

## SENATE

Tuesday, October 21, 2008

The Senate met at 1.30 p.m.

## PRAYERS

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

## PAPERS LAID

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Provident Fund for the year ended September 30, 2006. [*The Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Provident Fund for the year ended September 30, 2007. [*Sen. The Hon. M. Browne*]
3. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Strategic Services Agency for the year ended September 30, 2002. [*Sen. The Hon. M. Browne*]
4. A White Paper—A Policy Framework for the Expanded Role of the Nurse—The Establishment of Advance Practice Nurses in Trinidad and Tobago 2007. [*The Minister of Health (Sen. The Hon. Jerry Narace)*]
5. Annual audited financial statements of the Petroleum Company of Trinidad and Tobago Limited (Petrotrin) for the year ended September 30, 2007. [*Sen. The Hon. M. Browne*]
6. Annual audited financial statements of National Enterprises Limited for the financial year ended March 31, 2007. [*Sen. The Hon. M. Browne*]
7. Annual audited financial statements of National Enterprises Limited for the financial year ended March 31, 2008. [*Sen. The Hon. M. Browne*]
8. The Value Added Tax (Amendment to Schedule 2) Order, 2008. [*Sen. The Hon. M. Browne*]

**Value Added Tax (Amendment to Schedule 2) Order**

**The Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne):** Mr. President, may I also advise that the Statutory Instruments Committee considered the Value Added Tax (Amendment to Schedule 2) Order, 2008 and found that there was nothing to which the attention of the Senate should be specifically drawn. The minutes of the committee were circulated to Members.

9. The Trinidad and Tobago Housing Development Corporation (Vesting) (Amendment to the First Schedule) Order, 2008. [*The Minister of Planning, Housing and the Environment (Sen. The Hon. Emily Dick-Forde)*]

**Trinidad and Tobago Housing Development Corporation (Vesting)  
(Amendment to the First Schedule) Order**

**The Minister of Planning, Housing and the Environment (Sen. The Hon. Emily Dick-Forde):** Mr. President, may I also advise that the Statutory Instruments Committee considered the Trinidad and Tobago Housing Development Corporation (Vesting) (Amendment to the First Schedule) Order, 2008 and found that there was nothing to which the attention of the Senate should be specially drawn. The minutes of the committee were circulated to Members.

**ORAL ANSWERS TO QUESTIONS**

**Public Transport Service Corporation  
(Status of Local Agents for Volvo Buses)**

- 46. Sen. Wade Mark** asked the hon. Minister of Works and Transport:
- (a) With respect to the Volvo manufactured articulated buses owned by the Public Transport Service Corporation, could the Minister inform the Senate who are the local agents for these buses?
  - (b) Could the Minister also inform the Senate whether those agents have a workshop and spare parts facility in Trinidad?
  - (c) If the answer to (b) is in the affirmative, could the Minister state where this workshop and spare parts facility is located?

**The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill):** Mr. President, the answer to that question is now not available and, quite frankly, I have no idea when it would be. So in those circumstances I request a two-week deferral.

*Question, by leave, deferred.*

**Breakfast Shed  
(Details of Repairs Undertaken)**

- 87. Sen. Mohammed Faisal Rahman** asked the hon. Minister of Planning, Housing and the Environment:
- (a) Would the Minister indicate to this Senate whether the works being undertaken at the Prime Minister's residence are repairs, renovations or additions?

- (b) If the works are repairs or renovations, would the Minister inform this Senate of their nature and costs?
- (c) State whether there is one or more than one contractor?
- (d) If the works are additions, would the Minister indicate whether these additions were in the original design?

**The Minister of Planning, Housing and the Environment (Sen. The Hon. Emily Dick-Forde):** Mr. President, the answer to this question is not yet available and I think we need about three weeks again before we can produce an answer.

*Question, by leave, deferred.*

**Trinidad Hilton  
(Presidential Suites)**

**88. Sen. Mohammed Faisal Rahman** asked the hon. Minister of Trade and Industry:

- (a) Would the Minister inform this Senate of the status of the Presidential suites proposed for the Trinidad Hilton?
- (b) If the suites would no longer be constructed, could the Minister inform this Senate of any alternative arrangements being made for Heads of Government and other dignitaries?
- (c) If alternative arrangements are being made, would the Minister state whether it is the Government's intention to bring these plans to Parliament prior to their execution?

**The Minister of Trade and Industry and Minister in the Office of the Prime Minister (Sen. The Hon. Dr. Lenny Saith):** Mr. President, I must apologize. I was absent on the last two occasions and did not realize that this question was due for answer. I have since met with the Ministry. There was some problem in getting information. I have indicated to them where they should get the information and given the process, I would say in three weeks' time I should be able to answer you.

*Question, by leave, deferred.*

**Pensions  
(Raising Eligibility Ceiling)**

**92. Sen. Mohammed Faisal Rahman** asked the hon. Minister of Social Development:

Would the Minister state whether Government plans to raise the eligibility ceiling for pensions to equal the personal tax allowance?

**The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill):** Mr. President, question No. 92 was, in fact, submitted and deferred. I request a further two weeks on that question.

*Question, by leave, deferred.*

**Old Age Grant  
(Availability to Citizens)**

**93. Sen. Mohammed Faisal Rahman** asked the hon. Minister of Social Development:

- (a). Could the Minister inform this Senate whether the Government would make Old Age Grant available to citizens by bank transfer as well as through mail?
- (b). Could the Minister also indicate whether the Government would permit life certification to be done by medical certificate for periods of two years, with personal appearance every other year?

**The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill):** Mr. President, I have the answer to that question. The Minister is not here but I would be guided by the Senator. If he wishes me to provide the answer I will so do.

Mr. President, the provision of the Senior Citizens Grant through bank transfers to its recipients has been a major concern of the Ministry of Social Development which is seeking to improve the delivery of social services to its beneficiaries. The Ministry is currently engaged in discussions with the National Insurance Board on the matter and has already met with the Bankers' Association of Trinidad and Tobago to conduct an examination to determine which recipients would like to obtain their grants through the bank with a view to the utilization of the banking services. This method of transaction, however, will only be available to senior citizens who possess banking accounts. All other recipients will be paid by cheques.

At present, life certification is done annually to ensure that the recipients are eligible for the Senior Citizens Grant. The Ministry of Social Development does not plan to implement any other strategy for this purpose. The Government of Trinidad and Tobago continues to review all systems and procedures with the aim of improving the quality of life of citizens across the country.

**Destruction of Land  
(Unauthorized Quarrying Activities)**

**103. Sen. Cindy Devika Sharma** asked the hon. Minister of Energy and Energy Industries:

With respect to the destruction of land through unauthorized quarrying activities, could the Minister inform the Senate of:

- (i) the existing plans, if any, for reclaiming these lands;
- (ii) the acreage of land already reclaimed by the Ministry;
- (iii) the estimated acreage of lands affected by unauthorized quarrying activities as at July 2008; and
- (iv) the estimated acreage of lands approved by Government for authorized quarrying activities as at July, 2008?

**The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill):** Mr. President, the answer to this question was in fact prepared but it has not yet been approved by the appropriate bodies and, therefore, I am requesting a two-week deferral.

*Question, by leave, deferred.*

**Caribbean Airlines  
(Fuel Hedge Arrangement)**

**104. Sen. Wade Mark** asked the hon. Minister of Finance:

Could the Minister inform the Senate of the details of the new fuel hedge arrangement for Caribbean Airlines?

**The Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne):** Mr. President, the fuel hedge mechanism is designed to provide financial assistance to the national carrier, Caribbean Airlines Limited (CAL) whenever the price per barrel of oil exceeds the benchmark West Texas Intermediate crude price of \$50 a barrel.

Furthermore, the Government has agreed to establish a hedge price of US \$1.75 per gallon of aviation fuel. In essence, the Government will refund CAL for the differential of fuel purchased above the average market price and the hedge price of US \$1.75 per gallon of aviation fuel. The fuel hedge mechanism constitutes a fully rebatable scheme for the period January 01, 2007 to December 31, 2009, unless extended by the Government. Based on this system,

CAL submits quarterly rebate claims which reflect actual fuel uplift and the price differential between the actual fuel paid and the US \$175 per gallon based on the West Texas Intermediate crude price of US \$50 a barrel.

An allocation of TT \$54,247,000 was made in the Draft Estimates of Recurrent Expenditure for the period 2007/2008 for the provision of refunds to CAL under the fuel hedge mechanism. In August 2008, the Ministry of Finance paid an amount of \$54,247,000 to Caribbean Airlines Limited. This amount represented a refund of claims for the period January 2007 to December 2007 in the amount of \$51,926,369.76, as well as a part payment on the claim for the month of January 2008 in the sum of TT \$2,320,630.24, therefore totalling \$54,247,000.

Prior to the payment of any claim under this arrangement, all supporting documentation is subjected to a rigorous examination by the Ministry of Finance. Further, the Government will perform an annual independent audit to verify the accuracy of the quarterly rebate claims submitted to the Government by Caribbean Airlines Limited.

Thank you, Mr. President.

**Sen. Mark:** Mr. President, could the hon. Minister tell us whether the expression “fuel hedge arrangement” is another way of fully subsidizing the operations of Caribbean Airlines? Also whether he can tell us how the consumers—the people who travel on Caribbean Airlines—benefit from this heavy subsidy that he has just identified.

**Sen. The Hon. M. Browne:** Mr. President, Caribbean Airlines is not fully subsidized. We have a mechanism which I have clearly identified which sets out a rebate mechanism of providing financial assistance with respect to fuel prices, and that is it; and it is also set out in the business plan as is identified.

**Sen. Mark:** Maybe the Minister did not hear me. May I repeat it, Sir, with your support? I also asked the hon. Minister if he can tell this Parliament how the travelling public has benefited from the subsidy that he has just identified to Caribbean Airlines—through lower airfares, as an example.

**Sen. The Hon. M. Browne:** Mr. President, Caribbean Airlines is deemed to be a strategic asset in a strategic area. It is in the business of providing transport and maintaining a service which provides us with international destinations and keeps us in touch with the rest of the world. On the basis of the fuel hedge subsidy arrangement which was put into position, the benefit to the Trinidad and Tobago public is that it has assisted in keeping Caribbean Airlines in the air. Thank you.

**Sen. Ali:** I would like to ask the hon. Minister whether this fuel hedge applies to wherever CAL uplifts fuel and, if so, what is the ratio of what is uplifted in Trinidad and Tobago as compared to outside of Trinidad and Tobago.

**1.45 p.m.**

**Sen. The Hon. M. Browne:** If I am to understand the question, you are asking whether we benefited from outside routes as against the route to Tobago.

**Sen. Ali:** I am speaking of the air international airline operation. Does that hedge formula apply to uplift outside Trinidad and Tobago?

**Sen. The Hon. M. Browne:** Yes. It applies to uplift to wherever Caribbean Airlines fly and on the basis of the prices that it experiences.

**Sen. Ali:** Is that arrangement not subject to challenge by other airlines?

**Sen. The Hon. M. Browne:** I am not in a position to answer that question at this time.

**Urban Development Company of Trinidad and Tobago  
(Port of Spain Waterfront Project)**

**105. Sen. Wade Mark** asked the hon. Minister of Planning, Housing and the Environment:

With respect to the Urban Development Company of Trinidad and Tobago securing US \$375 million funding on the US private placement market to finance the Port of Spain Waterfront Project, could the Minister advise this Senate:

- (i) the number of investors involved;
- (ii) the names of the companies/investors involved;
- (iii) the terms of the loan, inclusive of interest rates, period of the loan, terms of repayment and currency of the loan; and
- (iv) what security or guarantee was provided?

**The Minister of Planning, Housing and the Environment (Sen. The Hon. Dr. Emily Dick-Forde):** Mr. President, there were 18 companies or investors involved in sourcing a US \$375 million loan to finance the Port of Spain Waterfront Project.

The companies or investors involved in the Port of Spain Waterfront Project financing are as follows:

Allstate Life Insurance Company;  
 Bankers Life and Casualty Company;  
 Beneficial Life Insurance Company;  
 Connecticut General Life Insurance Company;  
 Conseco Health Insurance Company;  
 Conseco Life Insurance Company;  
 Conseco Senior Health Insurance Company;  
 First Caribbean International Banking and Financial Corporation Limited;  
 Life Insurance Company of North America;  
 Monumental Life Insurance Company;  
 Principal Life Insurance Company;  
 Sun Life Assurance Company of Canada;  
 Sun Life Assurance Company of Canada (U.S.);  
 The Guardian Life Insurance Company of America;  
 The Lincoln National Life Insurance Company;  
 Transamerica Life Insurance Company;  
 Transamerica Occidental Life Insurance Company; and  
 Washington National Insurance Company.

The terms of the loan are as follows:

|               |                                                                                                                |
|---------------|----------------------------------------------------------------------------------------------------------------|
| Type          | US private placement                                                                                           |
| Issue         | Lease-back notes                                                                                               |
| Lessee        | The Republic of Trinidad and Tobago                                                                            |
| Issuer/Lessor | Port of Spain Waterfront Development Limited (a special purpose entity and wholly owned subsidiary of UDeCott) |



|                    |                                     |
|--------------------|-------------------------------------|
| Rating             | Note rated                          |
| Principal amount   | US \$375 million                    |
| Maturity date      | January 1 <sup>st</sup> 2023        |
| Moratorium         | 15 months on principal and interest |
| Repayment date     | July 1 <sup>st</sup> 2008           |
| Coupon             | 6.09%                               |
| Pricing            | UST 10 year + 150 basis points      |
| Pricing date       | December 18, 2006                   |
| Optimal redemption | Make whole T plus 50 basis points.  |

The security or guarantee provided for the loan is as follows:

The assignment of the rights of the Port of Spain Waterfront Development Limited under the agreement to sub-lease and when executed, the sub-leases including the right to receive rental payments thereunder.

A registered first mortgage lien comprising the leasehold interest in the property and a fixed and floating charge over all other assets, both existing and future.

A letter of comfort from the Government of the Republic of Trinidad and Tobago during the construction period.

A construction guarantee.

**UDeCott  
(Loan Security)**

**106. Sen. Wade Mark** asked the hon. Minister of Planning, Housing and the Environment:

With respect to the loan secured by UDeCott on the US Market for the Port of Spain Waterfront Project, could the Minister inform the Senate:

- (i) why was the borrower UDeCott and not the Government of Trinidad and Tobago;
- (ii) what is the net revenue of UDeCott from which repayment instalments can be made; and
- (iii) whether the loan was the subject of several or a single offer of financing and the conditions for accepting the offer?

**The Minister of Planning, Housing and the Environment (Sen. The Hon. Dr. Emily Dick-Forde):** Mr. President, the Port of Spain Waterfront Development Limited, a wholly-owned subsidiary of UDeCott, was the borrower or issuer of the Notes. Port of Spain Waterfront Development Limited was identified as the appropriate issuer as all the relevant aspects of the project, such as land, construction contracts which were to be used to secure the facility were vested in that company. Therefore, the financing was raised by the Port of Spain Waterfront Development Limited, so that the assets could be properly matched against the respective liabilities.

Lease rentals will be charged to the Government of the Republic of Trinidad and Tobago. Those lease rentals will be the net revenue of the Port of Spain Waterfront Development Limited from which repayment instalments will be made.

The financing was tendered to six financial institutions of which only three submitted proposals, that is, First Caribbean International Banking and Financial Corporation Limited; RBTT Merchant Bank Limited and Republic Finance and Merchant Bank Limited.

On the basis of lowest all-in-cost, highest probability for deliverability and access to the international financial markets, First Caribbean International Banking and Financial Corporation Limited was selected.

**UDeCOTT  
(Transaction of Loan)**

**107. Sen. Wade Mark** asked the hon. Minister of Planning, Housing and the Environment:

With respect to the loan secured by UDeCott on the US Market for the Port of Spain Waterfront Project, could the Minister state:

- (i) who were the agent(s) of the loan for both the borrower and lender(s); and
- (ii) what was the commission and/or fees paid on the transaction to these agents?

**The Minister of Planning, Housing and the Environment (Sen. The Hon. Dr. Emily Dick-Forde):** Mr. President, there was a mistake in the response and it is being corrected. I guess that within the next two weeks it should be ready.

*Question, by leave, deferred.*

**STATEMENT BY MINISTER****International Financial Developments  
(Impact on Trinidad and Tobago)**

**The Minister of Finance (Hon. Karen Nunez-Tesheira):** Mr. President, I wish to thank this honourable Senate for the opportunity to address hon. Senators and the national community on the potential impact of the recent developments on the international financial front for the Trinidad and Tobago economy. The reality is that the situation is still a very fluid and dynamic one. In this circumstance, whilst we can still ill-afford to be complacent, at the same time, it would be counterproductive to overreact and make ill-informed responses which can prove not only to be very costly, but also can pre-empt more considered courses of action. We are closely monitoring all developments as they occur and assessing their implications.

I want to say at the outset that the Trinidad and Tobago economy is both resilient and robust. You can be assured that this Government will respond if necessary in an appropriate manner consistent with its stated policy of prudent and fiscally responsible management of this nation's resources.

Among the issues that have engaged the attention of the public is whether the oil price of US \$70 a barrel on which the budget of 2009 was based was appropriate and prudent. This price was determined on the basis of an established process and on information available at the time. A great deal has changed in a short space of time and with these changes new and additional information is available. We are satisfied that the reference oil price utilized in the 2009 budget was reasonable and appropriate, at the time at which it was made.

In arriving at the oil and gas prices for the budget, the Ministry of Finance set as its ceiling, the 11-year moving average for oil and gas prices based on the International Monetary Fund data taken from its World Economic Outlook publication. It also took into consideration information from the medium-term projection for oil and gas prices of the Organization of Petroleum Exporting Countries and the planning prices being utilized by major companies operating in the Trinidad and Tobago jurisdiction.

It should be noted that over the last five years realized oil prices were on average, 60.74 per cent above the budgeted oil prices for the period. But even as we deliberate on the reference price of oil, we recognize that the developments since September 22, 2008 have been dramatic and rapid.

How did this crisis develop? Financial markets began to cease since last August and the crisis originated in a relatively small segment of the United States

financial market as a result of mortgage loans being granted under relatively relaxed criteria and terms and conditions which eventually led to escalating foreclosures, as persons became increasingly unable to meet their mortgage obligations. By this time, these mortgages were repackaged and sold in the form of asset backed security to financial institutions all across the world.

As the quality of these assets was recognized, their value was written down and the balance sheets of the various institutions which had purchased and subsequently leveraged them became insolvent. Because of the interlinkages that had developed, the securities now represented a serious source of systemic risk. Urgent injections of capital were required in order to prevent the financial system from collapsing. The lack of adequate regulation facilitated this situation.

With the squeeze on credit and confidence, the lifeblood of the international financial system, other financial products started to unravel. Bank weaknesses became bank failures and the world witnessed the consolidation and restructuring of financial institutions in the United States and across major economies of Europe and, to a lesser extent, Asia. The present crisis was the result of a perfect storm: a macroeconomic environment with a prolonged period of low interest rates; high liquidity and low volatility which led financial institutions to underestimate risk; a breakdown of credit and risk management practices in many financial institutions and shortcomings in financial regulation and supervision.

Fears of global recession only tightened the stranglehold on credit and key indicators showed an historically higher version to risk. The response to date has involved the provision of extensive government cash injections into affected systemically significant institutions; enhanced deposit guarantee schemes and, more recently, a coordinated effort of monetary and fiscal stimulation involving the Central Banks of the United States, Canada, England, the European Union, Sweden and Switzerland to cut interest rates together with providing fiscal stimulation packages to boost economies.

Credit markets have begun to respond positively to the concerted international effort to boost confidence. The London interbank overnight rate which monitors the amount banks charge each other for loans fell to 2.18 per cent from 2.47 per cent last Friday. Meanwhile, the broader three-month rate fell to 4.64 per cent from 4.75 per cent on Monday, indicating that loans were becoming slightly cheaper and, more recently, indications are that the credit squeeze is easing, albeit at a slow pace.

The present situation begs the question: What are the implications for the Trinidad and Tobago financial sector? The domestic financial sector comprises a number of institutions involved in the various segments of delivery of financial services and with differing risk profiles. Regarding the impact on the financial crisis on the country's external reserves, I am assured that we have not suffered any capital losses on our reserve holdings as a result of the financial turmoil on Wall Street. This is because the Central Bank is required to adhere to conservative reserve management principles. Given that reserves represent the country's savings, the primary consideration must be for liquidity and safety.

**2.00 p.m.**

As part of its approach to risk management, the Central Bank of Trinidad and Tobago allocates reserves between three tranches of varying risk profile. In addition, highly reputable money managers, including the World Bank, are responsible for managing 32 per cent of our total official reserves in accordance with international benchmarks. The composition of the investment portfolio for international reserves has provided insulation from any loss.

With respect to the banks, the commercial banks have limited direct exposure abroad with foreign assets representing only 18 per cent of total assets. The impact of the credit crunch is also muted by the commercial banks' limited reliance on foreign borrowing, reflected in the fact that foreign liabilities amounted to a mere 8 per cent of total commercial bank liabilities as at the end of May 2008. There is very little immediate risk facing Trinidad and Tobago's banking system which is well capitalized with a capital asset ratio of about 18 per cent, a low level of non-performing loans and a still very much high liquidity position.

The normal flow of dividends from subsidiaries to parent bank does not create any undue risk for the domestic banking system. In the unlikely event that there is a demand for uploading of payment between the domestic subsidiary and parent, the Central Bank has the authority to intervene to protect the domestic banking system.

But, Mr. Vice-President, if the Wall Street crisis should remind us of anything, it is that we cannot be complacent. Rather, the crisis should spur all our institutions to take a close look at their risk management systems and make us realize that it is in all our interest to have robust regulatory systems.

