr. St. Cyr: Could we probably think of a limit of 10 per cent? Because 10 per cent of an additional \$140 million would give an additional \$14 million for administrative expenses which, I think, is generous.

Sen. The Hon. B. Kuei Tung: My problem in everything that you have said, Sen. Dr. St. Cyr, is not that I disagree with you. It is just that I do not want to set another unrealistic limit and they just choose to ignore it, which they have done with the 9.5 per cent. I prefer to have it realistic and I really do not know if I could sit in this Senate and tell you the limit should be 12, 15, 18, 6, 8, 9.5—I do not know. But I would have liked the same social actuaries spoken about, to be the ones to make the recommendations and then I move from there. I mean, I could do as you say, but I think it is just going to take us backward rather than forward, because we really have not observed that limit. It was so unrealistic and unachievable, they just choose to ignore the law and if you put 10 per cent and they find themselves in the same situation now, then they have no inducement to observe that either.

So, I would say yes, if I have to be totally objective, there should be a limit but, given the issue of the thing, I really would like to think that if the actuary suggests 10 per cent and I approve 12 or 11, that the board now says that I have given them and the actuary, a target that they must achieve, because they are not going to set an unrealistic target. That is the unfortunate thing about it.

So, I would ask for your support in leaving it as it is. If it is, and I could assure I would lay the actuary's report here so Members would know the recommendation being made by the actuary. I am required by law.

Sen. Prof. Spence: Mr. President, could we not just say that the percentage would be what the actuaries say it would be?

Sen. The Hon. B. Kuei Tung: I agree with that except that I was hoping to put it in law. Anyway, I would have no difficulty with that. If you wanted to say, consistent with the recommendation of the actuary and now I put the amount, I have no difficulty with that. But that now takes me completely out of the picture and, as I said, I have no difficulty with that. The actuary's report is required by law. One of the reasons I have been criticized for this being delayed is because I thought the actuary's report was already laid, but I had to go through a number of steps before I could have reached where I was here and that is part—

Sen. Prof. Spence: Not more than the actuary's report, but you could bring it down.

Sen. The Hon. B. Kuei Tung: That would be fine, not more than. Okay. We could look at that but that still would not put me in the picture. Instead of saying "consistent with the recommendation", "not in excess of the recommendation", so that would give me my upper limit as being the amount of the recommendation.

Sen. Mohammed: Would the Minister also consider that that actuary's report be laid in Parliament?

Sen. The Hon. B. Kuei Tung: It is required by law.

Sen. Mohammed: No. We are hearing about it. We do not know.

Sen. The Hon. B. Kuei Tung: Every actuarial review of the National Insurance Board is required, by law, to be laid in both Houses and it is done. The last actuarial report has been done, quite recently as a matter of fact.

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So, in the interest of time, because I know we are getting fairly late, I do not know if I need to go through every single comment that was raised.

Sen. Alfred: No.

Sen. The Hon. B. Kuei Tung: If I do, I would have hoped that we understand—let me talk about one that everyone talked about, domestic and casual workers. I think I need to settle that.

I think we are misunderstanding what we are saying here. We have put some very rigid requirements on both employer and employee which is the reason that section is being amended. I do not know if you may have recognized that. But, we could not put that on domestic and casual workers. In terms of casual, they move from job to job. If you keep telling them to come to register every seven days and they move from job to job every month, they will spend their seven days in the National Insurance Board itself. So, you could not do that to them, but they are still required to register but we did not put the restrictions that we placed on employers and employees.

Now, we have the same problem with domestic. If we went tomorrow morning, or on May 3 and said every single person with a domestic household assistant must register them, they might very well fire them. That is a fact. We have indiscriminate people; not Prof. Ramchand who has to pay after tax. But, it may be that they change the terms and conditions. Instead of being permanent now, we make them casual. We did not want to hurt them, so what we said is in case of domestics, they should go and see about their registration and that is acceptable to us but there are no strong restrictions on the employer and employee as we have done for domestic and casual workers. I hope you understand the need for that.

We are actually bringing them into the net, but we are giving them an opportunity to come into the net that does not make it so hard to jeopardize them. I do not want to jeopardize a casual agricultural worker or a domestic worker because of indiscriminate or, whatever you want to call them, negligent employers. So we put the onus on them that they have to come in and seek registration, and they will. Just as some of the Senators on that side have said, they want to be registered so they now have an opportunity to go and register under the amendment but not those harsh, not harsh but rigid—I do not want to

sound as though the law is harsh—requirements for both employer and employee. I hope that explains that it is not that we have left them out of the system.

I think somebody asked me about the difference between survivor and other benefits. I just want to make one casual statement without dwelling on it. The difference between the survivor benefit and the sickness benefit is one is long-term and you do not want to ever lump, not even insurance companies do that. You never have the same administration for long-term benefits as short-term, so you have to separate them. With sickness, you assume that you will get over it soon; with invalidity, long-term, I mean, you do not become an invalid one day and then, suddenly tomorrow—I do not know if it is a miraculous cure, [*Laughter*] but generally people who become invalids remain that way for the rest of their life and, therefore, it is necessary to separate administration for an invalidity benefit from the administration of sickness benefits. It is not that we want to make any particular distinction. It is to help the administration.

As I said, I hope I have covered all of the comments that have been raised. I am thankful for the comment—

Sen. Prof. Ramchand: Thank you, Mr. Minister, for giving way. Mr. President, before the Minister sits down, I just want to reiterate or clarify to him because I think it is an important suggestion, to remember people who are involved in private insurance schemes. I am not advocating that they withdraw from the compulsory National Insurance Scheme, what I am proposing is that they be encouraged to make a contribution of their own national insurance to the National Insurance Scheme.

8.05 p.m.

Sen. The Hon. B. Kuei Tung: I am sure that if your suggestion—you do not mind paying a contribution, you do not want any benefits. I am sure when you retire, the National Insurance will welcome a cheque. The thing is that I cannot see how people can withdraw from the scheme. As I said, I do not think that the scheme will survive if we allow it on the basis I suggest. But, on the basis which you suggest, I do not know if we can write that in the law. We are asking people—is that what you are saying?

Sen. Prof. Ramchand: No, I am not asking that. If I could clarify. I am not suggesting that anybody should be exempted or be able to withdraw from paying national insurance. What I am suggesting is that, in connection with

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harmonization, that people who are adequately served by private insurance schemes should be given an opportunity to donate their national insurance.

Sen. The Hon. B. Kuei Tung: I think it is a very worthwhile gesture on your part, but I am not sure if we have time to introduce that. The harmonization is not quite complete. I assure you that this is not the end of the harmonization. We do have other steps. I will take the suggestion that maybe we should put out a Green Paper, I think that came out. I am sure your idea can then be fitted into it. Once we get this part of it behind me, I am going to put out a Green Paper on the next step for national consultation.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in committee.

Clauses 1 to 4 ordered to stand part of the Bill.

Clause 5.

Question proposed, That clause 5 stand part of the Bill.

Mr. Chairman: There is a proposed amendment by Sen. Daly, as well as by the Minister.

Sen. Daly: In light of the Minister's amendment, I withdraw my amendment.

Amendment withdrawn.

Sen. Kuei Tung: Mr. Chairman, there is a proposed amendment as follows:

“Substitute for the word “if”, the words “as if” in the second to last line.

Question put and agreed to.

Clause 5, as amended, ordered to stand part of the Bill.

Clause 6.

Question proposed, That clause 6 stand part of the Bill.

Mr. Chairman: We have a proposed amendment by Sen. Daly as follows:

In new subsection (2A) of section 13 add a paragraph (f) as follows:

‘a statement of any financial or commercial arrangements with subsidiaries or associated companies.’

Question put and agreed to.

Clause 6, as amended, ordered to stand part of the Bill.

Clause 7 ordered to stand part of the Bill.

Clause 8.

Question proposed, That clause 8 stand part of the Bill.

Sen. Kuei Tung: Mr. Chairman, there is a proposed amendment as follows:

8(c) after the words “the amount fixed by the Minister” delete the words “consistent with” and replace with “not exceeding”

Question put and agreed to.

Clause 8, as amended, ordered to stand part of the Bill.

8.15 p.m.

Clause 9.

Question proposed, That clause 9 stand part of the Bill.

