



Summary of Proceedings

Public Hearing

Joint Select Committee on Finance and Legal Affairs

Held on **Friday April 13, 2018**

Subject matter: An Inquiry into certain aspects of the National Insurance System of Trinidad and Tobago.

Venue: A public hearing was held on Friday April 13, 2018 from 10:25 a.m. to 12:06 p.m. at the J. Hamilton Maurice Meeting Room, Mezzanine Floor, Office of the Parliament, Tower D, The Port of Spain International Waterfront Centre, 1A Wrightson Road, Port-of-Spain.

Committee Members

The following Committee Members were present:

- Ms. Sophia Chote SC (Chairman)
- Mr. Clarence Rambharat (Vice-Chairman)
- Mrs. Cherrie-Ann Crichlow-Cockburn, MP
- Mr. Terrence Deyalsingh, MP
- Dr. Lovell Francis, MP
- Mr. Taharqa Obika
- Dr. Lester Henry

Witnesses who appeared

The following officials of the Ministry of Finance appeared:

- Ms. Jennifer Lutchman Deputy Permanent Secretary
- Ms. Chintamani Sookoo Director, Agro-based Manufacturing and Services Sector (Ag.)
- Mr. Khemkaran Kissun Senior Audit Analyst

The following officials of the National Insurance Board of Trinidad and Tobago (NIBTT) appeared:

- Ms. Jacqueline Quamina Chairman, Board of Directors
- Mrs. Niala Persad-Poliah Executive Director
- Mr. Feyaad Khan Chief Operating Officer
- Mr. Brendon Nelson Executive Manager, Finance and Accounting
- Mr. Navin Rajkumar Executive Manager, Investments
- Ms. Sarah Baboolal Executive Manager, Legal Services

Key Issues Discussed

The following are the main issues highlighted during discussions with the **Ministry of Finance**:

- i. Ministry of Finance receipt of NIBTT's request to increase the size of its foreign investment portfolio;
- ii. The impact of NIBTT's increased allocation for foreign investment on Trinidad and Tobago's exchange rate;
- iii. Whether there is a need to further amend the National Insurance Act to address hindrances to NIBTT's operations; and
- iv. The Ministry's perspective on NIBTT's business ventures with Home Mortgage Bank (HMB) and The Trinidad and Tobago Mortgage Finance Company Limited (TTMF).

The following are the main issues highlighted during discussions with the **National Insurance Board of Trinidad and Tobago (NIBTT)**:

- i. NIBTT's plans to embark upon a public education campaign concerning the proposed changes to the national insurance system;
- ii. The public education campaign to emphasize the importance of compliance;
- iii. NIBTT's employer database of 21,342 registered employers as at June 30, 2017;
- iv. The number of registered employers who are sole proprietors;
- v. Initiatives to include self-employed persons in the national insurance system;
- vi. The NIBTT's data on the number of employers defaulting on their employees' payments;
- vii. Mechanisms for determining when an employer defaults on payments;
- viii. Approximately 4,000 audits are conducted annually;
- ix. Initiative to conduct 8,642 audits in fiscal year 2018 as a means of strengthening the NIB's capacity to identify employers who defaulting on payments and employers who are not contributing in the appropriate contribution class;
- x. The number of employers prosecuted for defaulting on employees' payments;
- xi. The likely size of NIBTT's allocation for foreign investment following the proposed increase in the foreign investment portfolio;

- xii. The foreign markets identified for investment;
- xiii. Whether there is a need to dedicate more staff to the area of risk management due to the potential increase in NIBTT's investment portfolio;
- xiv. The revision of the 2017 Investment Policy;
- xv. The factors that inform/influence NIBTT's investment policy;
- xvi. Reports of Community-Based Environmental Protection and Enhancement Programme contractors using NIB contributions to fund business expenses;
- xvii. The services available at the NIBTT's relocated Tobago office;
- xviii. The initiatives being undertaken to introduce an electronic system to interact with clients;
- xix. Whether it is necessary to further amend the National Insurance Act to address hindrances to NIBTT's operations;
- xx. The terms of reference for the 10th Actuarial Review;
- xxi. The shortfall between the collection of NIS contributions and the disbursement of payments;
- xxii. The rationale for gradually increasing the retirement age from 60 to 65 over 35 years;
- xxiii. Whether there is a need to amend existing laws to improve the relationship between the NIBTT and the Ministry of Finance;
- xxiv. The relationship between NIBTT and its subsidiaries, Home Mortgage Bank and the Trinidad and Tobago Mortgage Finance Company Limited (TTMF);
- xxv. The contingency plans in place in the event that HMB's and TTMF's clients start defaulting on payments;
- xxvi. NIBTT's initiatives to reform NIPDEC to make it self-sustainable and profitable;
- xxvii. NIBTT's mechanisms for dealing with fraud;
- xxviii. Clarification on what is meant by a 'pay as you go system'; and
- xxix. NIBTT's database indicated that there were 479,036 employees making contributions.

This public hearing can be viewed on demand via our YouTube Channel.

<https://youtu.be/Te9m5Nw3GYM>

Contact the Committee's Secretary

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Committees Unit

April 20, 2018.