Trinidad and Tobago's immediate regulatory agenda includes amendments to the Financial Institutions Act, 1993 and a complete revamped Securities Act. Both of these pieces of legislation will be brought before Parliament within the next

month and will be followed in due course by other regulatory strengthening initiatives, including a new regulatory framework for insurance companies and credit unions.

I now turn to the state of the Trinidad and Tobago economy in general. There is no doubt that compared to the 1980s we are in a better position to withstand a global downturn. The current crisis comes at a time when the economy of Trinidad and Tobago is performing remarkably well and growing from strength to strength. This is a far different position than what obtained in other periods of financial challenges, including the early 1990s. The highlight of the macroeconomic indicators will validate this; that Trinidad and Tobago is well positioned to withstand the effects of the current global financial instability.

Trinidad and Tobago has enjoyed more than 10 successive years of overall balance of payment surpluses driven primarily by the strong performance of the merchandise trade account and high oil and gas prices. Today, the external current account remains in surplus and the country's stock of current reserves stands at US \$8.5 billion, which provides the country with more than 11 months of import cover. This is a marked improvement from the 3.5 months of import cover in 1995, when foreign reserves were US \$0.7 billion.

This level of the country's foreign reserves will help to bolster the banking sector should liquidity become strained and help to service international debt. External debt has decreased as a proportion of GDP, reflecting the country's improving capacity to meet external debt obligations. This figure has declined from 41 per cent in 1994 to approximately 6 per cent at the end of 2007.

Trinidad and Tobago also enjoys investment grade ratings from international credit rating agencies which, while not assuring immunity in a deteriorating international economic climate, still speak to the country's creditworthiness. Accordingly, Trinidad and Tobago will continue to be an attractive destination for foreign investment.

Trinidad and Tobago's present fiscal position is far different to what obtained in the 1990s when deficits were the order of the day. In 1996, for example, the fiscal balance was minus 0.2 per cent of GDP compared to 7.6 per cent at the end of 2007.

I now turn to the question, which was originally posited at the beginning: How would this crisis impact, if at all, on the Trinidad and Tobago economy? Despite the coordinated actions of governments around the world, the International Monetary Fund announced in October that the developed countries grew at a

collective annualized rate of only 1 per cent during the period from the fourth quarter 2007 to the second quarter 2008 as compared to a rate of 2.5 per cent during the previous year.

The slowing of growth in the countries of our major trading partners, including North America and the Caricom region, does have implications for the continued vibrancy of our local manufacturing sector. In particular, a slowing of growth in the North American and European economies may negatively impact receipts from tourism and from remittances in many of the countries of the region. However, I wish to emphasize that the situation at present remains unchanged and we are closely monitoring developments with a view to proactively countering any negative movements that may materialize.

Mr. President, while the consensus on oil price trends remains uncertain, there is general agreement that high volatility will continue to be a feature of oil prices which will continue into the medium term. For oil-exporting countries such as Trinidad and Tobago, an immediate challenge is to ensure that such volatility does not unduly impact Government's planned infrastructural programme. In this regard, I wish, with your indulgence, to say a few words on the Heritage and Stabilisation Fund.

By statute, the Heritage and Stabilisation Fund is denominated in the currency of the United States of America. Its initial balance was US \$1,402,178,155.01. This fund has grown to US \$2,888,421,556. In fact, in fiscal 2008, TT \$6.58 billion was put into the fund. I know that when we came with the budget on September 22, 2008 we had said TT \$4.7 billion. When we closed the account on September 30, 2008, we ended up with an additional amount.

The fund provides for the future in two ways. The first is to generate savings for future generations; that is the heritage component. The second is to insulate fiscal policy from fluctuations in revenue from the energy sector; the stabilization component. The rigorous deposit and withdrawal rules enshrined in legislation ensure the fund's long-term viability.

A few months ago, the board of the Heritage and Stabilisation Fund approved a strategic asset allocation policy. However, while the procurement of services of external managers is proceeding, the board took a decision that in the interim 95 per cent of the Heritage and Stabilisation Fund would be invested in short-term money market instruments and 5 per cent in US treasuries. The holdings are subject to the same prudential guidelines.

Consequently, Mr. President, these reserves have suffered no capital loss and are at no undue risk. The growing financial contagion, however, has impeded a more aggressive approach to investing the HSF resources and we are currently

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[HON. K. NUNEZ-TESTEIRA]

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monitoring with a view to preserving value for future generations. It must be said at this point that while the legislation does provide for withdrawals from the HSF in the event of oil prices falling below the budgeted target, the intention at this time is not to resort to the Heritage and Stabilisation Fund in such an eventuality.

Even as we grapple with issues related to our international trade channels, we must embrace new opportunities. While the global financial turmoil makes the establishment of a Trinidad and Tobago International Financial Centre even more of an imperative, the Government is moving ahead to leverage the growing dynamism of our domestic financial sector by providing the requisite infrastructure and deliberate policy direction leading to the creation of the Trinidad and Tobago International Financial Centre.

The TTIFC will be an intense concentration of a range of international financial businesses and other transactions specifically tailored and sufficiently marketed to attract financial business from around the globe. In going forward, bearing in mind the lessons learnt from this international crisis, we are strengthening the design of the TTIFC in respect of effective risk management and governance.

There is nothing complacent about Government's approach to the international crisis and to the impending conditions that are expected to feature in the global economy over the next two years or so. The Ministry of Finance is currently undertaking the research and analysis that will form the basis of informed judgments regarding the policy responses that will best serve the interest of the people of Trinidad and Tobago.

The resilience and strength of the Trinidad and Tobago economy has come as a result of a farsighted Government and it is through continued foresight, prudent and responsible policymaking that we will realize our collective goal of achieving developed nation status on or before the year 2020.

I thank you.

**STATUTORY JOINT SELECT COMMITTEE  
(APPOINTMENT OF)**

**The Minister in the Ministry of Energy and Energy Industries (Sen. The Hon. Conrad Enill):** I beg to move that the following six members be appointed to serve with an equal number from the House of Representatives to enquire into



and report to Parliament on service commissions with the exception of the Judicial and Legal Service Commission on their administration, manner of exercise of their powers, methods of functioning and on any other criteria adopted by them in the exercise of their powers and functions:

Mr. Mariano Browne

Mr. Linus Rogers

Miss June Melville

Mr. Wade Mark

Dr. Adesh Nanan

Prof. Ramesh Deosaran

*Question put and agreed to.*

**2.15 p.m.**

**The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill):** Mr. President, I beg to move that the following six Members be appointed to serve with an equal number from the House of Representatives to enquire into and report to Parliament on Government Ministries (Part 1) and on Municipal Corporations, Statutory Authorities/Enterprises falling under these Ministries and owned or controlled by or on behalf of the State which received funding from the State of more than two-thirds of their total income in any one year. The Members are:

Mr. Conrad Enill

Mr. Jerry Narace

Miss Laurel Lezama

Mr. Wade Mark

Dr. Adesh Nanan

Mr. Basharat Ali

*Question put and agreed to.*

**The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill):** Mr. President, I beg to move that the following six Members be appointed to serve with an equal number from the House of Representatives to enquire into

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and report to Parliament on Government Ministries (Part II) and on Municipal Corporations, Statutory Authorities/Enterprises falling under these Ministries and owned or controlled by or on behalf of the State which receive funding from the State of more than two-thirds of the total income in any one year. The Members are:

Mr. Conrad Enill

Mr. Jerry Narace

Miss Laurel Lezama

Dr. Jennifer Kernahan

Mr. Mohammed Faisal Rahman

Miss Gail Merhair

*Question put and agreed to.*

**PENSIONS (AMDT.) (No.2) BILL**

*Order for second reading read.*

**The Minister of Information (Hon. Neil Parsanlal):** Mr. President, I beg to move.

That a Bill to amend the Pensions Act, Chap. 23:52, be now read a second time.

**RELATED BILLS**

**The Minister of Information (Hon. Neil Parsanlal):** Mr. President, in moving the second reading of this Bill, I seek the leave of this Senate to debate together, the other two Bills before the Senate, which relate to the subject of this debate. These Bills are the Teachers' Pensions (Amdt.) Bill, 2008 and the Assisted Secondary School Teachers' Pensions (Amdt.) Bill, 2008.

*Question put and agreed to.*

**PENSIONS (AMDT.) (No. 2) BILL**

**Hon. N. Parsanlal:** Thanks very much, Mr. President. The last time I was in this Senate it was a moment of rancour between the leader of business on the other side and myself. It is indeed with some degree of satisfaction and trepidation, perhaps, that I return to this Senate. I must thank the Senators on the other side for their graciousness in allowing these three Bills to be debated together.

Mr. President, I beg to move that the proposed amendments to the Pensions Act and Regulations, Chap. 23:52; the Teachers' Pension Act, Chap. 39:02 and the Assisted Secondary School Teachers Pension Act, Chap. 39:03, now be read a second time.

Following the successful completion of negotiations to new terms and conditions between the Government of Trinidad and Tobago and firstly, the Public Services Association and secondly, the Trinidad and Tobago Unified Teachers' Association in 2003 and 2005, respectively, an agreement was reached to amend the Pensions Act and Regulations, Chap. 23:52 and the relevant Teachers' Pensions Act and Regulations governing the superannuation benefits to members of the civil and teaching services who, at the date of their compulsory retirement, were acting in a higher position than their substantive office.

Specifically, the proposed amendments are to provide for the following:

- (a) where an officer or a teacher has acted continuously in a higher office for a period of at least three years immediately prior to the date of his or her compulsory retirement, their superannuation benefits shall be calculated as if they had been appointed substantively to that office during the period; and
- (b) where an officer or teacher has acted continuously in a high office for a period of at least one year, immediately prior to that compulsory retirement, the averaging principle shall be observed in the computation of superannuation benefits.

Hon. Senators, it was agreed that the amendments to the Pensions Act and Regulations, Chap. 23:53 would take effect from January 01 2004, while the amendments to the relevant Teachers' Pensions Act and Regulations would take effect from January 01, 2005. These agreements were ratified by Cabinet on November 13, 2003 and June 20, 2005, respectively.

Prior to these agreements, superannuation benefits of a person who acted in a higher office immediately prior to compulsory retirement were calculated on the salary of their substantive office, notwithstanding that they may have been performing the duties of the higher office continuously for several years. The intention of the amendment, therefore, is to provide a person who served continuously in an acting capacity for a substantial period and could not be appointed on promotion prior to compulsory retirement, a benefit no less favourable than that applicable to the substantive holder of the position.

Under the existing pension laws for officers of the civil and teaching services, an officer who is appointed to a position substantively must serve in that position for at least three years in order to enjoy the full benefits of the salary of that position in the computation of his superannuation benefits. However, after agreement was reached with the Public Services Association and TTUTA, it was recognized that if the amendments were implemented as agreed, an anomaly would have been created in that, a person who acted in the higher office and is promoted to such higher office within the three-year period, immediately prior to his compulsory retirement, would be treated less favourable than one who was not promoted but continued acting in the higher office for the entire three-year period.

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

This is so because, at this time no account is taken of emoluments earned during a period of acting in a higher position and there were no discussions or agreements with the relevant associations on the treatment of persons who were promoted subsequently to acting for a continuous period. Anomalies such as those referred to before, can arise when attempts are made to amend the provisions in pension legislation on an ad hoc basis, mainly because the provisions of the various Pensions Acts are very tightly linked. As a consequence, it was necessary to review the agreement and to thoroughly re-examine its possible impact and other provisions contained in the legislation. The preparation of the Bills on the original amendments was therefore postponed in order to treat with the anomaly identified and this accounts for the delay in bringing these bits of legislation back to the Senate.

Subsequently and following further discussion with the PSA and TTUTA, Cabinet, on June 14, 2007, agreed that the relevant Pensions Acts and Regulations should be amended further to provide for the payment of superannuation benefits to officers of the civil service and the teaching service as follows:

- (i) where immediately prior to compulsory retirement, an officer or teacher is promoted to higher officer, having acted in that higher office and the continuous period of acting together with his service in the office to which he has been promoted, amounts to a period of not less than three years, a superannuation benefit shall be calculated as if he had been substantively appointed to that office during the entire period; and
- (ii) where immediately prior to compulsory retirement, an officer or teacher is promoted to a higher office, having acted in that higher office and the continuous period of acting together with his service in the office to

which he has been promoted, amounts to a period or not less than one year but less than three years, the averaging principle would be observed in the computation of superannuation benefits.

In addition, consequential amendments have been made to treat with the impact of vacation leave on the service of an individual who acts in a higher office. In this regard, service in an acting capacity does not include periods of vacation leave, since during such leave the acting appointment is broken. Since it is mandatory that a person proceeds on all vacation leave for which he may be eligible, so that such leave expires on the date immediately preceding his compulsory retirement, for the purposes of clarity, it is necessary to ensure that an officer or teacher who meets the stated requirements with respect to periods of acting as well as promotion and who is required to proceed on annual leave prior to the date of compulsory retirement would also benefit from the agreement reached.

For the purposes of information for the Members of this honourable Senate, with regard to the protective services of Trinidad and Tobago, similar agreements were reached with the relevant associations representing the First and Second Division officers of the police and prison services in 2004 and 2007 respectively. *[Interruption]*

**Sen. Seetahal SC:** Might I, through you, Mr. Vice-President? If you are forced to go on your vacation leave for a year or so and you have been acting in the higher post before, would that be counted and you could not be deprived? I just want to get it clear.

**Hon. N. Parsanlal:** Yes, that is precisely what we are saying. That is what we treated with, which is why we went back and had it done and have now come back, which is what accounts for the delay in coming back to the Senate.

With regard to the protective services of Trinidad and Tobago, similar agreements were reached with the relevant associations representing both First and Second Division officers of the police and prison services in 2004 and 2007, respectively. These agreements for the protective services allowed for officers who have acted in a higher position for at least three continuous years and who have retired compulsorily to have their superannuation benefits calculated as though they were appointed to that higher position.

However, since the superannuation benefits of officers in the protective services are calculated on the basis of the final salary received and the averaging principle does not apply where an officer has served for less than three years, no provision was needed to be made for officers who have acted for a period of less than three years.

With your leave, Mr. Vice-President, I wish to seize this opportunity presented today to further update Members of this Senate on other appropriate legislative amendments, namely the Finance Act, No. 30 of 2007, which was assented to on September 28, 2007, in respect of officers of the First Division of the prison service in 2004 and 2007, respectively. This amendment would also allow for officers of the First Division of the prison service who have acted in a higher position for least three continuous years and who have retired compulsorily to have their superannuation benefits calculated as though they were appointed to that higher position. However, since the superannuation benefits of officers in the protective services, as I have indicated, are calculated on the basis of final salary received and the averaging principle does not apply when an officer has served for less than three years, no provision is needed to be made for officers who have acted for a period of less than three years.

With respect to officers of the First Division of the prison service, the Finance Act also serves to give effect to the agreement with the Prison Service First Division Officers' Association.

With respect to the Second Division officers of that service, legislative amendments are currently on the way to allow such officers to benefit from the agreement reached with the Prison Officers' Association and the Second Division of Trinidad and Tobago.

With respect to the police service, the identified anomalies have been resolved and the preparation of the relevant legislation is in progress. In the case of fire services, this matter was not raised with their representations and, therefore, has not been the subject of discussion with the two representative associations thus far.

It would indeed be remiss of me not to highlight that in accordance with the agreements reached, the amendments to the relevant legislation are to be enacted retroactively so that persons will not suffer any loss when the Acts are promulgated.

**2.30 p.m.**

Finally, to complete the holistic view of the pension plans and legislation surrounding the subject of retirement benefits for members of the public service, the Government of Trinidad and Tobago has embarked on a comprehensive programme of pension reform in the public service. The provision of superannuation benefits in the public service is governed by

several pieces of legislation containing varying benefits. Hon. Senators will note that such benefits are currently provided on the basis of the nature of the service to which the office holders belong.

The pension reform initiative, which falls under the purview of the Ministry of Finance, covers disparate offices and these include:

- for the members of the police service—the Police Service Act, Chap. 15:01, which has reached the stage of agreement and the legislation is currently being prepared—

**Sen. Seetahal SC:** Mr. Vice-President, through you, Chap. 15:01 has been repealed, and there is now the Police Service Act, 2006. While I am on my legs, may I ask the hon. Minister—in respect of the Police Service Act, under Chap. 15:01, there was a Sixth Schedule by which pension for police officers retired on disability was calculated at a rate of  $\frac{1}{180}$  of their annual salary over that period. In the 2006 legislation that was repealed and there is no Sixth Schedule, but the 2007 regulations decreased it to  $\frac{1}{480}$  without any notice. Is the Minister aware of this? I do know that the police service is aware of this, because I brought this matter to their attention. If he is aware of this, are there any plans to correct this deprivation of property? This could lead to constitutional—

**Hon. N. Parsanlal:** Certainly, this matter has been brought to our attention by the hon. Senator, and I am sure that during the course of the debate and in winding up it is going to be cleared up.

- for the members of the civil service—the Pensions Act, Chap. 23:52, which is being presented today;
- for members of the teaching service—the Teachers' Pensions Act, Chap. 39:02 and the Assisted Secondary School Teachers' Pensions Act, Chap. 39:03—to which I am referring today;
- for the members of the fire service—the Fire Service Act, Chap. 35:05—they are presently engaged in discussions to reach an agreement;
- for the members of the prison service—the Prison Service Act, Chap. 13:02 was recently brought forward for consideration;
- for the Office of the Prime Minister—the Prime Minister's Pension Act, Chap. 2:51;

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- for Members of Parliament—the Retiring Allowances (Legislative Service) Act, Chap. 2:03;
- for members of the Judiciary—the Judges’ Salaries and Pensions Act, Chap. 6:02;
- for Ambassadors or High Commissioners—the Retiring Allowances (Diplomatic Service) Act, Chap. 17:04;
- for members of the Industrial Court—the Industrial Relations Act (Industrial Court Pensions and Gratuities of Members Regulations), Chap. 88:01;
- for the members of the defence force—the Defence Act, Chap. 14:01;
- for the officers of specified statutory authorities and bodies—the Pensions Extension Act, Chap. 23:53; and
- for the officers of the municipal corporations—the Municipal Corporations (Pensions) Act, Chap. 25:05.

As previously stated, Mr. Vice-President, the examination of all these form part of the pension reform exercise being undertaken by the Ministry of Finance. A consultant has been engaged by the ministry to assist in the pension reform exercise with regard to developing a public service pension plan and to assess Government’s current and future pension liabilities. Work is currently being undertaken, and I am advised at a very advanced stage.

With respect to the pension plan for daily-rated workers of Government, in 2000 an agreement was reached with the National Union of Government and Federated Workers for the introduction of a pension plan for daily-rated workers of the Government. Some of these government offices include the central government, the regional corporations, the Tobago House of Assembly and the statutory authorities. The union has sought amendments to the terms of the agreement previously signed and the matter is currently being pursued.

Mr. Vice-President, in light of the many reforms generally being undertaken across the public service sector and the background information provided today, the amendments reiterated today to the Pensions Act and Pensions Regulations, Chap. 23:52, the Teachers’ Pensions Act, Chap. 39:02 and the Assisted Secondary School Teachers’ Pensions Act, Chap. 39:03 are both fitting and proper and in keeping with the current developments in pension reforms across Trinidad and Tobago.

These Bills to amend the Pensions Act, Chap. 23:52 and those that I have alluded to are simple pieces of legislation consisting of three clauses each, which are as follows:



Clause 1 provides the short title of the Bills.

Clause 2 provides for the interpretation of the term “regulations”.

Under clause 3 of the Bills provisions are made to include the amendments proposed today, providing for the computation of pension in acting capacity, prior to compulsory retirement of a public service officer with respect to the Pensions Act or a teacher with respect to the Teachers’ Pensions Act and the Assisted Secondary School Teachers’ Pension Act, when the officer or teacher has acted in a higher office for a period of three continuous years or for a period of one continuous year but less than three continuous years.

Mr. Vice-President, these amendments must be viewed in light of larger reform of the public service. Among the specific objectives of the Government of Trinidad and Tobago for the reform of the public service include the modernization of the human resources management and a new focus on customer service.

This focus on customer service is predicated on the belief that a customer is the most important visitor to our ministries. They are not dependent on us, we are dependent on them. They are not interruptions in our work; they are the purpose of our work. We are not doing them a favour by serving them; rather, we are being given the opportunity to serve them.

It is our belief that if we are to develop our staff to be more customer-service oriented, then it follows that we should lead by example. Therefore, if we treat our workers well by providing them with proper terms and conditions, inclusive of pension benefits, they will in turn, be minded to treat their customers well.

Mr. Vice-President, according to the report on the public service compiled by Adam Smith International in March 2008, the public service comprises of 4.5 per cent of the population of Trinidad and Tobago, with over a third of the staff in the Ministry of National Security and slightly less than a third in the Ministry of Education. The proposed amendments today will affect some 69,000 employees in the government service.

As the Government of Trinidad and Tobago aims to ensure that upon retirement our public service officers and teachers are appropriately compensated for the duties they undertook while in office; substantively or not, those of us who are championing this reform of the public service may be able to inculcate as the common behaviour among public service officers, a culture of reward for work and work for reward. It is a culture that all of us as public officers ourselves might be minded to emulate. It is a culture which reminds us that we are not here merely

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to make a living; we are here to enable citizens of this country to live more productively with greater vision and with a finer spirit of hope and achievement. After all, we are here to enrich this country and we impoverish ourselves when we forget that errand.

Mr. Vice-President, I beg to move.

*Question proposed.*

**Sen. Wade Mark:** Mr. Vice-President, thank you very much. These Bills are designed to provide certain benefits for public officers and will include teachers and members of the civil service. What I would like to do is to look at these provisions contained in the legislation before us; to examine what the Minister described as a comprehensive programme for pension reform in the public service; and to also examine the deficiencies in the human resource management functions in the public service which really undermines his submission about public service reform.