Mr. Chairman: There is a proposed amendment by the Minister and by Sen. Daly.

Sen. Daly: I withdraw my proposed amendment to clause 9.

Sen. Kuei Tung: Mr. Chairman, I beg to move that clause 9 be amended as follows:

“A. Delete paragraph (c) and (d) and substitute the following:-

- (c) The Chief Financial Officer who shall be an ex-officio non-voting member.”
- (d) three other members of the Board nominated respectively by the Minister, the directors who are nominees of Business and the Directors who are nominees of Labour.
- (e) three other persons not members of the Board nominated respectively by the Minister, the Directors who are nominees of Business and the Directors who are nominees of Labour.

- B. Delete in subsection (4) the words “the three members of the Board” and substitute the words “three persons”.

Substitute for the words “be held in trust” the words “be deemed to be held in trust”.

I have one query, though. Unfortunately, I have to query my own amendment. In clause 9(d) should that be “three other members of the Board” or “three members of the Board nominated respectively by the Minister, the Directors”? Because that is what I sought to achieve. I do not know why they have “other” there and then “other” in subclause (e). Subclause (e) gives the “other”. I think subclause (e) is correct but I think the “other” is superfluous.

Sen. Dr. St. Cyr: Except that (a) refers to chairman so “three other members”, I think, is correct.

Sen. Montano: Subclause (a) is correct.

Sen. Dr. St. Cyr: The “other” is to exclude the chairman, that is right.

Sen. Kuei Tung: All right. I just wanted to make sure it was not confusing.

Sen. Daly: Have we done clause 9(4), the quorum?

Sen. Kuei Tung: Yes. The new wording is to delete the words in subclause (4), “the three members of the Board” and substitute the words, “three persons”.

Sen. Daly: The quorum is still going to be four?

Sen. Kuei Tung: Yes. I will read it to you and see if you agree. “The quorum of the Investment Committee shall be four members including the three members representing Government, Business and Labour.”

That is to make sure that the quorum has the ratio.

Sen. Daly: You have three persons. “The quorum shall be four members including three persons representing the Government, Business and Labour.” Should it not say “respectively”? I am not a draftsman, but you might end up with nine. Ask your draftsman. Should it not say “representing Government, Business and Labour, respectively”? Otherwise you will end up with nine.

Sen. Kuei Tung: I am advised that adding the word “respectively” will assist. So can we add the words, “respectively three persons” and add the word, “respectively”, after “Labour”; is that correct?

Mr. Chairman: Just a minute. What we have before us, talking about clause 9(b) is to delete in subclause (4), the words, “the three members of the Board” and substitute the words, “three persons”, and—

Sen. Kuei Tung: ...and add the word, “respectively”, after the word, “Labour”.

Sen. Alfred: It is not really necessary, you know.

Sen. Prof. Ramchand: Mr. Chairman, there is an alternative.

Sen. Kuei Tung: As I said, we would not harm but we did not want to cause the confusion as—

Sen. Alfred: It would not cause any because nine is the top figure. So if you are talking about four members then three could only be three out of four. It cannot be three by three.

Mr. Chairman. What is your position?

Sen. Kuei Tung: I am for any position of clarity. I will leave it if it does not harm. I do not want to add something that will take away.

Sen. Prof. Ramchand: Is it obligatory that those three people must be in the quorum?

Sen. Kuei Tung: Yes.

Sen. Prof. Ramchand: Should not a “shall” be worked in somewhere?

Mr. Chairman: No. Just let me read it to make sure we have it. 9(b) says:

“Delete in subsection (4) the words, “the three members of the Board” and substitute the words, “three persons” and add the word, “respectively”, after the word “Labour”.

Question put and agreed to.

Clause 9, as amended, ordered to stand part of the Bill.

Clauses 10 to 16 ordered to stand part of the Bill.

Clause 17.

Question proposed, That clause 17 stand part of the Bill.

Mr. Chairman: There is a proposed amendment by Sen. Daly as well as one by Sen. Montano.

Sen. Daly: I am withdrawing mine, Mr. Chairman.

Mr. Chairman: All right, Sen. Daly has withdrawn his proposed amendment. Sen. Montano?

Sen. Montano: Mr. Chairman, we can discuss this. I was suggesting that there was no need to put the assets separately and I therefore propose that paragraph (b) be deleted and the other two subclauses renumbered accordingly 39A (b) and 39A (c).

Mr. Chairman: We have A and B, 39A, 39B. We dealt with 39A. You have two recommendations. One is an A recommendation, one is a B recommendation.

Sen. Montano: Right.

Mr. Chairman: We have dealt with the A.

Sen. Montano: Right.

Mr. Chairman: Now B.

Sen. Kuei Tung: I have it but where I had done an amendment to 5 and 9, I also have—

Mr. Chairman: Substitute the words, “be held in trust”, for the words, “be deemed to be held in trust”.

Sen. Kuei Tung: So I am changing that; then I have no objection to Sen. Montano's proposed amendment.

Mr. Chairman: The Minister's proposed amendment is to substitute for the words, “be held in trust” the words, “be deemed to be held in trust”. You do not have a problem with that?

Sen. Montano: That is fine with me.

Mr. Chairman: Sen. Montano's proposed amendment would be section 39A delete paragraph (b) and renumber paragraphs (c) and (d) as (b) and (c). No problem with that?

Sen. Kuei Tung: No.

Mr. Chairman: Hon, Senators, the—

Sen. Kuei Tung: We have not finished yet. There are some more amendments on the next page. We are still on clause 17. Have you seen my own, Sen. Montano? Have you seen my amendments?

Mr. Chairman: I only have one and that was yours.

Sen. Kuei Tung: You do not have this?

Mr. Chairman: Which one is this? I have four here and only one from you. No.

Sen. Kuei Tung: So we did not do section 8?

Mr. Chairman: Yes, because that was dealt with in the discussions. But we did not get this one. Do Senators have this? I do not think this was circulated.

Sen. Kuei Tung: Yes, but have we done this?

Mr. Chairman: We amended section 8.

Sen. Kuei Tung: But if you amended section 8 then you would have had this.

Mr. Chairman: I think section 8 was dealt with in your contribution.

Sen. Kuei Tung: We have not put this in at all? I thought it was circulated.

Mr. Chairman: No, no, no, this was not circulated. No, now that I am reading it. This was not circulated at all.

Sen. Kuei Tung: Well, then, I beg your indulgence to go back to section 8.

Mr. Chairman: You still have to circulate it.

Sen. Kuei Tung: I thought it was circulated.

Mr. Chairman: Do you have copies for circulation? You still have to circulate it.

Sen. Kuei Tung: No, I think everyone has but I do not think they know that they have it.

Mr. Chairman: I certainly did not have it. I know that. The Clerk did not have it either. Does anybody have proposed amendments by the Minister to section 8 and clause 17, a separate one from the one that deals with 5(9) and 17? *[Interruption]* I know. That was not circulated. *[Interruption]* No, they were not.

[Crosstalk]

8.30 p.m.

Sen. Kuei Tung: Mr. Chairman, with your permission we will revert to clause 8 later on, so let us deal with clause 17 in its entirety, and by then the others

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should be circulated. *[Interruption]* We did A, and we are now on the proposed section 39B. *[Crosstalk]*

Sen. Montano: Mr. Chairman, there is a new amendment to the proposed section 39B that works very well, so I withdraw my amendment and accept the Minister's.

Amendment withdrawn.

Question put and agreed to.

Clause 17, as amended, ordered to stand part of the Bill.

Mr. Chairman: Hon. Senators, with your permission, may I revert to clause 5? *[Interruption]* A new clause 6 is being inserted. *[Interruption]* I am advised that we do the new clauses last.

Sen. Kuei Tung: Mr. Chairman, I was going to make another suggestion. Instead of calling it clause 6, make it 5A and delete B so you would not have to renumber the rest of the clauses. *[Interruption]* No, I am modifying clause 5, to make it a 5A. Does that make sense? The Bill has clause 5, so I am saying put this new clause as 5A *[Interruption]*. Instead of saying "introduce a new clause", just say, "insert the following after clause 5, '5A instead of 6'." Then when you put this in you would delete B and not have to renumber all subsequent clauses. *[Interruption]*

Mr. Chairman: How would the amendment itself be incorporated in the Bill?