[MR. PRESIDENT *in the Chair*]

Mr. President, all these measures, as pointed out in the three Bills before us are similar in their intent and almost contempt. First of all, I would like to indicate that when we look at clause 3 of the Bill to amend the Pensions Act, in the first instance, we recognize that if an officer—in this instance, a public officer or a civil service personnel—is acting in a higher office for a period of three conservative years, that person would be eligible to pension, gratuity or any other allowance calculated. Obviously, that would be consistent with regulation 11(a) of the Pensions Act.

There is a second element here that speaks to the issue when someone acts in a higher office for a period of one continuous year, but less than three continuous years that person's pension would be prorated or averaged at the end of his or her life in the context of his or her service within the public service.

When we go to new section clause 16 (B) of this measure, the Government is stating that where a person or an officer is promoted to a higher office and having acted in that higher office and retires compulsorily, once that person has been acting in this higher office and has been promoted and has been doing so for a period of not less than three continuous years, that person would be entitled to full pension in accordance with regulation 11(a). However, if that said person is promoted to a higher office acting for one continuous year, we are being informed that person's pension would be calculated on the basis of regulation 11(c).

I would like the hon. Minister of Information and the Minister in the Ministry of Finance to examine this particular provision. I think it is unfair and it lacks equity.

**2.45 p.m.**

I want you to go back to 16B(1)(b), and what you are saying here is that if someone is acting and has been promoted whilst he has been acting for one continuous year but less than three continuous years, you are going to calculate that person's pension in accordance with regulation 11(c), which means that you are going to prorate that person's pension, but that person has been promoted. I have gotten a letter from the Public Service Commission promoting me in that job, but what is being suggested from my reading, Sir, of this provision is that even though I have been appointed and promoted to that office, I am going to be punished, and therefore, my pension is going to be calculated in accordance with 11(c) of the Pensions Act. If you go to 11(c), your pension is prorated.

I really would like the hon. Minister in the Ministry of Finance—because he ought to have been presenting this Bill today, because he is much more attuned with this matter, au courant with this matter, but I have no problem with my colleague who is here—to look at this provision because I believe it is not equitable, it is discriminatory, and I believe it has not been properly thought through, and therefore I would like you to look at this particular measure.

Another area that I would like to put on the table for the consideration of the Minister, does this provision apply to those persons who volunteer to retire from the public service at the age of 55 years? You know there is a provision in the regulations, if I would like to go at the age of 55 years as a public officer, I can do so. What about those persons who would like to go at age 55 years? Would these measures that we are seeking to approve today be applicable to them? I do not think so from what I am reading here. That is another element of discrimination.

I would like the Government to look at these two areas: the area of persons who volunteer to resign or to retire rather, from the public service, whether these provisions would be applicable to them, and secondly, a person who has been promoted but has been in the position for one continuous year but less than three continuous years, why must that person suffer as a result of this provision? I think it is wrong and I would like the hon. Minister to examine this provision.

I would also like to indicate here that once an officer has been promoted in higher office or into a higher office that he was acting in, then such an officer

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should enjoy full benefits, and ought not to have his pension prorated or averaged. So, I think that the job is not yet complete; we may have to go with some amendments to ensure that there is equity in the system.

I know that the hon. Minister spoke about pension reform, but we will come to that in a short while, but it has taken a long time to bring this measure here and I would imagine that many public officers would have gone through many sacrifices during that period. One of the key things I would imagine that the Government would need to look at—and I would deal with that in a more detailed way later on—is the need for us to look at indexation of pensions to prices and to inflation.

I know it was a position advanced by the Prime Minister who was then Minister of Finance in 2005, where in his budget speech he referred to the need for us to index benefits to inflation in this country. So, that is an area I would like to ask the Government to look at because the cost of living in this country is extremely astronomical and the meagre pensions that public officers receive at the end of their service and given the high cost of living, I think that what you have is a dip in the quality of life and the standard of living of thousands of public officers in this country.

I want to find out, why has this measure taken so long? An agreement was reached in 2003 in the case of the PSA; the Government ratified it or approved it in 2003; then there was the teachers agreement in 2005, and the Cabinet further ratified that; then the Government discovered that there were some challenges, and it took the Government almost two years—from 2005 to now—to discover that they had to address some of the weaknesses as identified. I would like to suggest that persons would have suffered enormous hardships as a result of this delay. It will now cause—

**Hon. Parsanlal:** Thank you very much for giving way, Sir. The hon. Member would recall that during my presentation I did articulate the reasons the amendments were late in coming, and the fact that we had to not only simply amend, but to consult with the others, with the respective unions, and in fact, that the legislation is going to be retroactive.

**Sen. W. Mark:** I am aware of what my colleague said, however, we are now going to have another round of delay, because as you know these measures and the computations will have to be worked out again, because we are going back to 2004 and therefore, everything would have to be recomputed for those persons who would be eligible for this new arrangement.

Whilst we have had this measure and we have to compliment the unions and the associations for recognizing the need for this particular arrangement to be effected, it is somewhat late, because thousands of public officers prior to this agreement would have had to suffer because they would have been acting in higher offices for several years, and they would have gone home prior to this agreement in 2004; they would have been acting as an Administrative Officer II and although their substantive office would have been a Clerk III or a Clerk IV when they would have retired they would have left the service with a pension equivalent to the office of Clerk IV and not Administrative Officer II. Therefore, they are certainly living in a state of poverty in this country.

The system is extremely deficient and it is sad that after some seven years in office—and we have had Dr. Lenny Saith, now we have the hon. Minister Kennedy Swaratsingh—you still have these deficiencies like the HRM function. It is defective because we cannot really in any way support this kind of advantage being taken of public officers, and for years now, up to 2004, you have had and you still continue to have people acting and acting in the public service of Trinidad and Tobago.

So, you could well appreciate that thousands of ordinary public officers be they messengers, cleaners, clerks, professionals, technical people in the public service, would have left prior to this agreement with meagre pensions to live. Therefore, I want to remind the hon. Minister that whilst these officers who may be still alive would be able to benefit from this particular measure, they must first have life to enjoy pensions. Too many pensioners are dying in this country; too many people are being murdered in this country.

In fact, how can you talk about pensions for public officers—and he just told us 65,000 people would benefit from this particular measure. You have to be living first to enjoy your pension. A dead man cannot enjoy his pension, and so many citizens are being slaughtered on a daily basis in this country, including pensioners. I have witnessed over the last four to five days in this country, close to 15 people being murdered.

So, when we are talking about pension reform, the Government must create an environment to ensure that our pensioners are able to live in a decent way. They must have an environment where, when I get my pension I can go about my business doing my chores or whatever I have to do, so I can enjoy whatever I would have earned, because you know pension is a deferred income, it is a stream of income that you enjoy, that you would have deferred while you had the life and the strength to contribute.

I think that one of the things that the Government must pay attention to is providing the environment for people to live in this country and somehow I get the impression that there is a certain numbness, the silence is almost deafening as it relates to how is the Government treating citizens who enjoy pension rights, but do not enjoy the right to live in a decent and crime-free environment in this country. How does the Government realize that? Even in Balisier House I heard my good friend saying sometime ago, which was very unfortunate, when they asked him about crime, he just brushed it off as if the Government is detached from crime.

**3.00 p.m.**

Mr. President, I want to connect the contribution as it relates to this comprehensive programme of pension reform in the public service. There is an underlying philosophy that is guiding and governing the policies of this administration, it is arch-conservative in both nature, character and content. It is a reactionary, extremely right wing arrangement that tells the country and the people you must look after your own welfare, you must paddle your own canoe because this Government is detached from the whole question of social responsibility in this country.

Mr. President, may I remind you of the budget statement of 2005 by the former Minister of Finance when he spoke on page 36 about public sector pension reform. Do you know what he told this country? To show you the right wing, conservative, anti-worker, anti-trade union character that leads this country, [*Laughter*] do you know what he told this country in 2005? [*Interruption*] I quote, here is what he said:

“But perhaps, of greater concern, is the urgent need for individuals to ensure they are in receipt of an appropriate level of income in retirement thereby reducing the risk of poverty in their retirement years.”

He goes on:

“The responsibility on the State to provide for one’s welfare in retirement must be reduced and eventually removed.”

I want to repeat this. I want to tell you the philosophy of this Government. The philosophy is that the responsibility on the State to provide for one’s welfare in retirement must be reduced and eventually removed. He goes on:

“It is imperative that there be a shift in the culture to one of individual responsibility.”

So their position, Sir, is one of individual responsibility. They believe in individualism, they believe in rugged capitalism. But do you see what happened in the United States? Do you see what happened in Europe and what happened in Asia? The very marketplace has collapsed. The marketplace has collapsed and the state, the government has had to intervene and nationalize banks, whether it is in Europe, whether it is in America and it will take place shortly in Asia.

Today, I heard on the news that Iceland is bankrupt and it has gone cap-in-hand to the IMF. Pakistan is bankrupt and it has to go to the IMF; Hungary, Ukraine, and so it continues. So, the philosophy is what you have to pay attention to, and this Government is very clear in this particular position as it relates to individualism; they are saying that they are not responsible. And then this on-the-job training team that we have here called a Cabinet—[*Laughter*] I call them the OJT; that is the OJT team. The only man who is trained in that Cabinet is the Prime Minister, the rest of them are on-the-job training. [*Desk thumping*]

I want to go to Saturday, October 18, the *Guardian* and the apostle an acolyte of the Prime Minister says, and I quote the headline, “Browne urges: Start saving for retirement”. [*Interruption*] So, you see the 2005 philosophy has now infected this particular individual. So hear what he says in the body of the article:

“Browne said nationals should begin to ‘save from cradle to grave’ to avoid the ‘too soon old, too late smart’ syndrome of discovering that they are short on cash when they reach their golden years.”

He did not say save and as you save, Sir—

**Hon. Parsanlal :** Mr. President—

**Mr. President:** You cannot both stand. Is this a point of order? Will you both please sit!

**Hon. Parsanlal :** Yes, Sir.

**Mr. President:** Will you both please sit! Minister, you may only stand on a point of order. If you wish to ask a question you may do so, but you must sit down until he gives way, okay. You can ask to give way but you must sit back down unless he gives way.

**Sen. W. Mark:** Mr. President, I have given way already. I have a long contribution [*Laughter*] and I would ask him to take copious notes [*Laughter*] so when you are winding up you will be able to respond.

**Hon. Parsanlal:** Is there anything wrong with that?

**Sen. W. Mark:** No, no, it is very right—[*Interruption*] Mr. President, what I am advancing and submitting to you, is that if the hon. Minister had said, you must engage in savings as a worker to complement whatever your entitlements are—So, if I take out an annuity plan I know that the State has a plan in place for me, so it will complement my retirement. But I get the distinct impression that this Government is about saddling the population with—[*Interruption*]

**Mr. President:** Senators, I would ask you to keep your voices down when you are having these little asides because it is disturbing me and I am sure it must be disturbing the other speakers as well. So when you do have your little asides please keep it as low as possible. Thank you.

**Sen. W. Mark:** Mr. President, I would want to say, listen, this is another episode of this philosophical position being advanced by this regime where they want people to save—and I have no problem in individuals saving; I think it is a good thing for people to save. But what I am saying is that the Government must be very clear when they project these kinds of positions. And then you had as we deal with pension reform, we saw in the 2009 Budget Statement the Government indicating that they are going full steam ahead to reform and to have a new pension system for the public service of Trinidad and Tobago.

If you look on pages 36 and 37 of the budget statement for this financial year 2008/2009, you will see where the Government is coming from. So, when the Government tells us—as the Prime Minister at that time and the Minister of Finance said—that we must take full responsibility for our own retirement and the Government is going to reduce its responsibility, totally, for our welfare and our social welfare in this country, it is not inconsistent with their position today. Because I would like and I would ask the hon. Minister—he spoke to the issue sometime ago, and the hon. Minister of Information repeated it a short while ago—that there is a group of consultants call Mercer and they have completed their work since February/March according to the hon. Minister in the Ministry of Finance.

**Sen. Browne:** I did not say that.

**Sen. W. Mark:** Yes, you have it on record; do you want me to quote it for you? You keep saying a lot of things that you do not remember.

**Sen. Browne:** I said we will present [*Inaudible*] on July 16.

**Sen. W. Mark:** No, Mr. President, may I quote? I think I need to take him to the Committee of Privileges, you know. [*Laughter*] He misleads this Senate. You mislead this Senate. I know that you are an economist—

**Hon. Senator:** He will probably meet you there.



**Sen. W. Mark:** No, he would not meet me there. Whenever I come I bring evidence. *[Interruption]* If you provoke me I will bring evidence when they fired you, you know—okay?—from the Ministry of Education. *[Interruption]*

**Mr. President:** Senator, speak to me.

**Sen. W. Mark:** Okay, Sir. Sorry, Sir. You see, he is a guest and I want him to behave himself whilst he is here. *[Interruption]*

Mr. President, I want to tell you what the hon. Mariano Browne said on June 23—

**Mr. President:** Minister in the Ministry of Finance.

**Sen. W. Mark:** The hon. Minister in the Ministry of Finance. He said and I quote:

“The inception report was done on May 31, 2007 and has been received and discussed. The report addressed, among other things: the current state; the review of the key issues; the undertakings to identify”—et cetera. However there is a—“draft report dated February 01 2008”—and this particular report has been—“forwarded to the Ministry of Finance...”

They have received it and this report has been discussed.

I got the impression from this particular statement that the Government has in its possession a report since February 2008. Therefore, I am asking the hon. Minister if he can provide us with a copy of that report, because here it is we are talking about major reform of the pension system for the public service.

Mr. President, I want to remind you, when we talk about the public service in this country, of the elements or components that make up the public service in this country, we are talking about public officers who are civil servants, teachers, police officers, prison officers, fire service officers, the judicial and legal service, the statutory authorities, the municipal corporations, members of the defence force, members of the higher Judiciary, members of the Industrial Court, members of the diplomatic service, parliamentarians and hourly, daily and weekly rated employees. That is how these categories were captured in this particular document by the Prime Minister.

We need to come clean with public officers. When you are talking about public pension or the reform of the pension system for public officers, let us be told what it is. Is it a defined benefit plan? Is it the pay-as-you-go defined benefit plan? That is an element that we have now. Is it pay-as-you-go defined contribution plan? What is it? I get the impression it is pay-as-you-go defined contribution plan for the public service.

If that is so, we know we are going to have a system in which you contribute or I would contribute a third and the Government will contribute two-thirds of the monthly pension that I would have to make towards that plan.

I think the Government must come clean and level with the public officers of this country as we talk about pension reform for the public service. If it is a fully-funded plan and it is defined in terms of contributions, say so. If it is that when you establish this plan you are going to have individualized capital accounts in the name of each individual that will be administrated or administered by the private sector, tell the country what your plans are. Do not keep people in the dark. Tell the public officers what your plans are. Tell them that one of your plans is to eliminate early retirement in the public service so you would no longer in the future be able to go at the age of 55. If that is their plan, let them tell the country. Do not hoodwink and mamaguy the public officers of this country.

I understand part of your plan that is in the Mercer document is to eliminate early retirement in the public service. Then if that is so tell us. We understand that part of their plan—the Mercer Report—is to increase the compulsory retirement age for public officers from 55 years to 65 years. If you are saying that is as a result of ageism which is a phenomena that we are faced with, because 11 per cent of the population right now is over 60 years and it is predicted by 2025 it will be something like about 20 per cent. So if ageism, or the ageing population syndrome is a phenomenon that is confronting us as country and you have to increase the retirement age from 60 to 65, tell the country. Tell us that is where you are going. And then we understand that you want to reduce the accrual rate from 2 per cent to 1 per cent of the final salary. If that is so, tell the public officers. The Government needs to level with the country.

**3.15 p.m.**

As you know, when you retire you are entitled to a gratuity and I understand that they also want to tamper with that as well. If that is so, then you must tell the country. Let the country know what your plans are. I do not want to be guessing that this so-called Public Service Reform Pension Scheme that you have, is almost held in secrecy and nobody knows about the contents of it. No, you must tell us what the contents of your document are.

So, as we deal with this question of the public service, I also want to say that public officers who have retired in this country are old and broken and do not have the financial wherewithal to live decent and dignified lives.

When a Government can put the poverty line at \$665 in this country—because retirement income security which is your retirement benefit is supposed to deal with poverty and it is supposed to keep you out of poverty, that is why when you get your income at the age of 60 or 65, you must be able to live a decent and dignified life. But when you have a situation where a government is using \$665 as the poverty line in this country, which is six years old and the cost of food for the last three or four years has gone up by 200 per cent, what we have in this country based on our own calculations is that for one individual to live reasonably decently in this country, you need a minimum of \$1,200 a month for that individual.

So if you have a family of four, a husband, wife and two children, that family should be getting an income of \$4,000 a month, and you cannot tell me in this time and this place that \$665 is adequate to allow a person to live. No! So, the Government has to revisit—in fact, even the hon. Minister in the Ministry of Finance is reported to have said in the newspapers that the poverty data is flawed and they need to revisit it. So, I think confession is good for the soul and I am happy that he has recognized that.

Mr. President, I want to tell my hon. colleagues that when they look at the plight of retirees in this country—I am talking about public officers. Public officers constitute the bulk of the retirees in this country. We have people who are on old age pension which is now called the Senior Citizens Grant, that is another matter, but I am dealing with for instance, the public officers who are struggling to live.

Mr. President, I want to remind you of an article in the *Express* of Wednesday, January 23, 2008 in which a survey revealed that rough times for retirees is here. It is stated in that newspaper article that almost half of the country's retirees do not have enough money to live, to give them the standard of living they hope to have in their retirement. It goes on to tell you that a substantial percentage of 69 per cent are relying on Government pensions because they do not have their own occupational or personal pension and you have people who are living in a very destitute kind of way in this country. So when we are talking about the rights of citizens to live decently, I think the Government has a duty to ensure that everything is done in its power to ensure that there is a universal system of pension in this country.

Why discriminate against certain categories of workers? You put a ceiling now of \$2,800—it was \$2,500 in this last budget and it has now gone to \$2,800. If you are working for \$2,800 a month or receiving an income of \$2,800 a month, then that is it. When you are in receipt of that sum, it means to say that at the end of the year you will just be about \$33,000 or thereabout—[*Interruption*]

**Sen. Browne:** The sum of \$33,600.

**Sen. W. Mark:** The sum of \$33,600—what happens after that? So you have a Caroni worker—Sen. Dr. Saith, I want to ask you about Brechim Castle. I want to talk to you about what is taking place there. Rape is taking place there. Mr. President, I want to advise my colleagues of a situation where Caroni workers who have retired under the VSEP arrangement got \$650 and might have gotten about \$250 or \$300 from their pension arrangement and the NIB provides them with \$2,000, do you know that they have no access to old age pension? They are getting \$300 from their Caroni pension plan; they are getting \$650 because of the arrangement with the Government when they closed down the factory; they are getting \$2,000 from the NIS; and if our calculation is correct, you need about \$4,000 to live reasonably—[*Interruption*]

**Hon. Parsanlal:** Is that for a family of four?

**Sen. W. Mark:** No, I said \$1,000 a month. So in terms of a family of four, you need \$4,000. So this one individual who is the breadwinner with a wife and three children and all he is getting every month is \$2,900. Is that fair? It cannot be fair.

I am arguing that every citizen who would have contributed to the Treasury through income tax deduction should be entitled as a matter of course, as a matter of right, as a matter of entitlement to their pension at the age of 65. They should be receiving their \$1,950 as a matter of right. [*Desk thumping*] Why are you denying people their rights? We worked hard, my father, your parents, our parents worked hard, laboured in the vineyard, but yet still when they come to retirement you are telling them that all they are entitled to is \$2,000 from NIS. But I contributed to that. From the time I entered the labour force, they deducted NIS from my money, so I contributed to that.

The Government is not giving me anything. It is not a favour that the Government is making to me, I paid for that. And similarly if I contributed to a pension plan, I paid for that. So the only thing that the Government is contributing towards me is my old age pension. They now call it a Senior Citizens Grant and do you know why they call it so? Because as you said, Mr. President, they have the right to increase, decrease, reduce, review and remove at their whims and fancy.

**Mr. President:** Hon. Senators, the speaking time of the hon. Senator has expired.

*Motion made,* That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. Dr. A. Nanan*]

*Question put and agreed to.*

**Sen. W. Mark:** Thank you very much, Mr. President, and my colleagues. So, my submission is that we must take care of the elderly in our country and if by 2025, we are being told that close to 200,000 persons would be close to 60 and going over 60, how are we preparing for the elderly in this country? For instance, are we preparing for them by giving them this kind of meagre income? Listen, in serious and in civilized countries, even a family allowance is in the system where if I take care of my mother or my father who are over 60 or 70 years, I would get an allowance—*[Interruption]*

**Sen. Browne:** Where that happens?

**Sen. W. Mark:** It happens in Finland.

**Sen. Browne:** In Finland?

**Sen. W. Mark:** Go and look at the pension system in Finland, it is a universal system. Mr. President, in that country they make sure there is a universal pension for everyone, regardless if you are rich, poor or half there, everybody is able to enjoy a pension; it is a universal right.

Therefore, I believe that the Government is short-changing the people of this country. They are short-changing the elderly in this country. Do you know how many people have gone to the Social Welfare Office and they left in long tears? They are crying because they want to know if the Government “mamaguy” the country. When the Prime Minister announces in a budget that pension is going up by \$300—from \$1,650 to \$1,950—people felt that when they go to the Social Welfare Office, apart from the \$2,000 that they are getting from the NIS, they will also get \$1,950. Do you know what they discovered when they went to the Social Welfare Office, Sen. Manning? They discovered that all they would get is \$800. That is the difference to reach the \$2,800 a month and the \$33,600 in a period of one year. That is unfair. That is not fair.

Today, I make an appeal in this Parliament for the elderly of this country because all of us are going to reach there. Some of us faster than others, but let us put in a word and fight for the elderly in this country. Let us make sure that our mothers, fathers, great-grandmothers, great-grandfathers and so on, live in decency and dignity upon their retirement. I would like to appeal to the Government to allow the elderly to draw not only their NIS, not only whatever pension they are entitled to from wherever they worked, but please, allow them to access their old age pension. *[Desk thumping]* They need it because in this environment the grandmother is the father, the mother and they take care of the children, but they cannot deal with the kind of income that they are receiving. I want to call on this Government to reconsider its policy as it relates to the elderly in this country.

Mr. President, I also want to advise the Minister—you know, going back to the pension reform system, why can we not have a choice? If I want to be in the system, pay-as-you-go defined benefit at the end of my lifetime in the public service, I would be entitled to it. Hon. Minister of Finance, if I want to be part of a pay-as-you-go defined contribution scheme, then I can also access that. Why is it that you are imposing a new scheme on the population, in which the economic risk has now shifted to the pensioners? I want to say it again. In the pay-as-you-go defined benefit scheme, the onus and the burden is on the provider or the sponsor, which is the Government. When you shift that system as the Government is planning to shift the system—this is my information. My information is that—

**Mr. President:** There is no information in front of this Senate with regard to that and that is highly speculative. I have allowed you a great deal of latitude in this regard, but really we have no such information. The Government is free to change its mind at any time before it brings any Bill here, and therefore, whatever documents may be floating around are not worthy of debate in this honourable Senate and we should not be wasting valuable Senators' time by talking about something that is not before us.

**3.30 p.m.**

The Bill before us is very clear. Everything I heard you say after the first 15 minutes of your contribution really had nothing to do with this Bill. [*Desk thumping*] Senator, you have been talking about pensions and the issue of pension. This just deals with a very specific aspect of pensions. I have allowed you a fair amount of latitude, but let us press on. You are nearly at the end of your contribution.

**Sen. W. Mark:** I hope you will allow me the time.

**Mr. President:** Let us talk about the issues here and not about something that is not, in fact, before us.

**Sen. W. Mark:** Mr. President, you as an old stalwart like me, know that I could refer to matters. I just want to remind you, Sir, that in my colleague's contribution he said that when we were looking at these measures, we must look at them within the context of the comprehensive approach that the Government was taking to pension reform in Trinidad and Tobago. It was against that background I was able to make reference, Sir.

**Mr. President:** Senator, again, I do not want to start a debate with you. The fact of the matter is that he has merely said what the background is; he has not

articulated what their background thinking is, therefore, that is not a matter for debate. All that is in front of us are these three very simple Bills that you ought to focus on. Please, press on.

**Sen. W. Mark:** Could I indicate to you, Mr. President, that in the Budget Statement of 2005, the hon. Minister of Finance did indicate on page 36 that the Pension Reform Working Group, whilst maintaining overall responsibility for reform of the pension industry, would be responsible for the development and introduction of a contributory occupational pension plan. This is in the document that the Prime Minister indicated; but let me press on.

I want to indicate that the Government has been speaking about customer service. They talked about the importance of the worker as their customer, and that was why these measures were so laudable and noble and that we must support them. I want to also remind them that in dealing with your customers, you must ensure that you have a well oiled human resource management system or machinery. You must facilitate the smooth mobility of customers, who are the workers, from one level to another level.

In this regard, I want to advise the Minister that the Government should withdraw the Civil Service (Amdt.) Regulations of 2008, Legal Notice No. 139, because that particular Notice allows a block to take place in which Permanent Secretaries and heads of department who reach the age of 60 years, could apply to go to 61, 62, 63, 64 and 65 years. I do not believe in terms of proper human resource management practices, in a modernized public service, that could fly. It is going to stifle, stymie and hinder upward mobility in the public service. It is going to stymie and stifle promotional opportunities in the public service. I want you to consider the withdrawal of this particular Legal Notice, because it will not be able to do justice to the persons in the public service of Trinidad and Tobago.

I have tried in my contribution to indicate, one, that the Government has a responsibility to ensure that the measures they are introducing today do not discriminate against workers in the public service. I spoke to the issue of equity, and there is an absence of equity in the legislation. I raised the issue of ensuring that those persons who volunteer to leave the public service, enjoy the entitlements and benefits of others who remain in the public service. I would hope that the hon. Minister, when winding up, would be able to address some of these very important issues.

Of course, I spent some time looking at the whole issue of the so-called Pension Reform Plan that the Government has, within the context of the public service reform measure within the public service of Trinidad and Tobago.

I hope that the Government would also address the issue of the Caroni workers. I know that is very close to Sen. Dr. Saith's heart, the hon. Minister of Trade and Industry; I know that he came from that background of the sugar industry and, therefore, he must be concerned about the poverty, destitution and the complete challenge that these former workers are faced with, as a result of the poor remuneration they received upon their retirement, as a result of the closure of Caroni (1975) Limited.

I also ask the hon. Minister, when it comes to the issue of pension, that we look very carefully at the investment of our moneys at the National Insurance Board (NIB). I read a very disturbing article sometime ago, where himself borrowed from himself. I have a difficulty with certain persons who occupy sensitive positions using our moneys in order to finance their operations.

When I made the statement sometime ago, that NIB was being used as an organization to lend money to the Government agencies, I was attacked; but we saw in black and white in the newspaper recently where the Government of Trinidad and Tobago had guaranteed loans amounting to US \$73.1 to UDeCott, whose Chairman is the Chairman of NIB. That is a conflict of interest. There should be legislation in this country where you should not have persons of that stature being involved in sensitive state enterprises, where you could have conflicts of interest. I would like the hon. Minister in the Ministry of Finance to ensure that our funds at the NIB are properly handled and well managed and not be allowed, in any way, to be misused in that context.

I hope that in the context of our contribution, we recognize the importance of the matter before us today. It is something that is going to benefit the working class. It is a measure that would benefit hundreds of public officers. I do not see 69,000; I see hundreds of public officers benefiting from this measure. Whatever is being done by this evil regime to help the working class, whether they be civil servants, teachers, prison officers, police officers, firefighters, whether they be daily, weekly or fortnightly workers, once their quality of life could be lifted, we would identify with it.

I would like, in closing, to ask the hon. Minister to bring this Parliament up to speed with the issue of a pension plan for daily-rated workers, because he did mention the daily-rated workers. I would like him to tell us where are we with the pension plan for the daily-rated workers of this country, because they have been fighting for over 30 to 40 years to have a pension plan established.



I know from an International Monetary Fund (IMF) report which I read sometime ago, that they indicated there was no need for a pension plan for the daily-rated workers, that they could subsist on old age pension or Senior Citizens Grant.

I thank you.

**Mr. President:** Hon. Senators, I understand that during my absence the question was put for all three Bills to be done at the same time. In fact, we can only put one question at a time for one bill at a time. Therefore, the only Bill that is in front of you, at the moment, is an Act to amend the Pensions Act, Chap. 23:52. We agreed to debate all three at the same time; that we could do, so we would not have to debate the other two Bills when we read the question, but we could only, in fact, have one question at a time. I just thought I would straighten that out for us. It should not make a difference to what we do, but, at least, to understand that at the moment there is only one Bill in front of us, but you may debate all three.

**Sen. Dana Seetahal SC:** Mr. President, at the outset let me say that the three Bills before us—well, one Bill that actually is, but the other two are identical to the Teachers' Pensions (Amdt.) Bill. They are identical in intent and in words. The essence of the Bills, one, the Teachers' Pensions (Amdt.) Bill, relates to teachers, the other, the Assisted Secondary Schools Teachers' (Amdt.) Bill, deals with teachers at assisted schools.

My understanding of the other Bill, the Pensions (Amdt.) (No. 2), 2008, is that it dealt with all public officers. That is my understanding of it. I did not understand Sen. Mark's concern there; perhaps, that could be corrected, if there is any concern.

There are, essentially, two sets of provisions. If one has acted in a post for a certain length of time and then one retires, the provision is made for how you treat with that person's pension rights. The second is if one has acted and then one is promoted, how you treat with the pension rights. So in relation to the acting person who is not promoted, there is provision in all the Bills; that if a person has acted for three continuous years, his pension, gratuity, et cetera, would be calculated as if he had been confirmed in the higher office. Three years of acting gives you that. You have an alternative situation, where if he has acted for one to three years, not for a full three years, then he would be treated as if he had been confirmed in that higher office during that period.

My concern is: Exactly what is the difference in the intent? In one case you are treated as if you were confirmed in the post, full stop; in the other case you are

treated as if you were confirmed for whatever period between one and three years you would have acted. Is there a difference if for both provisions you are to be treated—according to the Act you are deemed to be a teacher to whom regulation 19A applies? Regulation 19A in the case of teachers says:

"For the purpose of computing the amount of a teacher's pension, gratuity or allowance in the case of a teacher who has held one office for a period of three years immediately preceding the date of his retirement, the full salary payable to him at that date in respect of that office shall be taken."

So you take the salary that he enjoyed for three years before.

The new proposals are that if you have acted for three years or if you have acted for one to three years, in either case, your salary would be taken in that higher post; so what is the difference? Why do you have to have two provisions? Why could you not just say a person who has acted in the post from one to three years would be equivalent, treated as if you were 19A? If there is some different meaning to these provisions, I wish someone would tell me, because I have read them.

I have highlighted in one case where it says "as if he were confirmed in the higher post". In the other place it says "as if he were confirmed during that period"; in either case it comes down to being treated as a person to whom regulation 19A applies. I read 19A and it says what I just read. What is the difference?

The same also applies to a person who has been promoted, a teacher who has been promoted to a higher post after acting whether for three years plus or one to three years; that is the other provision. So one is purely acting, the other one is acting and then promoted, and you are talking about three years or one to three years.

**3.45 p.m.**

In one case he will be treated as if he held that higher office during the entire period; the other case, during that period, meaning during the entire period of three years or during one to three years, and then you come back to treating him in all four instances, as if he were the person to which 19A applies.

So if all four of the situations are treated like that, why can you not have created one section and make life much simpler for everyone else? Because this way, we spend a lot of time trying to find out the difference and then persons, when you are interpreting statute—that is the court—would say, well, the Legislature could not have been so foolish, that they must have meant a difference

and, therefore, the court will seek to find a difference because they cannot believe that all of these different sections; where you have repetition; where you go to make a point and then at the end of it, surely you come down to mean the same thing. So that really is my concern for that and I wish someone would enlighten me.

The Minister in this presentation talked about the pension reform exercise of the Government and in that regard I bring to his attention a matter of concern. It is not the Teaching Service Regulations or as teachers in assisted schools, but other public servants; that would be the police and the defence force. The defence force regulations provide at regulation 8(1)—that is the Defence (Pensions, Terminal and Other Grants) Regulations:

“The Minister may order an officer or other rank, who may be disabled by infirmity of mind or body, to be retired, and such officer or other rank, if he has completed ten years qualifying service, shall thereupon be paid an annual pension at the rate of one/four hundred and eightieth of the pensionable emoluments of such officer or other rank for each completed month...”

So that is a member of the defence force. If he has retired because of disability he would be paid for each month of service at one/four hundred and eightieth. That is the current law for the defence force people.

Under the Police Service Act, Chap. 15:01 which the Minister referred to—and I take it that he is now sure that that is repealed—the Sixth Schedule to that Act—so it is part of the Act; it was not in the regulations—rule 4 provided that:

“...a police officer who is disabled by infirmity of mind or body may be retired and, if such police officer has completed ten years of satisfactory service, may...be granted a monthly pension not exceeding 1/180ths...”

So a police officer got three times what a member of the defence force got and there is no rational explanation for that, because insofar as pensions and other matters, traditionally the defence force was supposed to be treated on par with the police service but for some reason there was an amendment and they got three times as much—1/180ths

Now, in 2006, the Police Service Act, 2006 was passed and for some reason there is no Sixth Schedule; it is up to the Fifth Schedule. The Sixth Schedule was deleted. In substance, this Police Service Act repeated a lot of the Chap. 15:01 but it did not repeat that and it provided that Chap. 15:01 is repealed. So, in 2006

*Pensions (Amdt.) (No. 2) Bill*  
[SEN. SEETAHAL SC]

*Tuesday, October 21, 2008*

there were no pension provisions and the normal practice is that if there is something omitted from a replacing Act, you continue with what was before. However, the Police Service Regulations, Part XV, was passed and Part XV provides at regulation 185—just for clarity:

“Subject to subregulation (2), an officer who is physically or mentally disabled may retire and, if he has completed ten years of satisfactory service, he may be granted a monthly pension not exceeding 1/480<sup>th</sup> of a months pay for each completed month of service.”

So what has happened here is, for some reason unknown, and unknown to the police service, I am told the police officers have now been deprived of a right they enjoyed for years; or at least those who would retire on the ground of disability and those who are likely to retire, and that might very well be happening more frequently than before.

So there are two inconsistencies—two problems here: the defence force officers who have been suffering under this difference and the police service who now would be deprived since 2007 of what they previously enjoyed. Now, the cynic might say, well, the police officers are now back to where they were so the defence officers cannot complain that they are not treated the same. That is the cynic. Because the police officers can just take the Government to court and say: “We are deprived of what we had before and we were not consulted”, and there was no indication that this was the intention of the State.

So my suggestion is that this matter be dealt with very soon and not like previous promises. Some pieces of legislation have taken four years; some pieces of legislation have not yet come before this House. So that is my suggestion to the Government and I think it is a serious matter and if I may say, this came to me by officers of the respective services and the only interest I have is that if it is not corrected there might be certain actions to flow, so that would just be a warning.

Thank you very much, Mr. President. [*Desk thumping*]

**Sen. Cindy Devika Sharma:** Mr. President, I would like to go straight into the matter. It appears to me that we are debating something that is pretty simple in essence. We are seeking to amend the Teachers’ Pensions Act, Chap. 39:02, the Assisted Secondary School Teachers’ Pensions Act, Chap. 39:03 and, of course, the Pensions Act, Chap. 23:52.

In essence, the previous speakers who went before me have clearly outlined what each of these Acts seeks to amend and I will not waste the Chamber’s time in enunciating it again. What I do wish to look at very closely is—at least to

reiterate—the point that Sen. Seetahal SC made earlier, which is what really is the difference if a person who is retiring within a period of two years and, say, eight months and acting in that position and yet when they are retiring their substantive post will be—it will be calculated on a pro-rated basis.

It does not seem to be very fair to that individual who, of course, by no choice of his or her own, would have been forced to accept this provision, especially if we have the case of someone acting for two years and more in a position that should have been filled long before that. We have the case where someone would be acting for three years as a principal, a school supervisor or any other worker and that post has not been filled in that period of time. Of course, this seems to indicate a larger inefficiency on the part of Service Commissions in appointing persons to these positions.

So in the first place we should not even have to make this amendment, because these posts should have been dealt with more effectively on the part of Service Commissions and it is, of course, a very unfortunate case that we have to discuss this today because we have to come, as far as I am concerned, to waste people's time to make these amendments when we should not even have to do it in the first place if things were working as they should have been working.

That is one concern I have and it is a concern that is very deep, because we have so many people over the past decades who have retired, acting for two and more years, 10 years ago, and their pensions would have been calculated based on their substantive posts at that time. So, somebody now in an age, where we know that retirees are living longer, healthier lives, could have retired 10 or 15 years ago and is still a very active, healthy person and his or her allowance is quite minimal in comparison to someone who is going to retire today, and he or she would have been actually working very hard, doing the same kind of job that somebody is doing today. It is a very unfair position.

Again, these things make a big impact on the minds of individuals, on their feeling of satisfaction, on how they feel appreciated by their contributions to society. Of course, they have been contributing all along to the growth and development of our country. Why should they now be unfairly treated by the Government? Sen. Mark has already made the point that it is not as if they are begging for a handout. They have contributed by their efforts and they deserve that pension.

So I think the problem in itself is not in having to make these amendments, the problem is in having persons acting for so very long in these positions when, in

fact, Service Commissions need to be in a position where they can enforce whatever they need to; enforce those deadlines so that these positions can be filled. That is one of the major points that I wish to raise today.

In addition to which, the question of pension reform did arise in all three contributions so far and I just wish to pay attention to one point, that, again, we have the case of someone who retired 10/15 years ago; his or her pension would probably be, let us say, \$2,000—let us use that as an example—but \$2,000 today, as a retiree you still have house repairs; property maintenance to take care of; you still have bills to pay, and these do not go down; they go up. We have the problem of increased inflation which is over 10 per cent right now with regard to food, et cetera. A pension of \$2,000 10 years ago compared to today, is not worth the same thing. These workers are, of course, going to feel the brunt of the effects of whatever economic hardships we are currently experiencing.

While it is all well and good to make the provisions that these three Bills seek to amend, we must also take into consideration and probably make a greater effort in speeding up that process of pension reform so that our workers, after they have made a very great sacrifice and a great contribution, would reap their justified rewards and this, of course, would go very far in making those workers feel appreciated, and that individual, wishing to even continue contributing later on in society, because I can tell you, at my school, for example, we have retirees who make an extra effort to still contribute afterwards and work with us. We have a coach who is assisting us right now and we have a retired remedial English teacher who is on contract. They are still serving and still wish to serve in many respects. So they should not be punished when they are making such a great effort.

One last point I have to make is that retirees today are no longer the traditional retiree, perhaps, who might have been able to make an adjustment in their life to compensate for those economic changes that would have taken place over time. There are retirees from the public service and the teaching service who have had their duties and responsibilities increased over time, through no fault of theirs. This is happening where we have families who are no longer the traditional family with two parents in the home. I suspect that we have an increase in the number of single parent homes and grandparents who are retirees and running homes. In addition to this we have to remember that because of some of the things that would have happened in the process of our becoming an industrialized nation, many of our workers would have had children far later in life than normal. I know retirees who could still be heading a household on a retirement benefit and taking care of children who are under the age of 18 years.

**4.00 p.m.**

Some might say that the proportion in the population who might be experiencing that is minimum, but it is something to take into consideration.

I wish that the Minister will consider these factors; apply them and encourage those who are in a position to make a change in the legislation that is existing currently to do so more quickly. As far as I am seeing from 2003, there has been talk about pension reform; we are in 2008 and 2009 is soon approaching. You mentioned a deadline. You said that they are at a very advanced stage. I assume that next year we will hear more about it or hopefully it would not be the following year.

Thank you.

**Sen. Subhas Ramkhelawan:** Mr. President, thank you for the opportunity for allowing me to speak on these Bills. In presenting these Bills the Minister spoke to a holistic approach on pension reform. As I recall, some time ago when pension legislation was brought to this honourable Senate, the Minister in the Ministry of Finance provided us with an estimate of what financial resources would have to be applied to meeting on a present value basis, pension liabilities of the public sector. I believe that the figure that he gave at that point in time as at January 01, 2007 was \$20.7 billion.

I will talk to the question of financial resources that will be required to satisfy pension requirements on a holistic basis as referred to by the hon. Minister of Public Administration. Subsequently, the Minister of Finance spoke to the question of resources that will be required to meet pension requirements. That figure increased from \$20.7 billion to a range of \$21 billion up to \$30 billion. The figure would have ballooned considerably in a very short period of time. It brought my mind to the question of when we move to satisfying pension liabilities and move away from this pay-as-you-go system to a system of a funded pension for public servants and the public sector in general, that a tremendous amount of resources would be required to achieve this level of funding. I support that. I ask: Where and how quickly will we be able to move up the curve in order to develop a fund that provides fully for the pension liabilities?

I look back at the Government's very extensive programme under Vision 2020 which speaks to a number of significant projects in terms of infrastructure. These will increase the extent of long-term assets. When you add the long-term liabilities that we ought to cover in terms of pension, the amount of expenditure is

quite extensive. I have not seen anywhere—while I have seen plans for long-term assets and infrastructural development—any plans from the Government in terms of a long-term financing plan, where the resources are identified for the development programme, as we go along over the next five years.

I speak in the context of \$21 billion to \$30 billion for pension liabilities, but \$10 billion for water and \$15 billion for highways over the next five years. I may have heard the sum of \$30 billion for health and \$15 billion in the first phase for a rapid rail, if it gets past the first phase of construction. By quick addition, that amounts to about \$100 billion. Therefore, it is imperative that pension as part of these long-term financing requirements be dealt with expeditiously.

In the budget presentation, the Minister of Finance spoke to a number of areas in terms of the reform of pension. One cannot argue with the need to ensure that our citizens who have worked hard all their lives get a reasonable and decent pension as they retire. I cannot argue against that. It is just and equitable that our citizens at the sunset or now it is not sunset, it might be closer to the zenith of their lives, have the opportunity to benefit and live comfortably in retirement. We must ensure that the financial resources are there to meet the requirements of those pension liabilities.

In the budget presentation mention was made of a contributory plan where the contribution from retired employees is 4 per cent. Most of the experts with whom I have spoken suggest that in order to have a reasonable contributory plan from the employer and the employee, a figure of about 15 per cent was given over an extended period of time. That might be 25 years or so. It means that in this simple equation the Government would have to generate and contribute about 11 per cent per annum on the overall salary expenses of employees. That will be going forward.

We have to make up ground in terms of achieving or setting aside the current present value liabilities which stand from \$21 billion to \$30 billion. Since that range is given, I expect that the figure will be more on the \$30 billion side than the \$21 billion side. I appeal to the Government to initiate this pension plan as quickly as possible.

**Sen. Browne:** Can I clarify? Thank you for giving way. I want to explain the number as at December 31 or January 01, 2007. It was \$20.7 billion. That was on the basis of calculations, existing persons and determined liabilities at that point in time. The figure of \$30 billion comes into position depending on whether you take into consideration, inflation as part of a dynamic solution. In other words, if



you were to dynamize pension plans in any way to consider inflation, then the number would fall between \$21 billion and \$30 billion. That is how the \$30 billion number came up.