Sen. Kuei Tung: The Bill will have section 4A inserted. "The Act is amended by inserting after section 4 the following new section" and then you would list all of it. Then you have clause 5, "The Act is amended..." *[Interruption]*

Hon. Senator: Clause 4(b).

Sen. Kuei Tung: No.

Mr. Chairman: In terms of how you have it.

"Inserting after section 4 the following new section"

The new section is 4(A)(i) and (ii). So, you cannot have 5 there.

Hon. Senator: It is a new subsection.

Mr. Chairman: It is not a subsection.

Sen. Kuei Tung: Mr. Chairman, I think we are going to get hung up with this. Leave it as clause 6 and we would do it so.

Mr. Chairman, they have referred it to the parent Act and it seems to fit, but it is going to become a problem to this Bill and I do not want to get hung up with it. I was just trying to save us from having to go back.

Mr. Chairman: We seem to have a problem in terms of how we list it in the Bill itself. So, we will treat it as a new clause.

Clauses 18 to 30 ordered to stand part of the Bill.

8.40 p.m.

Clauses 31 and 32 ordered to stand part of the Bill.

New Clause 6.

Question proposed, That new clause 6 stand part of the Bill.

Sen. Kuei Tung: Mr. Chairman, I propose an amendment to clause 6 as follows:

A Insert the following after clause 5:

“Section 8 amended 6. The Act is amended in section 8 by inserting after subsection (1) the following:

(1A) The board may exercise and perform such powers and functions as may be approved by the Minister by Order subject to affirmative resolution of Parliament.”

B. Renumber the rest of the clauses.

New clause 6 read the first time.

Question proposed, That the new clause be read a second time.

Question put and agreed to.

Question proposed, That the new clause be added to the Bill.

Question put and agreed to.

New clause 6, added to the Bill.

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Schedule ordered to stand part of the Bill.

Question put and agreed to, That the Bill, as amended, be reported to the Senate.

Senate resumed.

Bill reported, with amendments, read the third time and passed.

INTERRELATED BILLS

The Minister of Finance (Sen. The Hon. Brian Kuei Tung): Mr. President, before proceeding with the next two Bills, I wish to propose that Bill No. 2 entitled “An Act to amend the Old Age Pensions Act, Chap. 32:02” and Bill No. 3 entitled “An Act to amend the Public Assistance Act, Chap. 32:03”, be taken together, as they are interrelated.

Agreed to.

OLD AGE PENSIONS (AMDT.) BILL

Order for second reading read.

The Minister of Finance (Sen. The Hon. Brian Kuei Tung): I thank this honourable Senate. Mr. President, one will recall that on February 1, 1999, the income qualifying ceiling for old age pension—and my comments initially will be with respect to the Old Age Pensions (Amdt.) Bill, 1999—was raised from \$5,000 per annum, or \$416 per month, to \$7,440 per annum, or \$620 per month. This measure, I am glad to say, has enabled an additional 8,000 senior citizens to now access old age pension.

In addition, as proposed in the 1998/1999 Budget, the increase in old age pension from \$520 to \$620 also took effect from February 1, 1999. This increase in old age pension and the income ceiling qualification will ensure that all citizens over the age of 65 would have, at least, a minimum monthly income of \$620. In order to now effect the harmonization of the National Insurance Retirement Pension and the old age pension benefits, amendments to the Old Age Pensions Act are required.

Clause 3, therefore, repeals section 3 of the Old Age Pensions Act and substitutes a new section 3. The new section 3 links other income, including the National Insurance Retirement Pension, to the old age pension by the introduction of bands of payment as part of the harmonization process.

Provision is now made for two bands of pension payments. A person whose other income exceeds \$100 but does not exceed \$600 per month would receive a pension of \$520 per month, giving him a total income of, at least, \$620 per month. A person whose other income is less than \$100 per month would receive a pension of \$620 per month. In other words, if he is receiving \$99, he would get an old age pension of \$620 per month. However, notwithstanding the above, a person who immediately before May 2, 1999 received a basic pension of \$520 shall now receive a monthly pension of \$620. This would ensure that no one is being worse off after this harmonization.

Clause 4 of this Bill makes consequential amendments to the Act. Clause 5 would permit the Minister of Finance to prescribe, by regulations, the procedures for the preparation and payment of old age pension and to elect the organization which may prepare and make such payments.

Mr. President, the other Bill which is before the Senate is the Public Assistance (Amdt.) Bill, 1999. By Act No. 23 of 1996, the Public Assistance Act, Chap. 33:03 was amended to provide for the payment of disability assistance to persons who are over 40 years and certified by a Government Medical Officer as handicapped with certain permanent disabilities resulting in the inability to earn a living which, in the opinion of the local board, would be inadequate.

The income qualification for the disability allowance is currently linked to the income qualification for old age pension benefits. The disability assistance is also linked to the monthly rate and any additional sums payable under the Old Age Pensions Act. In view of the Pension Reform Programme which proposes to harmonize the National Insurance and old age pension systems, it is proposed to de-link the income qualification for receipt of disability assistance from the income qualification for old age pension payments.

Mr. President, clause 3 of this Bill fixes the income qualification for the receipt of disability assistance at the level of \$3,600 per annum and provides that disability assistance shall be \$520 per month.

Clause 4 amends the Act to permit the Minister of Finance to prescribe, by regulations, the procedure for the preparation and payment of public assistance and the nomination of an entity to prepare and make such payments.

With these very brief words, Mr. President—which I think are fairly self-explanatory—I beg to move.

Question proposed.

Sen. Joan Yuille-Williams: Mr. President, I see that it is well late into the night, but at the same time, I think it is important for us to spend a little time looking at these two Bills because they concern a very important group of people in the society—as we wish to term them now, the “economically challenged”.

As it says, we have these people with us all the time. At the beginning, I wish to point out that during the budget debate I think I had raised certain concerns with the hon. Minister of Finance who admitted that he was not *au courant* with everything that happened in the Ministry of Social Development, and he promised that he would look into it and return with a more complete package. I took him at his word, because at that time he seemed to be very much concerned about what was happening with the socially disadvantaged in our midst; especially the elderly.

Mr. President, I must confess that when I talked with the hon. Minister I do get that concern, and I am wondering whether or not he is getting the kind of advice coming from the Ministry which I know he had asked for. Because if that happened, I think we should have seen some more improvements in the amendments here today.

I know people will ask why it was not done in the past, but I want to say that every government tries to amend legislation as it comes to them, and during the last administration there were other bits of legislation which were amended then. When we left office and others came in, they would have continued to amend the legislation. Therefore, I was a little disappointed with the nature of the amendments. I thought we could have gone a lot further. If they are going to amend the Public Assistance Act and the Old Age Pensions Act, I think they could have gone a little further and done much more for them.

Let me just look at the public assistance first. I am going to use the opportunity to at least bring some information to the knowledge of the hon. Minister so that at some time again, as he goes to make other amendments or do other things, he will be a little more concerned about what is really happening. Unless he really stays with this legislation and keeps looking at it, or if he has some particular interest in it, certain things will slip him. If the Ministry does not present it to him, then he is at a very great disadvantage.

Let me go back to the original Act and they will see what I mean. What is happening this evening, sad to say, is that I am seeing evidence where instead of improving the lot of the socially disadvantaged or the economically

disadvantaged, we are taking away from them. I will try to explain what I mean. This is not the first time I am seeing it done.

In the original Act, Chap. 32:03, from the rules cited as the Public Assistance Board Rules, it was stated that “assistance shall be given to meet the needs of necessitous persons”. The word “shall” is very important. At least it tells us that those people who have the statutory requirements or meet the criteria will get that assistance. That is what was happening the first time the Bill was enacted. “Necessitous” is the other word we need to look at, and it was left up to the Board to decide who were the necessitous persons. It was pretty open.

“Who are prevented by some disability”; those were the original words. Again, it was left up to the Board to determine the nature of the disability. “From earning a living, and shall normally be given to the head of a family”, which meant that the social worker would go out, and through interviews, would decide who was the head of the family.

Male, female or elder sister whoever it is, whose needs shall be deemed to include those of his dependents.

8.55 p.m.