**Sen. S. Ramkhelawan:** Thank you, Mr. Minister. Given the inflation rate as it stands now, I reiterate that the figure would be more like \$30 billion rather than \$21 billion. I do not see a 1 per cent or 2 per cent inflation rate as we stand now. I will address beyond the question of resourcing in the context of overall long-term resource requirement.

I will address the point made by the hon. Sen. Mark in terms of indexation. I believe that indexation without proper and effective control of inflation is a recipe for disaster. It is a recipe that will ensure that Government becomes bankrupt in the very shortest order. It is not something that I am prepared to support. Indexation in a high inflation environment has led to disaster, government to government as we look across the world. We have to seek to put the genie back in the bottle in terms of inflation and get it under control. That is a job for the Government which may require a higher level of fiscal discipline and restraint. The job has been done very well on the monetary side. It is something for the Minister to consider.

The third point which was made by Sen. Mark has to do with the retirement age. Our citizens are living longer and it means that there would be a requirement for more and more pension resources to meet their needs as they live longer. It is important that given the resource constrains we have, we consider an expansion of the retirement age. It is important in our society that our citizens who are retiring at 60 years or early retirement at 55 years, take away something from the nation and its development. I will support a programme that looks towards expansion or extension of the retirement age, so that we as a nation can benefit from the experience and expertise garnered by our citizens and it is not lost to retirement, but to contribution to the nation. Twenty or 30 years ago, retirement at 60 years may have been appropriate. Now with better health and longevity, it makes sense for our citizens to contribute further.

I appeal to our citizens that they need to take care of their long-term requirements and it is important, whether or not the Government has a funded plan, to take advantage of private saving programmes. We need to save more to ensure that with longer life, the resources are there to take care of ourselves, even with inflation and the pension that we will receive via the public sector. It is important to continue to save and start saving at an early age. There are tax

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shelters in place. The annuity contribution now allowed is up to 30,000. It makes sense. I appeal to our citizens to take care of themselves rather than wait and expect that somebody will take care of them, somewhere down into retirement.

In conclusion, there is no way that any right-thinking citizen can object to an equitable and improved pension benefit for our citizens, whether it be in the teaching service or wherever. I intend to support these three Bills as they come before the honourable Senate.

Thank you.

**4.15 p.m.**

**Sen. Mohammed Faisal Rahman:** Mr. President, I thank you for this opportunity to make my contribution on the matter of pensions and the amendment proposed by Government as stated by my leader, Sen. Wade Mark and certainly by the last speaker, Sen. Subhas Ramkhelawan.

These are measures that we should not reasonably oppose and certainly I do not intend to oppose the amendments the Government has brought here today. However, there are certain aspects which I would like to address and which seem not to have been taken into account.

First of all, the hon. Minister mentioned certain phrases which I would like to quote which seem relevant to the contribution I would like to make. He said that: “It is not fair that some should be treated less favourably”; “the Government was seeking to correct anomalies”; “ad hoc basis”, which is one of the things which the Government did not really want to do in the revision of pensions.

I would like to say that, notwithstanding the effort to regularize the acting status of teachers and civil servants so that they are more equitably treated, the reality is that pensioners who work hard today and serve for decades, when they go into retirement—and I will say right away that I do not support the concept that has been propounded of increasing the age of retirement because there is unemployment, a growing labour force and new jobs not necessarily becoming available. I see the question of increasing the retirement age as denying retirees the right to enjoy their sunset years. While some may live for a long time, not everyone does and many people even die on the job. So, I do not think it fair and just to increase the retirement age until mankind starts to live more than three score years and ten on a regular basis on some sort of divine guarantee.

There does not seem to be justification for considering that aspect of things because we have the pressing matter of new people entering the work force, unemployment growing and people who have served for so long being forced to defer the benefits of their sunset years.

To come back to the issue, when the person has served a number of years and goes into retirement—this point has been made, but I want to underline it—and the rate of inflation continues at the galloping rate it is doing today, and his retirement income is consistently being eroded by the inflationary trend, he is being treated inequitably in effect.

We can look at those who have retired for some 20 or 30 years. I know a number of people who have served in the government service and who have retired and who have expressed to me the great sense of injustice they feel because they have worked for all those years and now get a pension that is not adjusted for inflation and for the cost of living. The revised figure is now \$2,800 as the ceiling in terms of what they are permitted to get.

Here we have worked for 20 and 30 years and there are people who have never contributed labour but who have automatically become entitled to the Senior Citizens Grant of a now reasonable figure of \$1,950. There are people who have worked for a number of years and cannot access this as of right and find it very unjust. They have contributed. This is not a case of equitable treatment. It is an inequitable situation where a grant which everyone who has reached the age should enjoy because—

Mr. President, I would like to make a point. The stated intention of the Prime Minister in the budget of 2005 is to aim towards the status of retirees looking after their own retirement benefits and not being a burden on the State. While it may appear to be a forward-thinking concept, it absolutely disregards the reality that the resources of the State and the natural resources of the country and the patrimony of the State all belong to the citizens.

When you tell someone he or she has to look after his or her own retirement years, you are telling them that they cease to be a citizen when they have served and retired and have no more benefits to get from this country which belongs to them. It is a matter, in my humble view, of a proprietary right, which citizens have in respect of any grant.

In the State of Alaska, every citizen from the newest born to the oldest gets an annual cheque from the revenue of the country from the oil it has extracted. This

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is the right of every individual to enjoy. I cannot support the idea of the Prime Minister and this is something I have spoken about on a number of occasions—and now we have had an increase in the ceiling from \$2,500 to \$2,800, a \$300 increase.

We have an income tax structure where individual incomes, which are \$5,000 a month, are tax free. The Government recognizes that households will need a minimum of \$5,000 to get by. Here we have persons who have earned a pension—and all of these teachers and public servants and others for whom we are trying to cater right now are being limited in their entitlement and excluded from the larger portion of the Senior Citizens Grant even though their pensions come woefully below the \$5,000 mark that is required to run a household.

There are many instances where senior citizens who are the patriarchs of the families still have duties to perform with regard to the grandchildren and to assisting those of their children who are unemployed. Sen. Mark made the point that there should be an entitlement to the child who takes care of an elderly parent. I want to make the point that this Government has a programme—I do not know if it continues, but we were told about it a few months ago where young people who undertake to look after an elderly person in the community—

**Hon. Parsanlal:** Geriatric Adolescent Partnership Programme.

**Sen. M. F. Rahman:** You are prepared to give a stranger money to look after an aged person, but when the aged person's child puts money and effort to do the same job, he or she gets no benefit for taking care of his or her old father. *[Interruption]* The point is that you recognized that whoever takes care of an elderly person should get some sort of compensation. This is what Sen. Mark was saying.

Here, there are people who are taking care of their parents—*[Interruption]* I cannot read from far. I cannot understand what you are trying to tell me in sign language. Excuse me. Take a note and when you are talking explain to me. My point is that Sen. Mark's point is valid. We have a situation where a household is excluded from any benefits of the Senior Citizens Grant beyond a certain portion and this is unjust because of the family income that is generally required to sustain a family.

We have an exploding crime situation in the country; crime has become fashionable and profitable and when you see a good business going you want to enter that business. There is a lot of competition now to get into crime. One of the problems is that people who are not earning the moneys and incomes whereby

they can maintain their families are being forced into crime. We have a situation where we are feeding the breakdown of institutions and lawlessness by certain of these short-term measures.

You are looking to cut out the citizens from their right under patrimony in a long-term plan. You are actually telling them that when they retire, if they do not put their money away—and I do not know how we can accomplish putting money away in the present galloping inflationary trend when we are, most of us, in a deficit spending mode.

Sometime ago there was an article in the paper when it was said that the average savings per capita, bank balance, in this country is \$400 and that there are thousands of persons who cannot save. In the present situation with 13.5 per cent inflation, you cannot manage, far more to save for retirement years. The pressures are building up on the people of this country in the midst of an obscene level of government expenditure to make itself look good in the eyes of the world. These things impact on the pensions of people who we are trying to deprive of their entitlement later.

We are seeing a government intent upon continuing expenditure in directions that cannot be justified and looking to make trade contacts. Why do we have to have 200 new limousines and hundreds of millions of dollars being spent twice in one year? To do what? To establish tourism and right now the tourists are being killed and the British government and others are warning their people not to come to Trinidad and Tobago because they will get murdered. This is the reason why pension entitlements are being cut back.

**Sen. Gronlund-Nunez:** Mr. President, I believe that the Standing Order is 35(5)—relevance to the Bill. The Senator is also implying improper motives.

**Mr. President:** I do not know about improper motives, but in terms of the relevance, I support that.

Senator, I am willing to accept a certain amount of waffle. I will usually try to tolerate about 15 minutes for a Senator to begin talking about the Bill. I gave that to the previous Senator who mentioned the Bill in his last sentence. You have not mentioned the Bill yet.

With all due respect, like Moses, you are wandering in the desert, talking about cars and everything else, except this. I am going to take the tea break at this point, but I ask you, when you come back, talk about the Bill or debate what the Minister has said or what someone else has said. If you cannot do that, then you

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ought to take your seat and allow someone else to make a contribution. It is not fair for you to talk about things that have no relevance here at all. Senators need to be respected and their time needs to be respected. When you come back, I ask you to stick to the point, please.

**4.30 p.m.:** *Sitting suspended.*

**5.00 p.m.:** *Sitting resumed.*

**Sen. M. F. Rahman:** Thank you, Sir. I have been in this Chamber for some 10 months and I have been called on the matter of irrelevance a number of times, but what I have noticed is that there is a pattern here. I have never been called on relevance by any of the mature, experienced Members of the Parliament, always it has been the OJT side, Sir. [*Mr. President shakes his head in disagreement*] Sir, I am making the point [*Mr. President continues to shake his head in disagreement*]*—all right.*

The Bills before us are seeking to amend specific Acts. In my humble view, there are other aspects of the Acts which should have been included in the amendments today. One of the most glaring in all three Acts is the one that categorically states that pensions are not a right of the employee. They go on to say in the next section that where anybody is found to have done such and such, the President may amend, reduce or cancel the pension, but it does not say that this is the only circumstance in which a person may be deprived of his pension. It is my humble view, Sir, if somebody serves the Government of this country with distinction or ordinary service he, having put in his years of service, unless he forfeits his pension rights by specific misbehaviour or criminal behaviour, has a right to his pension. As Sen. Mark says, it is a continuation of a salary that accrued to you in your later years by virtue of the service you have put in.

I would like to draw the Government's attention to that clause in the various three Bills which, in each instance, says that an employee of the Government in the public service, whether it is teaching or other civil service, is not entitled to a pension as a right. I humbly suggest that there be a correction to limit the circumstance in which a worker can be deprived of his pension.

In the present circumstance, we have had people who have been entitled to a pension having to wait years to receive the pension. There has been victimization in different ways. In some cases, they have had their old matters queried and had to undergo a great amount of difficulty. It seems to me also that it should be a matter of course that a person who is approaching his retirement age ought to be

able to put in train his application for this pension, so that he does not have to wait one, two or three years in order to receive his pension. He has a hiatus of no income from the time he leaves the service, especially if he has not been able to put aside savings in the current and recurring inflationary trend. He would be faced with being on the breadline. Even if he applies in the interim for the Senior Citizens Grant, with the lack of travelling officers to examine his claim, it would take six months, seven months or one year for him to get any sort of relief.

People entering the state of retirement are totally at the mercy of the elements without any recourse and income, having to wait for the period of time; “worse again” if he was a poor anti-government worker who used to grumble about the government all the time. He would have to wait three or four years. He might die before he starts to see any of his income.

In the parent Acts, the section that says that a pension is not an inherent right, that must be addressed and changed, because you cannot have a person working for 20 and 30 years and then denied his pension. Justice delayed is justice denied. If you delay his pension, you are denying him his pension. This is a matter which I strongly recommend that the Government attend to.

There is another aspect in section 20 of the Pensions Act, Chap. 23:52, which also says that if a retiree or pensioner comes back into the service of the Government, that is to say if he is invited to come back and serve out of the need of the nation for his services, he stands to lose his pension for the period in which he takes up the temporary employment. I think that is grossly unfair. If you are making two-thirds of your salary and you have to lose that, you are virtually coming back to work for one-third of the salary. Whatever they pay you, you have lost your years of service in the interim.

There is also an aspect in the Act which says that you cannot receive more than a certain amount from the Government Treasury at any given time exceeding a certain percentage of your income during that period of time. While we are seeking to make amendments to bring in more eligible people into proper pensions, at the same time, simultaneously when we are bringing them in, we are eroding their Senior Citizens Grant. On the other hand, if these people were not brought in and they got the reduced pensions that they would normally have gotten, they would have been entitled to a larger portion of the Senior Citizens Grant. We are really doing a juggling to make it look as if we are being more equitable to the people who have served the nation for 20 and 30 years.

Further, section 11, in Chap. 39:03 specifically states that no pension shall exceed two-thirds of the highest salary any time in the course of his service. When a section like that is allowed to stay in the parent Act, what you are saying is that you have no

hope of improvement and you are being—with inflation of 13½ percent, in five years' time you would be getting half of the two-thirds, in terms of buying power, that you are supposed to be getting. Normally you would be getting a large amount of dollars, but in terms of buying power, you are reduced.

The parent law says that you cannot exceed two-thirds of your highest salary at any given time. It precludes any possibility of adjustment on the part of the Government to index or relate it to anything that is really going on in the real world.

What we need to do is to have pensioners eligible for review of pension periodically, based upon the current wage level of the category and grade in which they had served. If a person was working as grade I or grade II teacher and retired 20 years ago—right now they are “scrutning” because the dollar figure that they are getting, while it might have appeared handsome 20 years ago, is a pitiful sum today. They are faced with the fact that they have a ceiling of \$2,800 and other people are getting Senior Citizens Grant without having given a day of service in their lives. I am talking about the housewives and other people who would have not served.

It is a very interesting thing. A widow loses her right to the pension that her husband earns if she remarries. Yes, we have a situation where the Government is trying to help the people. Admittedly, yet you have people who are married, who never worked, getting more than half of what their husband is getting as an eligible pension. You want to have equity. It seems to me as though, notwithstanding the desire of the Government, it is making ad hoc adjustments to laws such as what we are having today. Certainly, if the Government is moving towards a non-contributory scheme, all of this which took three, four and five years to come to the table, it seems to be ad hoc again.

Do you know what I find very unfortunate? The hon. Minister said that they have not looked at the fire services pension matter because they have not started to negotiate it as yet. I think that is what he said. What the Government is saying is: We are not a caring Government who are prepared to look after our employees. It is like the CEPEP times where they gave them a 15 per cent or 20 per cent increase across the board, without any negotiations or representation having taken place. The Government is saying that unless you come and confront us, demand from us and negotiate with us, we are not going to be looking after the benefits of our employees even though the “fire people have to out fire all over de place”. You are telling them: “We will not be proactive in your interest; we will be reactive if and when you get the guts to come and confront us.” This is a very pitiful situation. I see this as a very, very poor approach of



the Government, in terms of looking after the welfare of the very employees who are going to be the ambassadors and the people who are looking after the citizens; who you regard as the customers. You are shaking your head but I cannot see it otherwise.

When you are closing up, I would like you to address this situation. Why can you not say we are doing the teachers, the public service and we need to do the fire services too? Let us be equitable. Why must you exclude them and not look after them? Are they not children or citizens too? I want to repeat that any concept that the Government has about contributory pension schemes and people looking after their own retirement years, if the Government has to take that position, it has to ensure that it runs this economy in a way that inflation does not destroy the income and wealth of the citizens and give them an opportunity to put their salaries and incomes into proper use.

What the Government is doing is saying: We are going to cut you out a little bit. In the meantime we would go with ad hoc arrangements and then we would come in with a contributory scheme. The contributory scheme would have benefits, absolutely. When all these we are passing today have gone by the wayside, are we really saying, in effect, if you do not look after your own affairs—that seems to me to be a clear declaration on the part of the Government that even the Senior Citizens Grant, which has no basis for entitlement other than age, the Government fully intends to discontinue. If it is going to discontinue—[*Interruption* ]

**Mr. Parsanlal:** How did you arrive at that?

**Sen. M. F. Rahman:** I would tell you how I arrive at that. If you are going to discontinue non-contributory pension entitlements, what is the contribution to the Senior Citizens Grant? You are telling people who have worked for 20 and 30 years: We are not going to be giving you anything more. You have to look after your own future and you are going to continue to give the Senior Citizens Grant to people. You are trying to impress us that you would maintain the Senior Citizens Grant, when already the grant is a matter for discretion on the part of the Government. I cannot be convinced. If the Government intends to continue the Senior Citizens Grant, let it make it an entitlement to all citizens, so that those who are making \$2,800 will get the Senior Citizens Grant and augment their income. Let it be as it was with the old age pension entitlement. You are trying to fool us. You are fooling yourself. This is not honest, caring governance; it cannot be.

I must make the point that the Government is being impelled in this direction to discontinue social benefits. Why? It is because it is drawing down on the coffers in areas that are not really astute or have proper management. Already, we have one Government Minister stating very clearly that the Heritage and Stabilisation Fund is clearly for drawdown when the time comes. The hon.

Minister in the Ministry of Finance has disagreed with him publicly. Who is the boss at the end of the day if the Government has already expressed its intent to discontinue pensions that are not contributory and it has already, notwithstanding all of the assurances given by the Minister of Finance who was here today concerning prudence?

**5.15 p.m.**

Mr. President, we have not lost any money as yet, but the moneys we have denominated in US dollars have been reducing constantly in value compared to other currencies in the world. So, when the Government comes and tells us that we have not lost any dollars, it has not admitted that it has lost the worth of the dollars it has been holding. This is the point I have been making again and again.

We have a situation where the Heritage and Stabilisation Fund is being touted and mooted as a cushion against bad economic management, at the end of the day, even with the best of intention to include these teachers and civil servants who have been acting in positions—I share Sen. Mark's view that once you are appointed to a position, you are entitled to the pension. Do not tell me that you are going to average out and do this and that. Once you have reached to that stage of being appointed, you should get that pension that you are entitled to.

I made the point that fundamentally the citizens of the country—we are not talking here about the wider Caribbean future federation importees, but we are talking about people who are born in Trinidad and Tobago—own the patrimony of this country and it should stay in our control and be our entitlement. [*Desk thumping*] We do not want to start to share this little pie that we have. We have a diminishing resource; we have a reducing currency; we have a global problem of inflation eroding everything and a financial collapse. The Government does not recognize the manner in which it should secure its wealth. Do you know something? The way to increase the natural gas price is to reduce the production.

**Hon. Parsanlal:** Mr. President, on a point of order, Standing Order 35(1), the relevance.

**Mr. President:** Senator, again, I am at my wit's end how to get you to really be pointed. I have tried to be as liberal as I could be, and since you are in full flight—I sense you are very near to winding up—I am going to ask you that unless you have something that is directly pertinent to the Bill to try and wind up as soon as you can.

**Sen. M. F. Rahman:** Mr. President, I was close to winding up. The question I want to ask is: What are we going to be compensating these pensioners with? Are we going to be compensating them with money, or with little roses, cards and

flowers? If we are going to pay pensions from money, we have to look at the value of money; we have to look at the future of money. This is the big connection, and nobody seems to understand. We are talking about dollars. Why do you not want to contemplate giving non-contributory pensions? It is money that you are talking about. We are going to run out of money in this country and we are going to have all the money that we are holding dissipated. This is the big connection. It is like telling me that you are going to fish but you cannot use the boat. We are talking about money and money is at the root of this entire matter. The relevance is that we are talking about money.

If, for example, we did not have the Heritage and Stabilisation Fund or the country was in a state that Grenada is in, or worse Iceland; would we be contemplating these Bills today? No! We would not be contemplating these Bills today. It is because you are considering the fact that you have money to pay that you brought these Bills.

Mr. President, I believe I have tidied up the matter for the Senate and, hopefully, I have satisfied you that the matters that we are trying to talk about all round were entirely relevant to the issue of pensions.

Thank you very much. [*Desk thumping*]

**The Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne):** Mr. President, I rise to clarify a few matters dealing with the Bill that we are debating today, and I also wish to clarify a few things with regard to the issue of pensions that have been said in this honourable Senate.

First of all, let us start with the matter of definition. There is no such thing as a pay-as-you-go contributory scheme or pay-as-you-go defined benefit scheme. Let me clarify for the purposes of the public and this Senate exactly what we mean by pay-as-you-go defined benefit and defined contribution.

A defined benefit plan is a plan which sets out the basis of calculation, on how your pension is going to be calculated on the basis of a defined benefit. In other words, it is calculated as two-thirds of your final salary; one-third of your final salary or an averaging formula. There are different methodologies. The final salary is, perhaps, the highest basis of calculating a pension. The averaging formula is more normal, and it is done on the average of the last three years salary. In comparison to the averaging basis, the pension plan that applies to the public

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service is, in fact, a very richly calibrated plan. It is a defined benefit plan and it is calculated on the basis of the final salary, hence one of the provisions in the Bill is to ensure that those persons who have been acting in a position for a period of time as set out in new sections 16(B) and (C) have the benefit of the final calculation.

In other words, prior to the Act, if they were to retire and they were in an acting position, they would have retired at their substantive salary which could be substantively different to the salary of the acting position. In fact, that led to a difficult position for many people who were caught in this particular trap. The purpose of this Bill is to correct that difficulty and to take into consideration and to recognize, as is recognized in the private sector, that if you have been acting in a position for a period of time you are deemed to have been promoted into that position. That is what the Bill seeks to recognize.

So, a defined benefit is the basis of calculation moving forward; a defined contributory plan determines your final pension in terms of what you put into the plan and what you have contributed to the plan. Most pension plans are contributory. I think we need to go a little step further when we talk about pay-as-you-go.