A number of people would have been able to fit into that original rule and that was the first rule in 32:02 of that Act. It was amended some time in 1996 to show that public assistance “may” be provided. That is the first amendment made by this Government and right away you move from “shall be” to “may be” which is the difference, which means it was not the right of everybody to get public assistance, even though they fulfilled the criteria and that was, I think, a constraining regulation put there in 1997. In fact, I am not saying, I was not in the Parliament, but in trying to research this I wonder why the movement was from “shall be” to “may be provided” and these are the persons who are in need.

The word “necessitous” was taken out by reason of this being pre-empted by some physical or mental disability. In the original we had needs of “necessitous” persons who are pre-empted by some disability.

In 1997, the Government changed it to “physical or mental disability for earning living” and right away some people were squeezed out. I do not know if it was a case of finance, but remember these are needy people and that was the first attempt to amend it but it did not go in favour of the poor at all.

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I want to tell you that a number of people who come to me find that they cannot qualify for public assistance and right now if you look at the television and listen to the radio you will know that countries all over the world are trying to send assistance to the poor in other countries and here we are in our own country trying to prevent poor people from getting assistance. This is important because people come to me; they go to the Welfare Department all the time and come back saying they cannot qualify. The reason why they cannot qualify is because of these restrictive terms and boundaries which you have put into the original legislation. The Board could do nothing about it and that is why it is so very difficult.

I am wondering therefore, why is it that in 1997 the Government decided to attack the legislation. I cannot remember the correct word for it—economically displaced. Why did they move in this way? For example, in our society there are several groups of people who cannot qualify. In fact, the hon. Minister himself could remember that there are a number of people who have just come back—the Minister of National Security has gone—from the United States they have just come in from the United States; they have been deported and are here: no family, I.D. cards and birth certificates.

I think sometimes when we were doing something else the hon. Minister raised the case of one artiste whom we know around. That person cannot qualify for public assistance. We need to help those persons in some way, at least to get on their feet with help from the social welfare department. But they cannot qualify because they are not mentally or physically disabled.

They may be “necessitous” which has been removed and we have that group and several others. In fact, the new vagrants in the city fall into this category. They cannot be helped at all because of the limited kind of restrictions that you have put on them now. So, you have changed that legislation from the “necessitous” group from disability you have named the disability “mental and physical” and, therefore, you have now restricted people who should be qualifying for public assistance and I think you need to look at it very seriously.

You have all these people in groups; they are going to be out there in the streets; they are going to go into crime, drugs and the sale of drugs and will be doing a lot of undesirable things and there is nothing one could do to assist. Let me tell you that if you go to the department they would tell you that these people have come to the Welfare Department asking for assistance. The officers are the ones who take the brunt of the blame, and you will hear them saying that they do

not want to help and a lot of things are said to the officers themselves in the field. It is a question of the legislation, which has now become so restrictive, that people who qualified formerly, can no longer get involved in it.

The only other special group you would have other than that, which qualifies for public assistance which people do not know about, is women with children whose fathers have died or are in prison or have deserted them. But those people who are without a means of livelihood and, for some other reason cannot earn a living, cannot get any help from the department. I think you need to look at that. There is also a situation where a woman would not be able to get public assistance for her children if her husband has deserted her. She has to go to the court—I think I mentioned this to the Minister of Legal Affairs. She has to get a court order, put a warrant out for him, and only then would she be able to apply for public assistance.

There are many people who cannot even afford, but they have to go to the court to take out a warrant so that they can have the husbands imprisoned and one knows how degrading that is in terms of people and their children—to take that step. Therefore, you see the number of children—half of those street children out there—their mothers just did not wish to go to court and go through this procedure and have their fathers imprisoned in order to get public assistance. It is something we have to look at very seriously.

Therefore, when we are doing amendments to Acts like these, looking at the safety net and talking about crime, vagrancy and street children, we have to try to see to what extent we are helping to prevent needy people from getting assistance. It is all well and good to spend money doing a whole lot of other things, but where people are concerned, if you do not spend some money on our needy people and try to assist, then we will have to take blame for the kind of society that we are producing. I raise this issue this evening because I was a little disappointed when I saw the amendments and I recognized that the Minister—although he promised to ask the Ministry to come forward with a package of legislation nothing was done from October—February.

Mr. President, I also need to say that I was also saddened by the fact that no attention was paid to the allowances. We have just completed the National Insurance and we have heard that they are trying to increase the contributions so that people would get better pensions when they retire. We agree with all of that and yet we are coming to amend the public assistance and I am still seeing \$171 per month for someone who is mentally or physically disabled. People are saying

that it has not been changed over the years and why now we should change it. But if you are keeping up with economic changes and you are making relative amendments, the first thing you should do is to increase public assistance, because \$171 has been there from time immemorial and that could scarcely buy you anything. The sum of \$171 for a single person, \$158 for a child and \$630 for the whole family, clearly those figures are outdated.

I am extremely disappointed that we still have to go this way. We are talking about National Insurance and billions of dollars and I am talking about these needy persons, these “necessitous” persons, some who have been discriminated against and put out of the safety net altogether; and for the others who we kept in the net, the figures are still too small—\$171 per month per person really cannot take us very far if one looks at the cost of living.

As I said before, I really was a bit disappointed that the hon. Minister did not take time or that he did not get correct information, because I am sure sometimes when we say these things knowing the persons, you should feel a little embarrassed to see that he has to walk back again, but the legislation was left and no attempt was made to enhance the well-being of the persons.

Mr. President, let me draw your attention to another area in the public assistance I think we need to concern ourselves about. I am saying this so that the Members of the Government—especially those in the ministries—could try to remove the hardship because to me all I am seeing, is that all those regulations and amendments bring on much more hardship.

In section 11 of the 1997 amended Public Assistance Regulations, there was also a regulation which says that if you have been out of the country for a period of time, when you return you are only entitled to four monthly payments.

9.05 p.m.

For some reason people feel when you get out of the country it is because you have a lot of money, but this could be hardship to some people. For example, there are persons who are ill and are on public assistance and there are many NGOs around the country who may send such persons abroad. He may be lucky to be sent abroad for surgery and stay out there for some time, good reasons, and when he returns he can only get four monthly payments. There is rent, light bill and everything to pay, but the payments are taken away just because the person went abroad even if he was ill and some organization paid for him. The assistance is taken away and only four months payment is given. In the meantime his debts

were going up, rent was going up, the light bill was there and only four months payment is given. That is a burden placed on the individual.

What I think is necessary is when that person returns, as long as he can prove that he was legitimately out there with some illness, and give reasons why he stayed away, the person should be given the full amount of money. It is just \$171.00 per month, why when that person returns he is put at a disadvantage? These are the kind of things for which people come to your office all the time. All do not understand it. They would say they cannot tell you why the cut in payment and you still do not know why we are only giving them four months' payment. I do not know why you decided to withhold the payments when you know these are the people who are renting places and so forth. I think we need to look at it and amend it because no matter what you are doing, you are talking about moving on and bringing things in line with today's need.

If we continue with this and come up with the things we want to change, we have an opportunity today to make some changes in the Public Assistance (Amdt.) Bill and I was a little disappointed that we would not have done much more with it.

In addition to this, I listened to the hon. Minister and I do not understand exactly what he was saying, but I really wanted to ask some questions about what is happening with the amendments here. It is said that clause 3 would fix the income qualification for receipt of disability assistance at a level of \$3,600.00 per month and stipulate that the disability assistance shall be \$520.00 per month.

Let me talk about this disability assistance. Previous to this, we had something called "blind pension" for persons 40 years and over. Those persons who were 40 years and over used to get an allowance equivalent to old age pension. That is why it was called "blind pension". You were certified unable to work and, therefore, you were given this "blind pension".

When this Government came in, it decided that the previous government was not doing what they should do to disabled people. There were many disabled persons, so it removed the "blind pension". It was opened up and was called the "disability grant" and a number of areas were brought into the disability grant, like permanently disabled because of visual, mental, hearing or physical impairments. At the beginning, a number of people in certain areas were encouraged to move very quickly to the Welfare Department to get this disability

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allowance. People with diabetes, hypertension, all kinds of ailments were encouraged to go. They flooded the offices for disability grant to the point where the amount which was given for this particular area was soon exhausted and circulars were coming from the ministry telling people about the importance of thorough screening of applicants.

People were complaining that some applications were kept, they were not looked at again, they were not assessed, because the ministry could not pay and there was this problem because it was then a free for all at that time. To me, it was good public relations and I know a number of persons rushed for this and it was overwhelming because everybody could have gotten a medical certificate from somebody and that is what happened. But this disability was linked with the pension and, therefore, if you were getting \$520.00 pension, you would get \$520.00 for disability.

What is happening right now in this amendment, the hon. Minister says you are now delinking disability from pension and I am saying in delinking it, it is no advantage to those receiving disability allowance because when you delink it, those with disability grant stay with their \$520.00. That is quite clear. That is why I am asking whether all of this was to keep the allowances down. I am still not sure why we are doing certain things. This is a little money and I wonder whether we are going to look at these deprived people to save the money because we are now delinking it, as the hon. Minister said, and the disability assistance would be \$520.00. If it was not delinked, they would get the same amount as the pensioners and, therefore, I am saying this now is to their disadvantage when you delink. I would like to know the reason for delinking it.

When things like this happen, people at this level get totally frustrated. As I was saying in the other Bill which we just did, it seems that \$80.00 is easy for you, but if I can see my neighbours paying National Insurance and I am not getting to do it, I would start to walk from office to office and get totally frustrated. The same thing is going to happen with this where those people who were getting the same as a pensioner find themselves getting \$100.00 less.

When the Minister announced that the pension was going to \$620.00 all pensioners thought they were getting \$620.00. They heard on the radio they were getting \$620.00, but when they read the fine prints and interpreted it, it was an entirely different thing. Why take advantage of this particular group of people? You have to come back to them and now the disability grant is \$520.00 and the

pension so far, is \$620.00. We need to look at that very closely, and a further explanation for it is also needed.

In section 16 of the original Act, the second part, it is no different from the Parent Act, but I would return to that.

Mr. President, I want to look at the Old Age Pensions (Amdt.) Bill and we are taking both together this afternoon. I do not wish to even read from the Minister's budget presentation because it is misleading and that is what is going to cause many problems. These measures would ensure that all senior citizens over 65 years of age would have at least a monthly income of \$620.00 and I am sure a number of people felt that all of them would be getting \$620.00. You do not do this to the elderly or to anybody at all.

I remember there was rapping of the desk and everybody saying how wonderful the \$100.00 was going to be and how the people would be happy with the \$100.00. People thought that those who were 65 years and over would get \$620.00, but it is not so. Only those persons whose income is less than \$100.00 per month would get the \$620.00. And if you were getting over \$100.00 you would get the same basic allowance of \$520.00.

That is not what I expected when I heard the budget presentation. I expected all persons 65 years and over to be getting the \$620.00. I wonder why it made this big difference. Why could it not have gone on that way? Is it the harmonization which is causing that? I am concerned about this and would like the Minister to tell me how does that gel with what he says, that these measures would ensure that all senior citizens over 65 years of age would have at least a monthly income of \$620.00.

The amendment also introduces a two-tiered system, to me, because it says in clause 3(3):

“Notwithstanding any other written law, a person who immediately before 2nd May, 1999, received only the basic pension a month shall receive a pension but at a monthly rate of six hundred and twenty dollars.”

This is where I am seeing the two-tiered system now.

As the hon. Minister himself said, we have left all of you with \$620.00, but anybody who now reaches the age of 65 is on the two-tiered system. If you are under \$100.00, you get \$620.00, and if you are over \$100.00 monthly income, you are getting \$520.00. That creates many problems around. You would be

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hearing people asking why is she getting \$520.00 and I am getting \$620.00? Why do we have to put people through that for this extra \$100.00 per month?

This is going to cause problems and when it was announced in the budget it might have sounded good at the time, but I do not think it makes good sense and it seems to discriminate. In a small country like Trinidad and Tobago, we are going to have some people getting \$620.00 and some getting \$520.00, and some of the people who are getting \$520.00 in that same category would also be getting \$620.00 because they were before the cut-off date which is May 2, 1999. Nobody is going to understand. You are going to see them hitting the Welfare Officers round and round asking for an explanation. I do not know how you are going to tell them what is the difference, but this certainly is some kind of discrimination, and I think that we need to look at it and move that out and see how best it can be done. You may say it is a change over, but I do not know. I understand that if you were getting \$300.00 in National Insurance contributions, your pension would now be just \$320.00 because you are supposed to stay at that ceiling of \$620.00.

9.20 p.m.

So there is much that these people have to think about and many answers people will have to give. How did they arrive at all these different categories? This is small money to what we have been talking about. This is not much money. We are talking about giving people salaries up to \$150,000 a year that the board would approve without the Minister. This is small money, \$520 and \$620, with a difference of \$100 and I wonder why we went through all the difficulty to come up with that.

Therefore, I think the hon. Minister will really have to give some kind of explanation. The difficulty that I am talking about is the categories and several people within the same category getting a different amount of money. I think we need to look at what I am talking about. I am talking about the kinds of frustrations that will come to people who are going to be walking around looking at it and comparing what others get in different categories.

I wish to continue because I think that certain people are missing the point. I still say that these are elderly people and they will be seen walking up the steps of all the offices asking particular questions and, therefore, the Minister needs to say: How do we rationalize this? I am saying, to me it is a two-tiered system. I may be wrong, but I am seeing a two-tiered system coming in right now, and I am basing

it on what was said in the budget. Sometimes, even within that two-tiered system, we will see differences in the allowances, and we need to have a look at that.

Similarly, when we look at section 7 as amended, if we go back to section 10 of the original Act, I think we will see that section 10 seems to be duplicating what was said in the original Act. I hope the hon. Minister will look at section 10 because clause 5(3) here says:

“Notwithstanding subsection (2)...”

I think that duplicates what was done in section 10 of the original Act.

Mr. President, there is something I would like us to look at as well. I am looking at some areas of interpretation now that could cause some discrimination and I am going back to the original Act and looking at the interpretation in the original Act. I think this was brought to the Ministry’s attention some time ago, but I do not think it was attended to and I would wish to comment on it.

I am looking at Chap. 32:02, section 4(1)(b) which says:

“The statutory conditions for the receipt of pension by any person are—

- (a) the person must have attained the age of sixty-five years;
- (b) the person must have been ordinarily resident in Trinidad and Tobago for the twenty years immediately preceding the claim for pension;...”

Mr. President, that “ordinarily resident” has been causing some problems to people. I am no legal person but, from my knowledge and from my reading and I am going to quote some of the reading, the “ordinarily resident” which we are now applying to everybody in Trinidad and Tobago, citizens and residents or foreigners, seems to have created some difficulty. I will tell you what happened.

The Welfare Division will tell you that there are persons who go out and stay out for a period of time. When they come to apply for pension, they normally would have to take the passport and almost invariably destroy it, simply because at the Welfare Division, they used to go through the passport to check how many months they had been out. The first time it used to be 24 months; I heard it has been changed to 60 months; but they will check to see how long a person has been out before age 65 and if, in the 20 years preceding the person’s 65th birthday, they found that the person had been out for a period of time stated, they would deny the person pension.

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Now, that is what the original law stated, if you had been an “ordinary resident” and you had been out for a period of time in the 20 years preceding your 65th birthday, then you would not be able to get that pension. The question is: What does “ordinarily resident” mean? This is an old British law that we copied here but we are interpreting incorrectly.

From what the research showed us, “ordinarily resident” does not apply to citizens. Citizens are those who have been here; they have contributed all their life and, therefore, if they feel to go out and come back, they are entitled to the pension. That does not apply. That applies to foreigners who have taken up residence in Trinidad and Tobago or who have been here for 20 years. There must be a difference between those who have contributed over the years as against those who have come, taken up residence and lived here.

I could read from some of the other countries where that interpretation has caused some problems and has been worked out. But this does not read so. In Trinidad and Tobago, a citizen is also denied pension if that citizen is out for a period of time during the preceding 20 years. So are you going to tell me that as a citizen, I cannot go out and stay out with my children as long as I wanted, come back and when I reached my 65th birthday, I cannot get my pension? I think the Minister needs to give the meaning of the term “ordinary resident”, but as far as I am concerned, it clearly refers to non-citizens, foreigners, those who were not born here.