Now, most organizations—this is recognized in terms of international financial reporting standards—require that you make a provision for future liabilities on the basis of your plan arrangements, whatever they may be, and because of that it has been recognized that a defined benefit plan is one which gives you a longer time and the sponsor of the company is liable for whatever changes in the value of the planning, and one must provide for it on a current basis.

The Government does not prepare financial statements in accordance with International Finance and Reporting Standards, but it does so on a cash basis. For example, it does not take into consideration the current value of these future liabilities. If Government were to take the current value of these future liabilities as of today's date, on the basis of the formula that is in position, then the value of those liabilities as at January 01, 2007 would be \$20.8 billion.

If we are to take into consideration dynamizing those salaries—in other words, to take into consideration paying some form of inflation formula, indexing or whatever basis you would use on the basis of the valuation which was provided by the consultants—then that liability could rise by a factor of approximately \$10 billion more, that is \$30 billion.

It is important to note that when valuing a fund and when valuing the requirements of a fund in terms of financing, current inflation is not taken into consideration. In other words, it is not weighted on the basis of today's inflation, but it is weighted on the basis of a range of variables—a moving average so that the high numbers are dropped out and it takes into consideration what is a normal basis and an evaluation would be done on that principle.

Mr. President, I also want to define the concept of pay-as-you-go. Now, it is called “pay-as-you-go”, and governments are allowed to do that because, essentially, governments do not put aside money in a fund, that is fund pensions. Most private sector organizations will create a fund which they will fund, and which will contain assets, and those assets would be invested to generate an income which would be available for the satisfaction of these pension liabilities moving forward. So, “pay-as-you-go” refers to the fact that the Government pays as it goes. In other words, there is no fund, and it pays through its recurrent expenditure, its liabilities in relation to pension funds. Those are the three definitional issues. I think they are very important to understand as they bring us now to the current situation where we are talking about pension reform and what it seeks to do. There are a number of other matters which need to be taken into consideration.

The way the Government pension rules currently work is that they provide an incentive to retire early. We are faced with the difficulty—and this has been argued and demonstrated in this Senate when we laid the seventh actuarial report of the National Insurance Board—that the actuarial numbers suggest an ageing population. In other words, future generations would have a higher degree of liability to pay because there are going to be less of them in relation to the retired population. In other words, the population is growing older.

When one takes into consideration that fact and also the fact that our raw birth numbers are approximately 1.6 per thousand—the rate of fertility or the number of births taking place is declining below what we consider to be economically sustainable. The economic sustainability number is 2.1. So we must take into consideration the concept of sustainability which is the ability to continue to pay pensions; and viability which is the ability to generate the income to do so. Those are two very important considerations.

With that in mind, we come to our present position. I think we need to identify a couple of things. Well, a couple of points were made with regard to indexation. Indexation refers to the fact that you would define a pension payment in relation to the rate of inflation. Now, that has been done in certain countries and those countries have

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moved away from it. Brazil is a classic case in point. If we go back to Brazil's history between the period 1970—1980, Brazil indexed all manner of things. In fact, it was a great monetary experiment which failed. I know the other country which did this was the United Kingdom. The United Kingdom did some level of indexation from which they have since retreated.

So, the concept of indexing is declining because it does not calibrate your income with your payments. It defines what your payments should be and leaves you to bother about the income, and that is not the way the world works. So, to quote Macduff in Macbeth: Think not on this for that way lies madness. [Interruption] I am good at Shakespeare; I love him. I do not quote the ones that you like. We would get to “As You Like It” on another day. Last week, we had a Midsummer Night’s Dream, but you were not here, but some of the main actors are still here. [Laughter] Actually, I was speaking to Nick, but he was not paying attention. [Laughter]

**Sen. Dr. Kernahan:** You are in full flight.

**Sen. The Hon. M. Browne:** That was just to put those definition issues in position. Let us deal with some other issues. Sen. Mark spoke about entitlements, and I think he was paraphrased by Sen. Rahman along the same lines. We must make a clear distinction between the Senior Citizens Grant—it is called a grant, because that is exactly what it is. It is distinct from the NIS pension which is something that you earn. There is a clear distinction between the two. Let me see if I can clarify that distinction, because the question has been asked in this honourable Senate as to why we are not qualified for both.

With respect to a little history—pensions are a topical issue today—30 or 40 years ago, most organizations did not have pension plans. I would think that Sen. Mark who is in the industrial relations field would have remembered. There was a large call—one of the big fights in the decade of the 1960s—if I am not mistaken.

**5.30 p.m.**

It is for that reason that our forward thinking Government introduced perhaps one of the most far-reaching pieces of social legislation called the National Insurance Board and the National Insurance Act. That legislation was intended to cater for all those individuals, who, during the course of their working life, may not have worked with an institution that had a pension plan. In fact, it was to set up a pension plan for the general public and the working public, in the first instance.

When the plan became stronger, it also incorporated what we call old age pensions, now called the Senior Citizens Grant, and that is discretionary. A government always has to take into consideration those of its people who may not be able to make ends meet during the course of their working life and after their working life, but that cannot apply to everyone.

**Sen. Mark:** I would like my colleague to indicate to this honourable Senate, in which other jurisdiction in the region and internationally, particularly those countries that we are trying to benchmark, do we have a senior citizens grant or do we have what is called old age pension. Tell us where that concept came from. Is it an IMF concept?

**Sen. The Hon. M. Browne:** No, it is not an IMF concept, Sir. There are some countries in the region I believe, which do so, and which have a senior citizens grant, but I cannot tell you at this stage today, because I did not have that information at the top of my head.

**Sen. Mark:** I will tell you; there is none.

**Sen. The Hon. M. Browne:** There are none. Thank you very much then. Well even better! Thank you for working on behalf of the Government of Trinidad and Tobago and putting it into context.

**Sen. Mark:** We are unique.

**Sen. The Hon. M. Browne:** We are unique. So, that is a positive development; a representative of a caring government and a caring administration, thank you.

The point I am making to you, Sir, is that it is very much pro-worker and pro-population, but we have to deal with the fundamental issues of sustainability and viability. So, the purpose of the Senior Citizens Grant and it comes into position, there is a certain universality, at age 65; it applies to everyone who is at 65 years, provided that they have not worked, provided that they meet these circumstances and so on, the Government will make that contribution. The government also has calibrated the Senior Citizens Grant to accord with the NIS minimum pension.

That is how it is done and that is how it is, but to say that you should be entitled to both, that is not; that cannot happen. There is no way that any government could take on and pay the entire pension liability of the entire population. That is not possible; it is not an economically feasible option. On that basis, it is fully recognized that there is a need to cater to a certain segment of the

population; the segment that would have worked under difficult or distressed situations; that did not make contributions towards NIS. That is the purpose of the Senior Citizens Grant, and that is why it is separated and segregated from the NIS; make that other point.

**Sen. Seetahal SC:** Through you, Mr. President, my understanding of the Senior Citizens Grant, that it is given not only to people who have never worked—I presumed he means never been employed—but also to daily-paid workers who have worked, for instance in the Ministry of Works and Transport, because I know people who are getting it. Secondly, I want to find out, is the Minister saying that if someone has worked and has contributed to NIS, that if he gets that NIS, he may get less than a person who has the Senior Citizens Grant, and that is okay? I am trying to get that clear, because I am not too sure of it.

**Sen. The Hon. M. Browne:** No, I am not saying it was good to get less. What I am saying is, and understand this, there is a calibration, there is a means test that has been used for the Senior Citizens Grant; it is calibrated. If you have an income in excess of \$33,600, you get—I cannot remember what the number is, it is a small number, but it is in a sense means tested. It really applies to all those who have an income of less than \$33,600, and there are banded figures which make it apply. I do not know the numbers off the top of my head; that is the Senior Citizens Grant.

In other words, once you reach the cut off point of an income of \$33,600, the value of the Senior Citizens Grant falls substantially. In fact, it falls to a minimum number of \$125 a month or something along those lines. So, it is income based; it is based on the basis of an income qualification. It is for that reason that people who would have worked but would not have qualified for a pension and therefore, not be in receipt of a retirement income or any income in excess of \$33,600, they will qualify for the Senior Citizens Grant. You understand what I am saying? You are qualified once your income is below that ceiling on that basis.

So, it is Senior Citizens Grant; it recognizes that there are people who would be older, will have difficulty, and for the fact that there was no, if you want, well defined pension scheme methodologies prior to, let us say 1971, and it takes that into consideration. In review of the social compact, the changing situations, changes and adjustments are made to bring you up to what is deemed to be the minimum pension, which is the NIS pension, \$1,950. For that reason, we have gone through a series of iterations where it has moved up from the year 2000, at least about \$800 to \$1,600 last year, to \$1,950 this year; in a sense benchmarking



on the NIS pension figure. That is the difference between the NIS pension and the Senior Citizens Grant, but to extend the concept of an entitlement across the entire population is not possible. I mean it may be a laudable objective but it is not possible. I just want to put that into perspective.

Coming back to the issue of the reform, and in a sense the Government's position with respect to its employees, which was announced in the budget, and it sets out what the highlights of the recommendations of the report are, and I should do well to repeat it.

The recommendations, which have been recommended by the actuaries, are as follows:

- i. Benefits will be paid to survivors, spouse and/or eligible children of both male and female public servants, and the level of spousal survivor benefits will be improved. The current Widows and Orphans Act will be eliminated in conjunction with this change.
- ii. Improved pension portability for employees who leave the public service or transfer within the public service..."

I think we all know the difficulties that occur when there are transfers. It goes on:

"It will allow for employees to transfer the value of their pension entitlement to a personal pension arrangement or to the pension plan of their new employer if they leave the Government.

- iii. Pension benefits will be fully vested after two years instead of five years.
- iv. Elimination of the limit on pension accruals, which presently is 33 years. This will allow long service public servants to continue to accrue a pension throughout their service with the Government."

That is in full recognition of the fact that we have an ageing population and some people may need to work longer years:

- v. Two other changes are being introduced to bring the current pension arrangements in line with international best practice. First, the benefits under the pension arrangements will be determined based on the average earnings over a three-year period, rather than the final year earnings. Second, the factor used to calculate the amount of the lump sum that retirees receive if they choose to commute 25 per cent of their pension will be determined based on actuarially appropriate factors rather than a fixed factor.

- vi. Introduction of employee contributions: Government is considering the introduction of employee contributions for members of the public service, 4 per cent on average, as part of the changes to the pension arrangements. The purpose of these contributions is to encourage a culture of savings in Trinidad and Tobago. The Government proposes to increase the salary of public service employees by the amount of any new or increased contribution requirements."

**Sen. Mark:** Is that the report?

**Sen. The Hon. M. Browne:** Those are the statements of items, which come in the report, and some of them are embellishments of what Government's intentions are.

Now, going back to where we are; what is our state of play? The Government pension plan is a non-contributory pension plan based on final salary. On that basis, the defined benefit formula is amongst the richest. In fact, it is the richest of any pension formula in the country, and that is one of the reasons—

**Sen. Seetahal SC:** Judges are better.

**Sen. The Hon. M. Browne:** Judges are better, thank you for telling me, but those are not on discussion here today. Let me say also that the recognition by the actuaries is contained in this following sentence, and I will do well to repeat it:

"Overall, the current pension plans are generous particularly in combination with social security."

In other words, Government employees in many other jurisdictions have pension plans that are calibrated with the social security arrangements; they are harmonized. If the pension arrangement under the national system allows for a minimum pension, then the pension that is done under defined benefit will kick in on top of that; so you get the two. So, it takes into consideration your contributions towards the national insurance plan.

Our system at the moment does not do that and it represents an area, which requires harmonization in the future. Of course, in as much as we are dealing with what is considered to be a requisite, this will require negotiations, discussions, those things have to be dealt with in the long term, as we move forward. This Bill and the Bills which are associated with it, is a measure of achieving a certain level of consolidation, so we could start off on a certain level playing field in terms of moving forward.

I also want to make the point—and some of us should be able to cast our minds back to our parents—there was a time when the civil service was a premier destination for employment. I always remember my mother telling me that you should get a job in the public service, because they pay pensions. The reason that was significant to her is because nobody else did at the time. Of course, things have changed substantially, and I did not take my mother's advice, but I am here anyhow. [*Laughter*] Some things have a habit of coming back to haunt you.

The actuaries have also pointed out that from a cost perspective the plans are mature. I have already identified what the liabilities are and the potential liabilities, depending upon the level of future inflation protection, and I understand the point that is constantly made, Sen. Ramkhelawan, with respect to the need to manage the rate of inflation. And as you are well aware, we are doing that. I will speak to the issue of prudence and fiscal discipline a little later.

We understand as well that the most difficult and the most perhaps vexing cause is the issue of inflation protection and the way the plan stands at the moment. So, the plan has a plus but it has a negative, and we understand that. The difficulties, as we understand, the fundamental rule in economics is that resources are finite. They are always finite and we always go back to those two issues: sustainability and viability. So, if we have to make certain types of compensation then by definition we have to consider how we calibrate the plan.

It is also very clear on the basis of the ageing in the society, on the basis of our replacement birth rates, that we have to look at retirement ages in the future. This is not on the basis of any advice from anybody else, but this is on the basis of a mere fact of life. All the actuary reports are very clear in that regard, and if we looked to the North in terms of North America, in fact there is an anti-age discrimination feature in most legislation. In other words, you cannot discriminate against a potential employee on the basis of how old they are.

The reason that is put into the legislation is in full understanding that once people have retired they still can make valid contributions. The automatic age that we have of 60 years and people retire, needs to be reviewed. In light of the fact that there is 4.2 per cent unemployment, we do have some significant difficulties in obtaining people with the relevant age and experience to replace the ones who are retiring. This is a significant issue, so we do have to look at that.

From that perspective too, a plan which takes into consideration, or which dynamises retirement at age 55 years, exposes us at another level. In fact, we stand the potential to lose the people who are best educated, most experienced,

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and at the stage to make the most meaningful contribution; they are likely to leave at age 55 years. All those matters have to be taken into consideration; all those matters have to be discussed; they are nowhere near a final stage.

So, the actuaries did present a report, they did come back and have made recommendations. Some of those recommendations have been put into the public domain as we have today, but it is clear that a final design for a plan moving forward has not yet been done. We understand that the defined benefit methodology may not be suited to some of the changes that we need to make moving forward, and that goes to the issue of the difference between a defined benefit and defined contribution. Given the fact that if we were to consider taking any allowance for inflation into our current pension plan legislation, then by definition, it will mean an increasing requirement on your recurrent budget. At the moment the number is approximately 14 per cent.

**5.45 p.m.**

If we were to at all include any inflation proofing, that requirement could go as high as 21 per cent. In other words, you would lose 21 per cent of your annual budget on that basis. That is a very difficult number to deal with. When I say 21 per cent of the number I am talking about the number which we show as wages and salaries. It is approximately \$8 million in the financial papers.

**Hon. Senator:** Eight billion.

**Sen. The Hon. M. Browne:** Oh, \$8 billion. Sorry, I got the zeros wrong. I am getting like Sen. Basharat Ali, the extra three zeros confused me. There are some compromises that have to be made with respect to the future. The exact nature of those compromises is not yet determined because we do not have a final plan to discuss. Until such time as we have final proposals it would be premature to engage in negotiations where we are not certain where we are going to go. So we have to wait. The actuaries have been requested to go back, look at the numbers and come back to us and give us a better structured plan that takes into consideration some element of contribution moving forward. That is what we have signaled; that any future plans will take into consideration the necessity for a contribution.

Now, I have heard the concept expressed time and time again in this Senate with respect to the poverty line. The figure of \$665, I think, was used for a 2005 study. That is not any number on which the Government has based its plans; it is not any number or any survey on which the Government bases its interventions. In point of fact if we were to look at the numbers in the existing budget statement,

in fact there is no reference to any figure of \$665. In fact, moving forward we have commissioned a household and budgetary survey which is addressing the very nature of poverty to determine where we are with regard to the poverty line. As much as there may be one study which says something, we know that there are other studies which say something else. The other thing we certainly know is that the study which was done in 2005 does not take into consideration the substantial social expenditure that this Government has undertaken with regard to education, with regard to improvements in social assistance, with regard to improvements in the Senior Citizens Grant, with regard to the improvements in health. None of the numbers were actually taken into consideration in that budgetary survey.

So when we talk about a poverty line the information is very unclear at this stage in the game, and that is the matter to which you saw me referring in the newspapers. We are not clear what is the poverty line. We hear people talking about poverty and the increase in the numbers of poverty, but without the statistics and the empirical evidence, we remain to be convinced that that is so. *[Interruption]* In the meantime we will undertake the necessary social expenditure to ensure that those who have difficulties would be dealt with.

*[Sen. Dr. C. Charles stands]*

Yes, Sir.

**Sen. Dr. Charles:** I thank the hon. Minister for giving way. I am just taking it from the point that you are not working on the basis of \$665 as the poverty line figure, but clearly in Government's planning you must be working with some figure. So while you are waiting on all these studies that you have to do, you must have a working figure that you use to set up your social programme and so on. Could you advise us perhaps on what is your working figure?

**Sen. The Hon. M. Browne:** The Ministry of Social Development has field agents and field officers who would do a case-by-case evaluation. In other words, it is not automatic. For you to qualify you have to be visited and they have to work through what is the nature of your circumstances. It is not clear that they are using a number, or \$665 is the number, but it is clear and clearly set out in the budget, the contributions that would be made by the Ministry of Social Development to those people who are deemed to be in need—*[Interruption]* \$1,950. The closest number that you will get to if you have to use a number would be the minimum number, which is one of the reasons why we raised the Senior Citizens Grant to equate the level of the NIS pension.

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In closing, I just simply want to point out that the Government is taking the necessary steps to deal with the matter of pensions, and the proposals before us easily take into consideration—the matter of portability for example is a case in point. I wonder how many of us here in this organization, or none of us in this organization or very few of us here today have worked 30 years with any organization. I would imagine it would have been in the minority. So, portability becomes a very important issue and at the moment the pension plan of the Government is not portable, but we do recognize that there is a need to have a greater movement between the private sector and the public sector to allow for, if you want, certain skill sets and certain experiences to be brought to bear on the public service experience to improve it or, alternatively, to make it more responsive to the public.

In those circumstances I want to say that the Government has been proactive and the Government is actively seeking to improve and to meet its requirements as set out in the White Paper on pension reform.

I thank you, Mr. President.

**Sen. Dr. Carson Charles:** Thank you very much, Mr. President. I just rise to make a few points on this matter before us and let me begin by saying that this obviously is a good Bill in the sense that it is addressing something that will help people and we all would like to help our public servants, our teachers and so on, so clearly it is not something to which we are opposed. On the other hand, we must pay attention to the reason why we have to have this legislation and to the effects of this legislation in the country, on the structure of government and on all the persons who play a role in public administration in the country, so I want to make a few comments on those issues.

I want to begin by saying that I thank the hon. Minister in the Ministry of Finance for introducing the entire issue of government pension reform to the debate. I thank him very much and I am sure that would be commented on, but I will not be commenting on it actually, but I thank him for introducing that entire issue to the debate.

My main point is that there is a reason for everything, it is cause and effect, and there is a theme that runs through all of this and the theme really is inflation. I am not going to debate inflation either, so do not be too worried, but the reality is that the theme that runs through all of it is inflation. Two things: inflation on the one hand and on the other hand one might say inadequate planning and management.

Those are the two things that are really behind all of this. Inflation: why inflation? Because that is the main reason for our cries on this side on behalf of the retired population to provide more support, more pension payments, increasing pension payments for example, widening it to others and so on. That is the reason for the cry because we share the concern and the literal cries of the retired population, those men and women who have served for long years and have to live on very small amounts and scramble as best as they can and perhaps take up other jobs and do all kinds of other things in their retirement years. We know that, that is a fact in the country. A number of retired people who worked very hard over the years as public officers find that when they retire, if they are fortunate to be still in good health, then they have to go and look for other jobs and try to make ends meet.

And sure, some people are in good health and they would readily take up another job and perform well at it, but there are others who really have to just try to handle another job at a time in their lives when they are really not able to do it physically and they really should be just so happy that they have retired at last and can enjoy some of what God has on this earth for man to enjoy at that age: travel the world, do whatever, see relatives and so on, or at least go to some place of importance if you cannot travel the world and at least spend some time with their family. People would like to do these things when they retire. What has happened, many of them simply have to go and work as hard as they were working when they were in the public service just to make ends meet. [*Interruption*]

That is behind our cries for providing more support. It is what is in the back of our minds when we speak about indexation. Not that indexation is a great thing. We know the dangers of indexation, but the reason that the issue is raised over and over again is because one can see very clearly what is happening—in terms of the need for a protection of people who retire—from old age of poverty and old age of suffering really on this earth, not being able to attend to the slightest problem that arises in terms of health, because you know what health problems do. They will wipe you out completely. If there is no indexation—I am not making a case for indexation—but you understand what happens if there is none and you have inflation raging at 13½ per cent and so on, what is going to happen.

Inflation is again behind the cries that there is something wrong in a situation where a man works, he contributes and he therefore gets NIS pension or a woman is able to put aside something and therefore owns an extra house that she can rent out or some room somewhere that she can rent out and people come and calculate all of that as earnings and say, well, these are your earnings from the house that

you were able to build which you worked very hard to build during the years when you were employed, and that now is calculated to say that you do not qualify for the old age pension or Senior Citizens Grant. Someone who did not do that, who simply lived his life and had a good time and did not save anything and we know he needs support, we cannot allow him to be destitute of course, we support the idea of Senior Citizens Grant which was called old age pension. We know he needs that, but something is really strange about the fact that this person gets the Senior Citizens Grant and someone else who simply sacrificed at some part of his life, some person who really is also poor but happens to have a building that he is renting or he is living upstairs and renting downstairs or something like that and has an income, and that is used to say you are making this \$33,000 a year or something like that so you do not qualify for the grant.