I quote from a text *Macdonald on Immigration Law and Practice*. Mr. President, if you will excuse me, it looks like 262, but it is faded from the print. I am trying to read from the section “ordinarily resident” which is the term here and I will just read a little because it will help us to understand that was a British term that we had taken into the Trinidad and Tobago context and, through the interpretation, we are denying our people the benefit.

Mr. President: Senator, tell us what you are reading from.

Sen. J. Yuille-Williams: I said it. *Macdonald on Immigration Law and Practice*.

“The term ‘ordinarily resident’ is used in a number of different statutes including the Immigration Act 1971 and the British Nationality Acts 1948 and 1981. The term is also used as the criterion for eligibility to educational and other social services provided by the central and local government. It is here that immigration status looked for a time like becoming one of the main determinants of whether or not a person was ‘ordinarily resident’. This would

have been a significant change in the interpretation of ‘ordinarily resident’ if the House of Lords had not halted the trend.

The clearest statement of a judicial commitment to this kind of interpretation was in the Court of Appeal decision in *Ex p Shah*, where the politics of shutting out non-patriots from educational and other benefits dominates the discussion.”

They went on to give some highlights of cases that would have come forward and it stated further on:

“This is a state of affairs which was never envisaged by the Parliament in 1962. If it had been envisaged, what would Parliament have done? Would it have inserted a definition of ‘ordinarily resident’ so as to exclude them.”

I want to read from another text, the (1982) *All England Law Reports*. This also used that term “ordinarily resident” and says on page 698:

“By the Education Act of 1962, local education authorities were under duty to make grants for university study to students who were ‘ordinarily resident’ within their areas and who possessed the requisite educational qualification to university studies.”

What was happening there was that there were children of foreigners who had lived in Britain for many years and, therefore, at the time for scholarships, they applied and were granted under the term that they were “ordinarily resident”. Those who were born there had no difficulty in getting the scholarships.

All this in my hand here just proves that we are misinterpreting the meaning of the term and, by so doing, there are a number of citizens of Trinidad and Tobago who are not getting pension simply because it is said that for the last 20 years, they have been out of the country for a period of time. I think it is unfair and I think we need to go back to the interpretation of that term “ordinarily resident”, therefore, if we interpret it correctly, we would allow all those people who are citizens—imagine, from the age of 45 it tells you that you cannot stay out of Trinidad and Tobago for a particular period of time because you would not get pension.

So, if your children are abroad and they take you out; you spend three or six months and that kind of thing, when you reach your 65th birthday, they say you have been out. That is not for citizens, that was definitely for foreigners and that

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is why so many people lose their passports. It is destroyed by some of them because they just do not want to produce that evidence, because the Welfare Division tells you any time you apply now for pension, as a citizen you must bring your passport, not your birth certificate, to prove you are a citizen, and they sit there to try to check how long you have been out of the country. That is ridiculous; you are a citizen of Trinidad and Tobago. The reason is simply because we have not interpreted the term correctly.

I would like to note that here. I am sure that the Ministry is aware of that. We have written to the Ministry asking that they look into it again so that people will be allowed to be honest and will be allowed to visit their children, stay when they want and come back, and they will be allowed to get what they deserve; that they look at the foreigners who have taken up residence in Trinidad and Tobago, or who have lived here for 20 years, or 40 years, or however long, you look at those who do not have a Trinidad and Tobago birth certificate, so you would know who are the people that this would be ascribed to, and for those people you would check this particular part of the law.

These are the kinds of comments I would like to make this evening. I am very concerned that although we are saying that we are trying to do our best for the disadvantaged group, or for the elderly whom we want to hold in high esteem, some of the amendments that we make could put them in a disadvantaged position or, in some cases, as I said before, they are bound to have some frustration.

We want to make their lives as comfortable as possible. We want them to understand what is the law and what are the regulations. I do not know how we could convince some of these people that what we say at one time and what we do is the same thing. I think we need to be more careful when we make statements about increases in terms of payments to people. We have to be very careful how we make these statements because, at the end of it all, you would have people out there totally frustrated, disbelieving and not trusting the system, feeling that some people were out there just to get them, when probably, at the beginning, we knew that this was going to be the arrangement.

I think also that we need to work things out before we come, and I feel that the Minister of Finance and those who are responsible, know what goes on in each ministry. Therefore, I say the Ministers and those with responsibility to guide the Minister, should work things out, present them to him and guide him in his attempt to make a contribution or do something extra, and we would find out whether it is possible or plausible, so that people could be happy at the end of the day.

I know there are going to be a number of unhappy people when this legislation is passed and a number of them will have their hopes dashed, because just as you are excited about giving them that hundred dollars, just so they were looking forward to it and, therefore, there will be a great deal of disappointment. I know that the disappointment has already started in some areas because I think some of the officers have already started telling people that they would not be getting this amount of money.

Some people have just kept quiet and have not said anything hoping, by some miracle, that those people who would be looking forward to this payment will know from some other sources and, therefore, they will come to people whom they feel know and ask them to explain what is happening to them, especially where the money is already very small, so that some people are now saying what people used to get—

Mr. President: The Hon. Senator's speaking time has expired.

9.35 p.m.

Motion made and question proposed, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. D. Montano*]

Question put and agreed to.

Sen. J. Yuille-Williams: Thank you very much, Mr. President. I was just closing, and I am asking the Government to do two things: to see what could be done in terms of that two-tiered system—if anything could be done at this stage—so that they could keep to the promise of old age pension being \$620 for all persons who are over the age of 65, which I consider to be quite important. I would also like to see something done with the public assistance and that if some of those restrictions which came in 1997, could be removed so that more people could qualify. There are a number of genuine people out there who cannot qualify because it is only mental and physical disabilities. I would also like to see an increase in the public assistance, because this had not been increased for some time. I would also like to see the public assistance increased from \$171 as is stated here to some new figure that would be in keeping with the cost of living today.

I would also like to look at the linking of the pension, and to say that also would have caused a problem to some people who were on the disability who had been accustomed to getting the same amount as the old age pensioners, and now

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they would remain at \$520. I think that all these people in some way, would have been affected by the announcements made by the Minister.

In both Bills, I have noticed that there is a provision with respect to the Minister making regulations. I am sorry that I could not specify exactly where they were in the original legislation, but in both I think, it is a repetition. I think that had been already taken up in the original legislation. Therefore, I think we need to look at it to see whether there is a need to have it again.

With that I need to end my contribution. I thank you, Mr. Minister, and I look forward to some kind of alleviation for the socially disadvantaged or the economically disadvantaged, so that these people who we want to say thank you to for the work they have done will feel quite happy and contented. Thank you very much, Mr. President. [*Desk thumping*].

The Minister of Public Administration (Sen. The Hon. Wade Mark): Thank you very much, Mr. President. I have listened very attentively to Sen. Joan Yuille-Williams' contribution and I suspect that, in attempting to deal with these Bills together, I think that the Minister of Finance was trying to demonstrate that we are not about a comprehensive review in this particular debate on the old age pension scheme or the public assistance scheme that we have in Trinidad and Tobago. I suspect many points that were raised by Sen. Joan Yuille-Williams are really based on a comprehensive assessment of where we are with old age pension as well as public assistance. Therefore, a lot of her contribution or many of the points that she advanced, really, should come in another debate.

This debate is about harmonization. This is why we felt that the best approach to have been taken is to take these Bills collectively, rather than separately. I suspect, based on her contribution, she has a violent opposition to harmonization. She is not in support of harmonization. She is still on the "gimme, gimme" dependency syndrome of the PNM.

Mr. Vice-President, whilst I was watching television—I went outside to watch the news—one of the points that was coming out tonight, is that Jamaica is on fire. Yes, Jamaica is burning. The same deficit arrangement, the same kind of handouts that the PNM has grown accustomed to in this country. I think that it is totally unfair in terms of her coming here this evening and talking about "caring about the elderly and the disadvantaged in our country", when this Government in these measures that we have before this Parliament here this evening—and the one that we have just debated, is seeking to create equity in this society.

We have done much more for the elderly and the old in this country than any previous administration, including hers. When she made statements this evening as if the Government of Trinidad and Tobago do not care about the elderly in this country and that we are being discriminatory to the elderly in this country, this is not correct.

Mr. Vice-President, we, in this Government, moved old age pension from \$356 to \$620 and even though you talk about a two-tiered system, what is wrong with that two-tiered system in order to ensure that more elderly people get something out of the system? We have increased the ceiling so that 8,000 more elderly people are now able to come into the network in terms of old age pension. I thought you should have been complementing the Government for paying attention to the elderly in this country. We are doing everything in our power to ensure that there is justice and equity among people.

Mr. Vice-President, we must also recall that the Minister, in his 1998/99 budget, indicated that we are going to have a special regime for the elderly who suffer from diabetes and hypertension. These are measures that we have taken to ensure that the elderly have access at a cheaper rate in terms of pharmaceutical products. We are caring about the elderly. Not like you! They were there for four years, and the only increase that poor people got—old age pensioners—was \$9 from the PNM regime during that period. We have consecutively increased the old age pension in this country for almost three consecutive years.

What is even more important is that the PNM was in power when a major survey was done by the Ministry of Planning and Development back in 1992. They established a poverty line at that time. In 1992, it was \$623 a month that was established as the poverty line in Trinidad and Tobago. They were there in 1992—1995. We came in November 1995 and we have taken old age pension from \$356.15 a month, just under the poverty line at that time—I am talking about 1992, of course given the basket of goods that they used to measure that whole line. Obviously, the cost of living has increased. We have, probably, to revise that poverty line.

9.45 p.m.

In 1992 the poverty line established in this country was \$623 and they did nothing about it, but we are here and we are trying to—it is a country we are running, you know. We are running a nation, an economy, and we want to see progress. We do

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not want to go back to the days of hand-outs and “gimme”. We want people to be independent. We want people to stand on their own feet. This is a Government that is not about putting a welfare station around every corner, which is what they did. That is why the society is so bankrupt today and that is what we have inherited.

I have listened very attentively and I got the impression that Sen. Yuille-Williams is in a sort of time warp. She is caught up in a sort of dependency syndrome, a sort of PNM backwardness and that is what is being reflected. She is not in support of harmonization. She is not in support of the linking. She says, “Give everybody \$620”. So if you give everybody \$620 it means that some people would not be able to get. What the Minister of Finance is attempting to do is widen the net. That is why we upped the ceiling. We want justice, equity and fair play for everyone.

The key point I want to make here, Mr. Vice-President, is that this debate is not about a general review of old age pension or of public assistance. It is about harmonization and this is why we want to take these Bills together.

Sen. Yuille-Williams: Mr. Vice-President, I am quite sure there are two things I said, especially for the Minister. I remembered and I said that I was going to raise some things in this concern especially for the Minister because I felt, in talking, that he might not have had some information. I knew what this Bill was about and I said that I was going to raise some things in particular, and I said that and I raised them because I remember them saying that—he had asked in my presence that the Ministry furnish him with some information. I had raised some information that I thought was something that he can have. Knowing the Minister, I am sure at some time he will go back and find out what is really happening in the Ministry. So I have no problem if Minister Mark is against my raising it.

The second thing I said and was looking at, is that the Minister had said \$620 and I was just going to ask, how will those elderly people respond now when some are \$520 and some are \$620? That is the only point I had been making in those two cases. I took the opportunity to raise what I had to say and I had to go back to the Minister's response and ask him. I do not know why the Minister feels so uptight about it when I said exactly what I was going to say.

Sen. The Hon. W. Mark: As I said, Mr. Vice-President, I thought it was important to make this brief intervention because I am getting the impression from what the Senator is saying—I am not getting—I am advancing, Mr. Vice-President, that this Government has done a great service to the elderly. We are

committed to improving the living standards of the poor in this country. This Government is about improving the quality of life of the people and we have paid attention to the elderly.

No other government in Trinidad and Tobago over the last 10 to 15 years has paid as much attention to the elderly as we have. We will continue to do so because we want to make sure that those people who have laboured—the same concern that Sen. Yuille-Williams has, we have. We have a conscience too. We care about the elderly. We want to do something and we are.

In 1987 when her Leader, in Opposition at that time, spoke about the conscience of the poor and the PNM was the conscience of the poor people and the elderly, for four years or five years or four and a half years, all they did was give old people a \$9 increase. We have done it in 1997, in 1998 and in 1999 and, I assure you, if all goes well, in the year 2000 we will do it again. It all depends on the capacity of the state.

We do not want to get back into the syndrome of deficit budgeting or of handouts. We are trying to revolutionize the consciousness of people so that they can stand on their feet and be independent and not be dependent on the PNM. The more that people are dependent on the PNM is the more the PNM feels it can be in power. We want to make them independent so you can stay out of power. That is what our commitment is. We want to make people economically independent.

Mr. Vice-President, even though we are a bit late tonight I thought it was important to put on record the Government's achievement in the area of old age pension and to indicate to this honourable Senate that it is not about a broad review. What Sen. Yuille-Williams has said we have noted, but it is not for this debate. It is for another debate to come. Maybe when she becomes part of this Government we will entertain it more. The point about it is we want to ensure that we record in this Parliament the unstinting commitment of the Government of Trinidad and Tobago to improve the lot of the ordinary people of this country, particularly the elderly and the senior citizens. If one is suffering from a disability, one will have access to a grant. It may not be what you or I would want, but people have access to that as well as to other things that we are trying to improve upon.

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Therefore, Mr. Vice-President, I thought, as I said, I would make this limited intervention at least to deal with this matter that I got from the misinformation at times and the kind of innocence, like Pontius Pilate, one gets from Sen. Yuille-Williams as if she was somewhere on Mars when I know I was on that side and she was right here terrorizing poor people in 1994 with only a \$9 increase, and now she comes here hypocritically announcing her love for the poor and elderly in this country. When she had the power to really do something about it, she never did anything about it.

Now she is a member of the Opposition, she is crying to get back into power by talking about how she loves poor people and the elderly. That is a hypocritical Senator. All right, let me withdraw that statement. I will withdraw it, Sir.

Mr. Vice-President: I would prefer if the contribution does not get personal.

Sen. The Hon. W. Mark: It was not designed for that. But I take strong objection to people trying in any way to give the impression that this Government is not doing things for the poor people in this country and the elderly in particular. Mr. Vice-President, I rest my case. Thank you very much.

Sen. Rev. Daniel Teelucksingh: Mr. Vice-President, our Bench is pleased to support the Public Assistance (Amdt.) Bill and the Old Age Pensions Bill, 1999. Thank you, Sir.

[Desk thumping]

The Minister of Finance (Sen. The Hon. Brian Kuei Tung): Mr. Vice-President, the last time I had to move something similar to this, I think it must have been in the budget debate, I did promise the hon. Senator that I would try to encourage the Ministry of Social Development. I say encourage because I felt I was at a bit of a disadvantage. On the one hand, I have limited financial resources. On the other hand, I have to make sure that those resources reach, what I regard and what I had described in the earlier presentation as, the neediest of people. That has been the very difficult task that we face.

Now if the resources we have, limited as they are, are thrown so far and wide that they become scattered, they do not, in essence, target the people who are most in need. I heard the hon. Senator say, which I have a diametrical opposition to, that people are going to get upset because one gets more and one gets less. But I feel that the social needs must be addressed on what I regard as a targeted basis.

I cannot see how an elderly person aged 65 who has six dependants should get the same amount as someone who has none. Therefore, what I would like to do is to make sure that the limited resources I have meet the people who are most in need.

That is why I have absolutely no difficulty in what the hon. Senator regards as discrimination. I am not discriminating. I am discriminating on the basis—I am discriminating. I should not say I am not discriminating. I want to discriminate. I want to discriminate on the basis of one's needs. That is the only discrimination—I do not discriminate because of colour or race or religion or sex. I discriminate on the basis that one person has more needs than his or her neighbour.

One cannot say, “She gets \$620, I must get \$600. Why are you only giving me \$500?” I have to discriminate because I have limited resources, and my discrimination is not the normal social discrimination, it is on the basis of needs. That is my problem. If I had untold resources then I would throw them out and make sure that that social net was far and wide and it gave everyone fairly. When one has limited resources one has no choice but to try to find a system that will ensure that the needs of the people are addressed in the best way possible.