What happened, why that became an issue is because of the fact that the old age pension was increased substantially. When old age pension was just a few dollars it was not a big deal if someone who had invested his money or paid NIS or owned a building and could rent and so on did not get it. It was not a big deal. But in a situation where old age pension was increased substantially, you began to see a situation where it looked rather unfair or unequal because of the size of the old age pension compared to what you can get from renting your house or from your NIS and so on. That is where the problem has now arisen that you will find the cry over and over to deal with this issue, because it appears to be inequitable. To tell me that under old age pension I can get—what is the figure?—\$1,950 and the ceiling is \$2,800, so that you see how close it is—Old age pension of \$1,950 for not having saved anything—

**Hon. Senator:** That is right.

**Sen. Dr. C. Charles:**—but the person who has diligently saved and has some income and so on, their ceiling, \$2,800, is what you tell them they can get. If you cross that, sorry, no old age pension. It begins to look inequitable. So, I am saying that arose when the old age pension was increased substantially that it then became an issue and in an environment of inflation in which your dollar is worth so much less we have to keep on calling for old age pension to be increased all the time.

Every time you increase it and you do not deal with the situation, the inequity increases. So it all goes back to the fact of what inflation is doing to us. What it is doing to the country, to the whole social structure. As I said, I cannot go and debate inflation so I would not go into the causes of inflation and what you should do about inflation, but I will say that inflation is very much at the root of it, of all



of the arguments having to do with pensions, because actually what else can be as impactful on pensions as inflation. It is at the point at which your salary is no longer within your control really because you are not going to get promotions and so on in your job; you have reached the end and all you can collect is whatever is given to you, this fixed figure, and therefore inflation is so much more important to you at that age than it is to the young person who can take on two jobs or who can hop from position to position or go back to school and get educated to get a better job and so on. It is that much important to you than the younger person who can hustle on the side or go into business or what have you. *[Interruption]*

**6.00 p.m.**

I also want to say that one of the most important things is the fact that a pension has to be paid for by somebody. It has to be paid for by the younger people, so it is important to us what you are doing with the younger people. Right now we are paying for everything out of our oil and gas bounty and that is where we are right now. That is the structure and whatever your plans may be or whatever the reasons, your successes or failures, the reality today is that we are paying for everything out of our oil and gas bounty. And when we look down the road, we must be concerned if we plan to pay for increasing pensions or pensions for more and more people out of this same oil and gas bounty.

The oil and gas bounty is finite; it is going to finish at some point. We would be much more comfortable if we saw enough aggression in Government's planning and execution in preparing and organizing the young population, to contribute to the productive base of the society, so as to be able to afford these demands that are placed upon us in terms of pensions and so on. So what you spend on unproductive sectors especially where you have young people who are in their productive years involved in unproductive things is of concern to us.

It hurts my heart every time I see young, strong men and women who can contribute to the productive base of the society, and on whom we depend to pay the bill for the older people when they retire, doing things that are not productive. That is important. That is a reason why we are always worried or why you are worried about the fact that pensions are increasing and so on and you have to worry about the percentage of your income you spend on pensions.

If you pay more attention to increasing the productive base by organizing the young people in productive sectors—Every dollar you waste on paying 20 young persons to cut a piece of grass from here to there over and over, when those 20 persons could be replaced by two cutting the same grass, and 18 others could be

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doing something productively, every dollar you waste on that it is more pressure you place on us in terms of our ability to afford to support old people; but that is how the society works. [*Desk thumping*]

**Sen. Rahman:** That is right.

**Sen. Dr. C. Charles:** Young people are the ones who have to work hard to support the older ones, because if we are lucky, we all would become old enough to retire and the people who would be supporting us at that time, especially if we are not depending on plans that we ourselves contribute to, but even if we are depending on plans because the plans have to be invested, the funds we put in over the years have to be invested and they have to produce more money down the road, so all of us if we are lucky to be old, we will be depending on the young ones at the time to generate the wealth to support us in our old age. So you see how they are connected and why we get worried about these things. So in a sense you are not attending to really important issues behind all of this.

There is no passion in the Government for controlling inflation. I do not want to blame you this evening for it, but I want to say that there is no passion; inflation is treated as a casual matter. You are right now seeking to get everybody else in the country to stop spending, except you. That is how it is. You are putting pressure on everybody else, cutting back access to loans and so on. Everybody is being pressured to stop spending.

**Sen. Browne:** [*Inaudible*]

**Sen. Dr. C. Charles:** Yes, you do not want anybody to spend. You are cutting back on credit. Everybody else is being pressured to stop spending; no credit everywhere else except you. The Government is the only one not bending on its spending, but is pressuring everybody else to stop spending. [*Desk thumping*] Do you think that is going to make a difference? None of us contributes and the rest of the country is not contributing sufficiently because Government is so big and powerful right now that if you do not change your habits, all of the efforts will go to nought because inflation will still continue to rage. That is the reality.

I suppose at some point you will see it, but unfortunately we have to go through the pain before you see it. You have to wait another year to see what happens to all your other efforts and after that year you would realize that you have to play the major role in controlling it. If you do not control it, we would continue to scream about this need to keep on raising pensions every year. Why do we have to call on you to raise it? Because of this pressure of inflation that

makes it very difficult for people on these fixed support mechanisms to buy groceries and so on. As I said, I think those are the basic issues behind the scenes that you have to pay some attention to.

I also said there is a management issue. On one side there is inflation and on the other side planning and management. The fact that we have to have this Bill and support this Bill today, as I said, it is good for the country and for the public service and so on, without question. There are some public servants who have been suffering and will be very happy that when they retire it will take the stress off them that they can get pensions at the level at which they were acting rather than having to get at the substantive office. So that is good. But bear in mind that this is a terrible admission of failure because if the system was working efficiently or even half efficiently, 50 per cent, you would not have this. Come on! To act for three years, that is a long time. In how many situations should you really have to deal with this? But the reality is that for many years the public service has been in this condition.

I do not say that you are not trying. I think many Governments have tried to reform the public service. That has been our ongoing theme for years and years, reform of the public service. Everybody I suppose has had some impact; every Government has had some impact however small on trying to reform the public service, but the public service still has not really been brought to the modern era to operate on the level that is required to operate on. I want to say right now that you ought to be spending much more of your time and effort at dynamizing the public service. That is where the word “dynamizing” should really apply in terms of the public service, because you have all of these plans to transform the country.

I might criticize the plans themselves and say why are you spending money on this or that, but you have your plans for the things that you think are worth building and the places you think you should put money in. But to what extent is the public service itself at the forefront of driving all of this because you have established special purpose enterprises for everything. To carry through your whole programme of reform you have special purpose enterprises everywhere. You are not using the public service to drive the programme forward, and therefore, the public servants are being left in the backwater somewhere with all its problems, and now we have a little cap here for one of the problems.

So where people are not being appointed in positions and remain acting for years and years, we now put a little cap and say that this problem is now fixed because these people are not really going to suffer any great disadvantage. So

there is no big deal if you are acting for five, six years now. It is all right to act in the post; they really do not have to fill it. They do not really have to appoint anybody because we have now put a little cap and fixed this. So I want you to be aware of this and do not think because you are doing something good—because as I said, I support the idea of doing this little fix here so that people would get a relief from some of the stress that they are under. At the same time bear in mind the bigger issue, that the public service still remains in the doldrums, still remains behind and is left out of the main thrust of the Government right now to move forward with the country, and therefore, you are not attending to the root cause of the issue.

On the management side you should have planning and management. Why does the post remain unfilled and someone has to act in it for all these years?

**Sen. Dr. Saith:** You ask the Public Service Commission.

**Sen. Dr. C. Charles:** No, it is not a simple case of asking the Public Service Commission. As a matter of fact, that is the job of the Government to ask the Public Service Commission. Do not tell us nobody could ask them because we run this country as though everybody is in their own little corner and nobody could speak to anybody else. That is nonsense. Our Constitution was not set up that way. Our Constitution requires cooperation. We have a constant recurring theme here of operating our Constitution as though it was meant for a one-man rule, but our Constitution itself requires cooperation from different sectors.

Even if there is independence in some quarter, you are required to have some kind of dialogue. Someone should be speaking to the commissions about the problems and assisting them, assuming that they want to do their jobs. After all, His Excellency the President of the Republic appointed them and he must have had a good reason for appointing them, and therefore, let us assume they want to do their jobs, we can assist them in doing it by finding out what their problems are. Do not turn our backs to them and say, “Well, we forget about that, it is the Public Service Commission that will solve the problem” and so on. We cannot take that kind of approach at all. Let us assist them so that we can bring these things under control. Sometimes it is a case where there is no one qualified and available to fill the post according to the requirements of the job specifications, so they put somebody to act in it.

A man acts in a post for years and years, somebody has to attend to that. If no one is qualified and the man acted in the post for a number of years, well appoint him then, because if he has to carry out the job for three years, he must have some competence to be depended on to carry out a job—and then he cannot be appointed? So let us deal

with that. That might be an issue which the commission cannot deal with on its own because if there is a job specification that says you are required to have this, this, this and you do not have it, the commission cannot appoint you to the post. So you act in the post and you remain there acting in the post and it is never filled, and therefore, the Government has to step in and take some kind of action having to do with this structural issue. So, it is not something that you should do nothing about. I am saying it is a management issue as well which we have to attend to.

We have to look at the effect of passing this legislation and one of the effects unfortunately, I think, is everything is now great and just forget about the problem. We deal with a symptom—because this is a symptom—and the patient can now breathe properly and we think that means that the underlying illness has been dealt with because we just dealt with another symptom. That is what is going on here; we are dealing with other symptoms here this evening. It is important to deal with symptoms because we cannot have the patient suffering, sneezing down the place and so on, so we must give him a little medication. But bear in mind it is a symptom, this particular issue before us has less to do with pension reform than with public service reform.

Although I heard a little about pension reform, but it does not have that much to do with pension reform, it has to do with public service reform because you are not changing the pension structure here. All you are doing here is determining who qualifies because there is some unfair situation where people are acting and so on. So tell us about public service management issues and how you are dealing with that. What you are doing about that as opposed to what you are doing about the pensions. There are some minor issues and I would like to mention one here. Just pay a little attention to a situation where someone was acting and I know these things happen.

You are acting as the Director of Highways in the Ministry of Works and Transport and would be appointed Director of Drainage; that happens. So you could act for two years as Director of Highways, but you do not get appointed as Director of Highways because the appointment comes up and they decide to appoint you as Director of Drainage. So you are going to be left out because this is pretty specific, it says that you have to be appointed to the post in which you are acting. I do not know how you are going to address that. You might want to give some thought to how you address that which will be a little loophole that might hurt some people quite unfairly.

Mr. President, the issue of pension reform itself was commented on by the Minister in the Ministry of Finance; the only comment that I will make on that issue, is that we know that we are in a difficult situation based on the burden that

*Pensions (Amdt.) (No. 2) Bill*  
[SEN. DR. CHARLES]

*Tuesday, October 21, 2008*

already exists and based on the ageing of the population which we are quite happy to boast that we have a population which is living longer, although I see we have some statistics that I find that you are not paying sufficient attention to. It has been stated over and over in debates just recently that life expectancy is falling. Surely this cannot be a casual matter. If life expectancy is indeed falling, you should take this very seriously because it could be a very serious—[*Interruption*] [*Crosstalk*] Sorry? That has been said several times. It has been said in the budget debate for example, and it has been said recently several times that life expectancy is actually falling; that the statistics show that it has been falling during the past several years and you gloss it over.

It seems as though it is not important because you cannot even remember it was said, but it was an important point made on more than one occasion. I am saying if indeed life expectancy is falling, it cannot be a casual matter. I myself do not know the statistics on that; I am just saying do not treat it as though it is not important. [*Crosstalk*] It was stated in the budget debate in the other place as well. So just look back and you would see that it was said several times.

**6.15 p.m.**

Notwithstanding whatever, it fell; that is important, even by six months. I do not think it fell by six months because of all the young people who are shooting each other; there must be other issues. [*Crosstalk*] Whatever it is, I am just stating that it is not a casual and unimportant matter if life expectancy in a country is falling and the country is not at war. In a country which is at war, life expectancy falls; we understand that. This is not a country at war; three or four persons being killed is a terrible situation to face, but I do not want to talk about crime this afternoon. That cannot be the cause of the drop. That impact would not be enough in terms of the numbers to represent a fall of that kind; that is not what is causing it; something else is causing it. Whatever is causing it, if, indeed, there is a fall in life expectancy, it is a matter of very serious import and it is something that you should pay attention to. [*Interruption*]

**Sen. Narace:** Mr. President, I am sure the Senator would remember that in my contribution I gave the figures where infant mortality and life expectancy, from the latest figures available, have both improved and were continually improving. I do not have the exact figures, but if you could check the *Hansard* it is on the record.

**Sen. Dr. C. Charles:** I was just saying that the point has been raised several times and if you have stats which show the current rate, it is a matter which should be addressed.

That really was an aside; my main point is that as a nation if we are, in fact, ageing, which I do believe we are—if as a nation we are living longer, that is great. But it means that in a situation where we are living longer, this is a serious matter for future planning, where our pension entitlements—our whole social system is already pretty heavy.

We are not going to stop making demands that the Government attend to matters of equity in respect of the fact that a person who is renting a house, their income is just what they are collecting because they worked hard for it and that gets them over the \$2,800 mark, so no pension. We are not going to stop making noise for that, because that is an important issue of equity and of fair play.

Nonetheless we understand that whenever you try to address the issue of equity, your expenditure goes up and, therefore, the problem simply becomes more serious. We are going to face a serious problem as we move down the road, further and further into addressing various issues of the burden on the whole society of pensions, made worse by the inflation issue.

We have to pay some really serious attention to planning for the future for our ability to meet these things in a sustainable way. Right now you are playing fast and loose with the dollars collected from oil and gas, engaging in all kinds of projects. You have got to do some forward planning that would allow us to pay for these things, without depending on oil and gas bounty. It is the kind of thing we would like to see, some forward planning that says not only are you restructuring the economy, but, in fact, you have something that you could go on to say how you are going to support these demands, how we are all going to support these demands in the country, whichever government is in office at the time, when we can no longer rely on this bounty that we currently have.

We cannot plan for an absolute collapse; we cannot plan for a catastrophe. If the price of oil falls to \$20 a barrel, we could have some contingencies for it, but we cannot assume that is going to happen. I would not suggest a full panic of any kind, but we should plan for the price of oil being more. As you said, you plan everything based on a moving average. If you are looking at moving averages, then you really cannot be planning on running the country into the future on the basis of a price of oil of even \$70.

**Sen. Browne:** Gas is always more important.

**Sen. Dr. C. Charles:** But gas is moving; although slowly, it is moving the same direction as oil; albeit more slowly. [*Interruption*]

**PROCEDURAL MOTION**

**The Minister of Energy and Energy Resources (Sen. The Hon. Conrad Enill):** Mr. President, in accordance with Standing Order 9(8), I beg to move that the Senate continue to sit until the conclusion of this particular Bill.

*Question put and agreed to.*

**PENSIONS (AMDT.) (NO. 2) BILL**

**Sen. Dr. C. Charles:** Mr. President, I will conclude now. There were only a few things I wanted to say on the matter, to show the Government that we are not making our calls based on irresponsibility. There is a reason for it; you could see the reason for it. We are looking at the pensioner, what is happening to the pensioner. Therefore, we make our calls based on what is happening to the pensioner, while at the same time we are conscious of the need to attend to the issue of resources. There is something you could do about resources, including some forward planning, not simply forget the pensioner and just go along with Government's programme.

The biggest problem the Government has right now, in my opinion, is the fact that it has set its course, because it is so convinced that it has a plan for developing the country. It has set its course and its sight in that direction and is behaving as though it cannot see anything else. It has put on blinkers; it is behaving as though it cannot see anything else outside of that.

Even with all the shocks in the world right now, it has taken so much to get the Government to admit that these shocks are real. It has taken so long for the Minister of Finance to admit that. Shocks all over Europe and the Far East; all over the world there are earthquakes, tsunamis raising across the financial seas, and it has taken this time for the Minister of Finance to come here and make a statement of reassurance to the wider population and give some bits and pieces of information.

The Government gives the impression as though it has set its sight and is saying, basically, "Everything is all right," because it is going down that road. It is our job to point out that while you are going down this road there are some really serious things happening on the side, "Please attend to them." That is the role we play, while being aware, of course, that we have to pay for these things, so we call on you to do some forward planning, so you could afford to pay, because we do



not think that you might have all the burdens of paying. It would be, perhaps, sooner rather than later that some of us may have to take on these burdens ourselves of paying for things that you have put in train. I cannot help but give my hon. colleague a little response to his earlier comments. [*Laughter*]

With those comments, Mr. President, I thank you very much.

**Sen. Dr. Adesh Nanan:** Mr. President, I rise to make a contribution before the House this evening.

The Minister in the Ministry of Finance in his contribution this afternoon based his entire philosophical plan on an International Monetary Fund (IMF) report; it was not original.

**Sen. Browne:** An IMF report? I did not read any IMF report.

**Sen. Dr. A. Nanan:** I have a copy that I would like to read, with your leave.

"International Monetary Fund...April 2002 At the request of the Minister of Finance of Trinidad and Tobago, a technical assistance mission from the Fiscal Affairs Department (FAD) visited Port-of-Spain from April 2 to April 12, 2002, to advise the authorities on options for pension reform...

The mission met with Mr. Enill, Minister of Finance; Mr. Meyers, Acting Permanent Secretary of the Ministry of Finance..."

I want to go to page 6 of this report:

"In this context, the mission has assessed how Trinidad and Tobago's pension system could be placed on financially sound footing, while still achieving its core social insurance objectives. In the mission's view, the central elements of a reformed public pension system would involve the following:

- An OAP programme that is integrated with the NIS, implying that the OAP programme fills the gap in household income needed to reach the poverty line. Furthermore, the OAP benefit would be frozen until the sum of the two benefits reaches the poverty line. For new applicants, eligibility would be based on household, rather than individual, income.
- To enhance the fiscal sustainability of the NIS, the retirement age would be gradually increased to 65."

That was why I said in my opening contribution that the philosophical plan was not original and I made mention of the International Monetary Fund report. [*Interruption*]

**Sen. Browne:** It was not original, but it was not based on the IMF report.

**Sen. Dr. A. Nanan:** When we look at the conduct of the National Insurance Board, words like "economic treason" and "economic crime" stand out. I will give you the rationale. The rationale is that almost 500,000 workers' contributions have been utilized. I will give some references to remind Senators.

Mr. President, you would recall on September 04, 2008, there was an investment of the National Insurance Board when Citicorp Merchant Bank invested in UDeCott—*[Interruption]*

**Sen. Annisette-George:** Mr. President, on a point of order. I refer to Standing Order 35(1) which talks about relevance. The Senator should be guided by this Standing Order; he is being irrelevant. *[Crosstalk]*

**Sen. Mark:** Is Calder Hart your godfather?

**Mr. President:** Senator, you are very close on the line. There was a lot of wide talk about pensions and so on. If you are going to link this to the debate on pensions, I would like to hear exactly what the nexus is before you make the point.

**Sen. Dr. A. Nanan:** We have 500,000 workers covered under the National Insurance Scheme. We have an investment portfolio from the National Insurance Board that is questionable. We have heard it in terms of dealing with—*[Crosstalk]* Let me continue and I will show you relevance in terms of the contributions and what has happened and the reason I made reference to that transaction.

I went back to September 04, 2008, when there was an investment of over US \$73 million. *[Interruption]*

**Mr. President:** I am still not clear on exactly what the nexus is. Make the connection between the point you are about to make and the debate that came before, or else do not go there. At this point, I just do not know what the nexus is.

**Sen. Dr. A. Nanan:** I am showing, before I go to the actual figures, that because of the investment which was carried out by the National Insurance Board—the reason I am going to that point is to show that they made an investment through the Central Bank. Sorry; they made a certain investment through the Central Bank and, at that point, they got a higher rate of interest than the other investments, and the Government gave them a letter of comfort for that first investment, which showed that it was risky business. You are playing around with the investment of contributions of these 500,000 workers. So, could I go to the figures now? *[Crosstalk]* *[Laughter]*

On September 04, 2008, the NIB, on the advice of Citicorp Merchant Bank, they invested US \$73.1 million, over TT \$400 million of the contributions, for a two-month period, at 6 per cent interest and the Government gave them a letter of comfort. It was risky business; that was why the Government gave them the letter of comfort, 6 per cent.

**6.30 p.m.**

Then on September 08, 2008, they invested \$700 million through the Central Bank. They invested in a Government guaranteed fixed rate bond of 8.7 per cent—a better investment, and that is the reason I went there, to show that—and it was said again in terms of squandermania—[*Interruption*]

**Sen. Mark:** “What yuh worried about, man!” The President gave him the all clear; what you worried about? Is Calder Hart your godfather?

**Sen. Dr. A. Nanan:** I will get to the Ministry of Education shortly; I do not want to go to the Ministry of Education yet. I will get there shortly. Just hold on, I will get there.

I am showing that 6 per cent investment four days before and you have an investment of 8.7 per cent. We are not talking about hundreds of dollars; we are talking about millions—\$700 million; over \$400 million. And we have already heard and were shown in terms of eight state enterprises, there was over \$3.1 billion in cost overruns, and I showed in the energy sector where there was over \$4.1 billion in cost overruns.

So what we are saying and we continue to say is that the UNC-A’s vision for this particular proposal—this old age pension—is \$3,000. So they would get the NIS; they would get the old age pension and the other entitlements. That was the proposal.

I want to deal in terms of the point raised with respect to—and the Minister in the Ministry of Finance made that point in terms of the empirical evidence and the poverty line, and he went on to make certain references to the input in health, education and the social sector. But how many people are benefiting under that CDAP? People are still suffering there and in the social sector. So to use that in terms of it being an addition for these old age pensioners is a far-fetched idea, and we are dealing with the poverty levels.