Sen. Yuille-Williams: Mr. Vice-President, I am sorry, the hon. Minister—I really did not understand that point because when I talked about discrimination I was not thinking in terms of size of the family. I do not know where that came in. I was just thinking—and let me say what I meant—that there are some people over 65 who will be receiving \$620 and some will be receiving \$520. I did not know about size of family at all. I did not know that that happened. I was just looking at the figures and wondering how it was decided that people said they would get \$620. That was an honest criticism. I was not sure.

Sen. The Hon. B. Kuei Tung: I know, but I am trying to deal with the question of discrimination. If I have absolutely no income and this person has an income of \$620.00, should he get \$620 and should I get \$620 as well? Because it does not help me. When I say it does not help me, it merely helps me to come up to his level but it has also pushed him further away from me. We are both retired, we are both 65 and that is why I say we have to find ways—one has no choice but to discriminate because people's circumstances are not identical. Until their needs become identical or unless one has untold resources, one has to make sure, as best

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as one can, that the limited resources reach people using policies that address, in the first instance, people's needs.

Sen. Rev. Teelucksingh: Thanks for giving way. It is dangerous when you leave that interpretation to the public assistance officers. That is very dangerous for them to decide. It has to be in your regulations. You must say one person will get so much, a widowed mother with four children should get so much and not leave it up to the officers. That is a dangerous thing, to have them interpret which case is needier than the other.

Sen. The Hon. B. Kuei Tung: Reverend, I could not agree with you more, except, at the end of the day, even if one had the regulations, the public assistance officers still have to come back from visiting the people's homes and tell you whether they qualify for two dependants, three dependants or four dependants. At the end of the day there has to be an interaction with the public servants and one has to reach the point where we used to say, "We trust the public servants; there is no choice".

It does not matter which regulations are put in, somebody has to implement them. The same social worker has to, based on my same example, visit people's homes and come back and say, well, based upon the regulations they have one dependant they get so much, two dependants—how do we know? How do we know? I will give you an example of something that is a bit of an aside but I will give it to you for whatever it is worth.

There are regulations which provide that people will be entitled to a piece of land for agricultural purposes. I have seen forms indicating that people have six ducks, three fowls, two cattle. I do not know. I have not personally met the people. I never went to the people's homes. One single public servant goes out there, an agricultural extension officer, and fills out forms. I do not even know if that officer actually went there. I am not challenging that. I am merely saying that for every single regulation there is a public servant who has to carry it out.

Can you sit here and say you are satisfied that the system works? We, therefore, have to try to develop policies which, if they are implemented effectively, will meet the political objectives we have set for ourselves as a Government. Unfortunately, if I sound as if I—I really feel strongly that when one has limited resources if one could find a way to get—I will give you another example, Senator. I know it is late in the day but I know Sen. Dr. St. Cyr enjoys my examples.

Take VAT, value added tax; we zero-rate food and the people in this Senate pay no VAT on food. The same pensioner that we are talking about, he has an income of \$620.00. He has to buy food. He gets the same benefit. That cannot be right. It cannot be right because it is not targeted. We should be able to collect all of that VAT, charge him, the poor man, and you, the VAT, and then find a way from those same VAT receipts to target him and say, "I think you need help." Do you follow what I am saying by "targetting" now? What one should do is not throw the net so wide. Now we have a net system of zero-rated food. I do not know if we could ever take that back. Maybe one day somebody has to make the hard decision and take it back because if that is not done, one would have foregone revenues that could have assisted the same underprivileged people whom we want to help.

10.00 p.m

Those are all examples of when you throw the net so far and wide, it falls on the wrong people. We zero rated VAT, you did not think that any of us or any of the well-to-do people—I hate to call names—Do you think that Mr. Sabga could do with a zero rated VAT for food? I do not think this is it, and we should be charging him. He gets the same benefit, because we throw the net so far and wide without discrimination. That is why I wanted to make a case for discrimination. Not on the basis of colour, creed, race or sex, but on the basis that his needs are quite different from mine or yours.

What I was saying, is that I am glad that circumstances have changed slightly and, in this case, your plea, I hope will not fall on deaf ears to have a review of it from time to time, and the reason being, we now have a Parliamentary Secretary in the Ministry of Social and Community Development. Hopefully, it is not going to rest on my shoulders to bring back that case, because I am not the Minister of Social Development. I came here, initially I tried to indicate that this is a bundle of amendments that were critical, and that is why I attempted in the last session, to impress upon you that we could debate these together, because they were all interrelated, but I was impressed upon not to do that, and maybe we could do the National Insurance (Amdt.) Bill and these other two separately.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in committee.

Clauses 1 to 4 ordered to stand part of the Bill.

Clause 5.

Question proposed, That clause 5 stand part of the Bill.

Sen. Yuille-Williams: I am wondering if any of the technical officers had the original Act. I cannot remember what I was looking at, but this section, notwithstanding subsection (2), the minister might make revelation. It seems to me somewhere I read, that this section was repeated. In section 5, regulation 3, I am wondering if that is not a repetition of something which was already in the original Act. *[Interruption]* 1977?

Hon. Senator: An amendment to section 7?

Sen. Yuille-Williams: Section 7, yes. It says:

“The Act is amended in section 7 by inserting after subsection (2)...”

I have here, “see section 10.” I do not know what it is I read, but I am quite sure that in some regulation, in some of the Bill before, you would have had— You did not see it? It is an entirely new provision.

Sen. Kuei Tung: It is not repeating something that was there before.

Sen. Yuille-Williams: Why I said so, somewhere I was reading it would have had something about “notwithstanding the Minister may make regulation...” There would not have had a Bill without that at all. I am wondering if that one was removed and this was replaced. In the original it had:

“The Minister may make such regulations as may be necessary for carrying out the provisions of this Act...”

That is the Old Pension Ordinance, section 10. I am wondering if that had been amended. I am reading that now.

“The Minister may make such regulations as may be necessary for carrying out the provisions of this Act...”

Including all these things. I was wondering if that was not amended over a period of time and this new section put in. You could go ahead, I suppose you could just look at it.

Sen. Hamel-Smith: If I could try to help, Mr. Chairman, the new section that is being proposed is regulation specifically prescribed to outline the procedure; so it is a separate section. If you go to section 10 of the parent Act, it is a general provision for regulations. What they are attempting to do here, is to separate the two things. It is not a duplication; this is a specific regulation to deal with procedure for preparation and payment of the pension. I think the two things can sit next to each other without—*[Interruption]*

Question put and agreed to.

Clause 5, ordered to stand part of the Bill.

Question put and agreed to, That the Bill be reported to the Senate.

Senate resumed.

Bill reported, without amendment, read the third time and passed.

PUBLIC ASSISTANCE (AMDT.) BILL

Order for second reading read.

The Minister of Finance (Sen. The Hon. Brian Kuei Tung): Mr. President, I beg to move,

That a Bill to amend the Public Assistance Act, Chap 32:03, be now read a second time.

Question proposed.

10.10 p.m.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in committee.

Clauses 1 to 4 ordered to stand part of the Bill.

Question put and agreed to, That the Bill be reported to the Senate.

Senate resumed.

Bill reported, read the third time and passed.

Adjournment

Tuesday, April 20, 1999

ADJOURNMENT

The Minister of Public Administration (Sen. The Hon. Wade Mark): Mr. President, before having this Senate adjourned to Tuesday, April 27, 1999, I have to inform the Senate that next Tuesday should be Private Members' Day, but the Hon. Minister of Finance—who has a very crucial contribution to make in that particular debate—will not be here, and with the consent of Sen. Dr. Eric St. Cyr, and also the Leader of Opposition Business, we have agreed to proceed with Government Business next week, and the following week, when the Minister of Finance is here, we will then continue and finalize the debate on Sen. Dr. Eric St. Cyr's Private Motion.

Mr. President, I am, therefore, proposing to my colleagues with agreement that we proceed with an Act to Establish the Criminal Injury's Compensation Board; as well as an Act to Establish the System of Plea Discussions and Plea Agreements; and the Act to Provide for the Promotion of Investment in Trinidad and Tobago, and for the Repeal of the Foreign Investment Act which, as we know, was started some time ago and will be resumed. These are the three matters we would like to pursue next Tuesday. I do not want to stick to any specific order; I will just stick to the Bills.

Mr. President, I beg to move that the Senate do now adjourn to Tuesday, April 27 at 1.30 p.m.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 10.14 p.m.