I just want to go to a few areas because we need to have some background here in terms of the vision of the former Prime Minister, the hon. Basdeo Panday. It was to protect workers' rights. [*Desk thumping*]

**Sen. Mark:** Unlike this anti-worker Prime Minister Manning.

**Sen. Dr. A. Nanan:** Let us do some review, because it is important. It is important because a lot of the loan conditionalities were based on filling certain positions in various ministries, and we have heard in this debate about people not being able to go into substantive positions; they had to be acting for a long period of time. I want to compliment Sen. Mark who was the Minister of Public Administration for that period of seven years, because he did a lot in terms of reform of the public service. *[Interruption]*

**Sen. Mark:** No, no. I was not fired. I retired. *[Laughter]*

**Sen. Dr. A. Nanan:** His five-year term is replete with examples of protecting workers' rights. The Minister in the Ministry of Finance made reference to a period of 30 to 40 years where there were no pension plans. I do not know how many will recall the negotiations with NUGFW and a pension plan for workers. That was introduced by Sen. Mark who was the Minister of Public Administration at the time in terms of negotiations.

I will quote a few more examples because it is important in terms of tracing the path, actually. How many of you will recall the payments of increments to public officers that were stopped?

**Sen. Dr. Saith:** Who did that?

**Sen. Dr. Charles:** You; you did that. When you crashed the whole economy, you did that. *[Crosstalk]*

**Sen. Mark:** They were there between 1991 and 1995 and they never restored it, you know. They never restored it, you know.

**Sen. Dr. A. Nanan:** They did not do anything. *[Crosstalk]*

**Sen. Dr. Charles:** You crashed the whole economy and you are going to crash it again.

**Sen. Dr. A. Nanan:** Mr. President, I am pointing to a position of public servants, and when the quantitative exercise was done, 40,000 officers benefited to the tune of \$750 million. That was the kind of commitment.

**Hon. Parsanlal:** What was that date?

**Sen. Dr. A. Nanan:** That was paid in 1997.

**Sen. Mark:** You were not there. You were employed by him and he “fire yuh”.

**Sen. Dr. A. Nanan:** I am coming to your period just now. Hold on. *[Crosstalk]*

You see, Mr. President, it is important to return to that position. You will recall that there was a buyout with respect to officers and we had the situation where—in fact, we introduced the payment of bonds to officers who did not accept the buyout. So we were always protecting workers' rights and making sure with respect to public officers. When you talk about a caring government, visionary and speaking about public officers and service, it is this administration, the former Prime Minister, the United National Congress administration that ensured—if you look at all the different methods and mechanisms utilized, public servants benefited. You would recall the loans for computers that public servants received, interest free.

I also want to make reference to—and it was referred to in this debate—the defence force. It was the administration of the United National Congress that introduced a pay structure for the defence force which had been linked to that of the police service and since we put a new pay structure in place taking into consideration the peculiar duties and responsibilities, there was an increased rate of pay for officers and other ranks of the force. *[Interruption]* What I am saying is that we are here debating an issue with respect to pension benefits.

**Hon. Senators:** No.

**Sen. Dr. A. Nanan:** What I am showing is that if you trace from 1995 onwards, you would see that when this Bill becomes an Act, in terms of the increase and the amount of pension that public servants will receive, it is largely based on the United National Congress administration in terms of getting their salaries up to a certain point. But I want to point to one thing and it is important when dealing with negotiations. I just want to make reference to the pay structure, with the agreement between the CPO and TTUTA during that period when Sen. Mark was the Minister of Public Administration.

I just want to give some examples: A Teacher 1, that is a primary school teacher, was getting \$4,680; that figure went up to \$6,027 and by October 2001 it was \$6,683. A Principal I of a primary school was paid \$5,029; in December 2000 it went to \$7,882 and then to \$7,942 in October 2001; an assistant teacher, from \$2,560 to \$4,028 in December 2000 and October 2001, \$4,480. One more, Mr. President, which is the Principal II of a secondary school, because we are dealing with assisted secondary schools here; it was \$5,790; it went to \$8,624 in 2000 and in 2001, \$10,501. The salary bill went from \$824.5 million to \$1.16 billion, all under the United National Congress government. *[Desk thumping]*

That is with respect to bond payments, increment payments, increases and negotiations so that you will have a certain salary at a certain scale now where

they would be able to receive a higher pension. But we still have to face reality in terms of the inflation rate of over 13 per cent. When the United National Congress was in government, it was 4.08 per cent. [*Interruption*]

**Sen. Mark:** We were down to 11 per cent. We came at 16.7 per cent; we brought it to 11 per cent.

**Sen. Dr. A. Nanan:** But the fact is, at 4.08 per cent—I also want to make reference that it was 7.8 per cent, in fact, under the previous PNM. So when Sen. Mark, in his contribution, talked about pension indexation to cost of living, I think he was actually visioning an inflation rate of that kind of figure in terms of that area, and it is important in the context of retired public servants.

In fact, somebody came to me recently and I had to point out that apparently this particular mechanism is now kicking in, which is, if you are getting the same Caroni pension and the NIS, your old age pension is being reduced. It is now hitting the population. They are now getting the feel and they now realize that what we have been saying for years is what is happening now. They have realized that when they go to put their finger next to the balisier, that will not happen again for a long, long time.

**Sen. Mark:** “Yuh fool de people.”

**Sen. Dr. A. Nanan:** They have been fooled and they continue to be fooled.

There is another issue. These poor, retired public servants who retired 20 years ago would not be captured here. They are struggling to make ends meet with this rising inflation rate and, of course, food prices skyrocketing on the other hand. But there is another factor that has to be considered. These poor, retired public servants saved and ended up having a home, probably a car, and they will not get any old age pension because some officer there does an assessment and says: “You have a house valued at so and so and a car valued at so and so and you will not be able to get the old age pension.” That is where we are. They have to struggle to make ends meet. The only income that is coming in is their pension and they worked so hard over this period of time.

My colleague here is telling me they want to introduce a property tax to make it even worse for these retired public servants. So on one hand you are here with a Bill to praise yourself that you are doing something—and do you know what? I wanted to go to that, because this legislation before the House started with the United National Congress administration. I will tell you why and now I think I will go into the era when the Minister of Information was in the Ministry of Education. But before I go there, I have something to say before I reach to that particular era.

**6.45 p.m.**

When I was dealing with that issue in the Ministry of Education and with assisted secondary school teachers, in the negotiation for loans, whether World Bank loans or IDB loans, the observation was made that there were substantive positions not filled.

The second drawdown on the IDB loan for education at that time was to fill those substantive positions. Those substantive positions, we have heard, in terms of the Public Service Commission, they have isolated the fact that they have no dialogue between the commissions because they are now saying it is an independent commission. The Integrity Commission is an independent commission, yet people have access to these commissions.

The fact is that the Public Service Commission is responsible for filling these substantive positions. Because the IDB loan was driving the process, these positions were filled. That is why we have the second drawdown with conditionalities on the loan. We had discussions with the Public Service Commission together with the Minister of Public Administration.

You will recall that there were hundreds, even thousands, of public servants who were temporary for years under the PNM administration and the UNC administration, under the former Prime Minister Basdeo Panday and the Minister of Public Administration Minister Wade Mark took a note to Cabinet and because the CPO was the employer made all these temporary workers permanent. That is what the former Minister did. With respect to the terms and conditions, the CPO was involved. So, it is always protection of workers' rights.

Back to the Ministry of Education. Those substantive positions were filled and when we had the World Bank fiasco where there was exposure in the newspaper without the approval of the Minister, a certain Member was asked to resign. *[Interruption]* I am not calling names and we continue to see, not only in that Ministry, but everywhere else, that Member was asked to resign. A rolling stone gathers no moss. That is what is happening there.

So, in terms of the IDB loan and position, once you have the will, it can be done. To have a position where you are three years acting is not acceptable. I recall that when we had the shortage of Geography teachers at one point in this country, we gave scholarships just to fill the void.

We hear transparency and other things being mentioned over there. I want to draw reference to the role of public officers. Whether in the Ministry of Education, the Ministry of National Security or the fire service, we are still

dealing with matters that were dealt with when we had the situation of temporary workers. We settled the debt of the public servants.

I go to clause 3 of the Pensions Act, Chap 23:52, which says:

“The Pensions Act is amended by inserting after section 16, the following sections:

- 16A (1) Where an officer who immediately prior to—
- (a) the date of his compulsory retirement; or
  - (b) the date on which he proceeds on annual leave prior to the date of compulsory retirement,

has acted in a higher office for a period of three continuous years, that officer shall be eligible to have his pension, gratuity or other allowance calculated as if he were confirmed in that higher office and for the purpose of computing such pension, gratuity or other allowance, he shall be deemed to be an officer to whom regulation 11(a) of the regulations applies.”

The Assisted Secondary School Teachers’ Pensions Act, Chap. 39:03 has a similar provision in clause 3. I ask the question: In terms of pension and gratuity, what are you calculating when you say “other allowance calculated”? What other allowance are you speaking of? I am sure the Minister who worked in the Ministry of Education must be aware and will give us some information. *[Interruption]*

How could you say that? *[Interruption]* I never said that. Sorry, Mr. President. I am not going to get into this confrontation here. I am going so well, I do not want to get sidetracked. *[Laughter]* *[Interruption]* This is a public service matter. A Minister cannot discipline anyone. Under the Constitution, he only has general direction and control of the Ministry, unlike Minister Narace.

The Minister could have given us numbers in terms of the breakdown. He gave us a figure of 59,000 for the entire service. He could have given us the numbers in terms of how many teachers would be affected.

As I go to the Assistant Secondary School Teachers’ Pensions Act. *[Interruption]* Mr. President, I am able to speak on all three. I can go back and forth and juggle, so I do not know what the problem is.

I want, not for long, to address some of the concerns in that secondary school environment based on pensions and salaries. We have a situation and we must face facts in terms of shortage of teachers. Someone on that side may say they have no pension rights or gratuity because they are not there, but we have to face



facts if we are dealing with this particular area. We are making this provision and there are people who will be acting or will be retiring. There must be succession planning. If you want to have an intelligent nation as the former Prime Minister hon. Basdeo Panday wanted to have, then succession planning and having this shortage of teachers rectified is important.

I know they are going to say that it is the commission, but the students deserve much more than their throwing their hands in the air and saying that it is the commission and that they are not responsible and have the poor children in all these secondary schools having no teacher for the whole term in some schools.

I know you have a remedial system in place in terms of the teacher pool. We have heard so much about this teacher pool. There are many schools in our country that have no teachers and Mathematics and English teachers we know are always in short supply. The Government should put something in place to deal with this issue in our secondary schools.

If you look at the Government's budgetary allocations, you will see that there are a number of computer labs in our secondary schools, which are part of the IDB loan programme where it was negotiated to have computer labs in all the secondary schools. I am not sure, but I believe that the Government has achieved that particular goal because the loan came to an end this year and there is a shortage of IT teachers now. So, you have the computer labs and you now have a shortage of IT teachers. So you have access to the hardware and software and teachers are in short supply. Another area we need to remedy is that particular area in terms of the need for IT teachers in an information technology world.

As I close, the last point I would deal with is the Teachers' Pensions Act. I am dealing with primary school teachers because there is a situation and we have to ask several questions in terms of—I remember that as a task force leader of the curriculum—and I heard many asides in terms of driving that particular process. Why should a Minister lead that task force? It was for the same reason in terms of a curriculum being given for an intelligent nation. We had to ask several questions about the curriculum emanating from the Ministry of Education in terms of what direction we are going. Our children are being subjected to a large amount of material which I cannot say is relevant at this age. We may need to look at it again in terms of what is being offered our primary schools.

I thank you.

**7.00 p.m.**

**The Minister of Information (Hon. Neil Parsanlal):** Mr. President, thank you very much. I wish to thank all Senators who have made their contributions to this very important compendium of Bills.

Listening to some of the contributions, I am reminded of an old saying: a man convinced against his will remains unconvinced still.

The more I listened, the more I got the impression: We support this Bill; we do. It is a good Bill. We must support it, but we cannot allow you to get away with presenting a good Bill, so we must come and engage in all sorts of irrelevancies, so much so that we have to be guided by you, Sir. It is not my intention to deal with every Senator who spoke. I think it is important that Sen. Dr. Adesh Nanan, No. 27, as the last one—usually you save the best for last. Clearly, the UNC-A turns everything on its head, so that the best certainly could not have been left for last.

One of the dangers of any administration, Minister or person who leads a team is when you do not know. That is a danger, but it gets even more dangerous when you do not know that you do not know. Unfortunately, for this country, during the reign of a particular Minister of Education, it was clear—*[Interruption]*

**Sen. Manning:** “Me yuh talking ’bout”?

**Hon. N. Parsanlal:** No, certainly not my lady. It is somebody who preceded you. It was in the era of the late 1990s; 1999 to be precise. That certain Minister—I raise it only because it was raised by the Senator opposite—whose reign in that office was perhaps as irrelevant as the contribution of Sen. Dr. Nanan today, certainly uninspired. It was an attempt to make the point that a certain public servant at the time—*[Interruption]* I am only responding to what the goodly Senator raised; only in the context that had I stayed, I might have gotten a pension as well. The goodly Minister, at the time, having fallen out with his boss—I have kept silent on this matter since 1999. I do not propose to say too much. I would only say that the goodly Senator is advised, do not go there. Leave well alone. I have kept my silence since 1999 on this matter and I have no need to raise it now, because it would not do you, goodly Senator, any good. We will save you from yourself. *[Interruption]* I am not threatening anybody, Senator. *[Interruption]*

**Sen. Dr. Kernahan:** Gangster.

**Hon. N. Parsanlal:** I am no gangster and you know that. The main premise of Sen. Mark’s contribution, at least the 15 minutes that was relevant to us, was the

supposedly arch conservatism of this Government. I wish to submit to this Senate this evening that because of this arch conservatism, this country's economy is as strong, robust and resilient as it is today.

Pensions, by definition hon. Senators, could never mean that persons would be kept in the same lifestyle that they enjoyed while they were working; it could never mean that. Sen. Mark gave us the impression that when we do these kinds of Bills or bring this kind of legislation, the Government is obliged to keep people in the same lifestyle that they were accustomed to while they were working. We are reminded of the editorial of October 08, which said that Sen. Mark is more often wrong than right.

On the one hand, Senators opposite who spoke continue to accuse the Government of creating this dependency syndrome. On the other hand, we are told that we are not spending enough and that we should be giving \$3,000 for pension. *[Interruption]* I am not mixing it up, my dear. Sen. Mark spoke of individual responsibility, as if it were a crime, we ought not to be encouraging people in this country to save and that we ought not to be encouraging people to save from the cradle to the grave. I submit to this Senate that it is incumbent on all of us here to encourage each and everyone that we know to start saving from the cradle to the grave. We ought to encourage that. When Senators opposite say to us that we ought not to be doing that and it is creating individualism and selling individualism, what precisely are you saying? We ought not to encourage that? We ought not to encourage parents to put aside a little something for their children from the time they were born? Is it that what you are telling this population? If that is the message you are sending to this population then we could very well understand November 07.

The other point that was made by both Sen. Mark and the goodly Sen. Rahman was about the "OJT Cabinet" and the OJT people on this side. It bothers me when Members opposite, and it recurs in the Lower House, seek to trivialize the worth of the On-the-Job Training programme. One can understand why they trivialize it, because in their incarnation in government, they closed down the entire programme. One could understand that. I want them to take a good long look. When you look at the Opposition Bench, there are two OJTs. Are you not? The concept, my brother—*[Interruption]*

**Sen. Rahman:** At age 69? *[Interruption]*

**Hon. N. Parsanlal:** If you missed the concept, it is that we are new. *[Interruption]*

**Sen. Rahman:** Young and inexperienced.

**Hon. N. Parsanlal:** To use their concept, Sen. Rahman, you with your age, experience and everything else, are but an OJT yourself. [*Interruption*]

**Sen. Rahman:** Perception!

**Hon. N. Parsanlal:** If we were to take this any further, then there are six new Senators on the Independent Bench. I would hate to consider any one of those goodly Senators on that side an OJT. I have the greatest respect for them. Sen. Baptiste-Mc Knight tells me that she has no problem with that. In the same vein, we have no problem with it on this side. You could say what you want about the OJTs, we are here and we will learn what we have to learn. We are learning it. We will respond and we have a lot to learn. None of us here, neither you there, is the repository of all knowledge; none of us. Okay.

Mr. President, I want to deal with, perhaps, the contribution from Sen. Seetahal SC, which encapsulated the issues very well. I wish to respond to that. There are two issues Sen. Seetahal SC raised. One was the disparity between the pensions for the defence force and the pensions for the police service. I wish to treat with that. The disparity between a defence force officer who retires on the grounds of disability, as opposed to the police service, is that the terms and conditions for a defence force officer are dealt with by the Defence Force Council, while terms and conditions for police officers are advanced by their own associations. We could not deal with it in an across-the-board or broad-brush manner.

I am advised by the Minister of National Security that the defence force is currently looking at pension reform and the disability formula would be dealt with in the context of that entire pension reform within the defence force. I am also advised that the change in formula with respect to the police service on the issue of the repeal of the Sixth Schedule that Sen. Seetahal SC spoke about and the pensions formula of 1/180<sup>th</sup> for officers retiring on the grounds of disability is being replaced by Regulation 185(1). This issue has already been determined by the courts. I am advised again by the Minister of National Security that all pensions for officers retiring on the grounds of disability shall be computed on the formula of 1/180<sup>th</sup> and not 1/480. An amendment to Regulation 185(1) shall be effected accordingly within a reasonable time frame. That matter has been looked at and is being dealt with.

I do not wish—as we said, this is a very simple Bill—to dwell too long on it. I think my colleagues have dealt with the issues that have been raised. What we have before us is an attempt to make good on collective agreements; the effort on the part of the Government to harmonize the legislation to ensure that those who deserve this increase, 69,000 employees, will get their due. It is in that regard and in the spirit of all that we have done this evening.

We thank Senators opposite for their support of the legislation. I beg to move.

*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 3 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.*

**7.15 p.m.**

**ASSISTED SECONDARY SCHOOL  
TEACHERS' PENSIONS (AMDT.) BILL**

*Order for second reading read.*

**The Minister of Information (Hon. Neil Parsanlal):** Mr. President, I beg to move,

That a Bill to amend the Assisted Secondary School Teachers' Pensions Act, Chap. 39:03, be now read a second time.

*Question proposed.*

*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 and 2 ordered to stand part of the Bill.*

*Clause 3.*

*Question proposed,* That clause 3 stand part of the Bill.

**Sen. Dr. Charles:** It runs as a thread through all the Bills. I gather that the Attorney General has an explanation as to how to address the matter I raised.

**Sen. Annisette-George:** Mr. Chairman, the point the hon. Senator made is with respect to, say, someone acting as director of highways and then being transferred as director of drainage and then retires. All the regulations make provision for people who are transferred from one office to another, but whose salaries have not changed. That is why there was no provision for people who were acting until they retired in the post or people who were acting and then promoted. There was provision for all of them, for people who were transferred. That is why they were not dealt with here. It is a common theme. For instance, the Teachers' Regulations, No. 19B deal with transfers and in 19C there are sub provisions (i), (ii) and (iii) that deal with people who were transferred from one office to another. That is why it was not captured here. If you were acting in one and transferred to another, you do not lose.

*Question put and agreed to.*

*Clause 3 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.*

#### ADJOURNMENT

**The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill):** Mr. President, I beg to move that the Senate do now adjourn to Wednesday, October 29, 2008 at 1.30 p.m. That is because Tuesday October, 28 will be the celebration of Divali.

The Leader of the Opposition Benches has requested and we have agreed that Private Members' Day will be given to him at a date that is mutually agreed upon sometime in November, as there are matters which require his attention.

I therefore beg to move that the Senate do now adjourn to Wednesday, October 29, 2008 at 1.30 p.m. On that occasion we propose to do Bill No 4, the Trinidad and Tobago National Steel Symphony Orchestra Corporation Bill. Given the fact that we are coming to the close of the session, time permitting, we want to start or complete if we can, the Prison Service (Amdt.) Bill.

**Divali Greetings**

**The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill):** Before I take my seat, may I on behalf of all of us wish members of the Hindu community Shubh Divali and may the peace and prosperity that are associated with this event light a way to truth and happiness.

**Sen. Wade Mark:** Mr. President, may I join my honourable colleague and the honourable Senate on behalf of our Bench in extending Shubh Divali greetings to the Hindu community as we prepare to celebrate the festival of lights on Tuesday, October 28. We, like my honourable colleague, hope that the darkness that hangs over our nation will somewhat be addressed and the light of Divali [*Interruption*] which should shine on the hon. Minister Jerry Narace because of the persistent darkness that hangs over his head, I hope that it would brighten his life.

On behalf of the UNC-A team we take this opportunity to extend to the Hindu community in particular and Trinidad and Tobago, a happy, peaceful and enjoyable Divali 2008. In the tradition of the occasion, Shubh Divali. [*Desk thumping*]

Thank you.

**Sen. Gail Merhair:** Mr. President, on behalf of my colleagues on the Independent Bench, I take this opportunity to wish Senators and by extension the people of Trinidad and Tobago a happy and holy Divali. Let us use this period as a time of reflection and realize that we in the Senate and as a nation can let light shine over darkness and good come over evil. We can have a better Trinidad and Tobago as we ask Mother Lakshmi to guide us and lead us on the right path. Happy and holy Divali to all.

Thank you.

**Mr. President:** On behalf of my family, especially the staff of Parliament and myself, I wish all of you and the community at large the very best for Divali. It is a day when we can celebrate the principles of the Hindu faith and learn from them. We can take the day to reflect. I wish you the very best.

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 7.27 p.m.*