

Trinidad and Tobago

Trinidad and Tobago has achieved nearly universal old-age pension coverage through a combination of contributory and non-contributory pension schemes. The contributory scheme is provided by the National Insurance Board (NIB) while the non-contributory scheme called the Senior Citizens' Pension (SCP) is provided by the Ministry of Social Development and Family Services (MSDFS). Even if a person has not contributed sufficiently to be eligible for the contributory scheme, the person can rely on an SCP upon complying with the residency and income criteria.

The Government of Trinidad and Tobago provides a comprehensive set of benefits and services for elderly people aimed at managing the various risks associated with this age group. These include contributory and non-contributory pensions, free health care, provision of select free drugs, social support mechanisms, free public transportation, subsidized housing programmes, care services.

The Recommendation on Social Protection Floors, 2012 (No. 202) stipulates establishing basic social security guarantees to ensure access to essential healthcare and income security for all, including children, people of working age and older persons.

The Sustainable Development Goal 1.3, part of the UN 2030 agenda, aims to implement nationally appropriate social protection systems and measures for all, including floors, supported by the Universal Social Protection partnership (USP2030).

This brief presents a successful experience of a country in extending social protection.



Main lessons learned

- Old-age pensions follow a rights-based approach and are included in national laws. Free universal healthcare access and a wide range of services are available to elderly people.
- Trinidad and Tobago's pension system is based on an income guarantee for elderly people. It contributes to the achievement of the social protection floor for older persons.
- Additional synergies between contributory and non-contributory schemes could improve efficiency and rationalize the use of resources.
- Fiscal constraints may affect the level of protection provided. Hence it is important to extend coverage of contributory old-age pensions especially to workers in the informal economy and explore diversification of financing sources to ensure long-term sustainability.

1. What does the old-age social protection system look like?

Trinidad and Tobago is an ageing country and ranks in the high human development category on the Human Development Index, with a rank of 67 out of 187 in 2012. 14.2 per cent of the total population were above the age of 60 in 2015 and this is expected to grow to 16.5 per cent in 2020 (United Nations Department of Economic and Social Affairs, Population Division, 2015).

The Government of Trinidad and Tobago provides a very comprehensive range of social services and transfers for elderly people.

Table 1: Structure of the pension system in Trinidad and Tobago

	Beneficiaries	Benefits	Institution
Social pension	Aged 65 or more, means-tested	SCP, Social services	MSDFS, Social Welfare Division (SWD)
Contributory pension	Employed persons, domestic workers	Old-age pension, old-age grant, survivorship, invalidity	NIB, Ministry of Finance
Health coverage	Universal	Health care, drugs	MOH, CDAP
Social services	Means-tested		

The old-age pension system in Trinidad and Tobago consists of contributory and non-contributory schemes that provide income security for elderly people. Both contributory and non-contributory schemes were established on 1939. The National Insurance Board administers the social insurance scheme and the Social Welfare Division (SWD) of the Ministry of Social Development and Family Services manages the social assistance programmes.

2. What are the characteristics of the old-age pensions?

Benefits: The NIB retirement pension is paid at age 60 to anyone who has been insured with a minimum of 750 weeks of contributions. A retirement grant in the form of a one-time lump-sum payment is paid to those insured persons who have made less than 750 weekly contributions. The total contribution rate is 13.2 per cent (4.4 per cent by employees and 8.8 per cent by employers) and the maximum insurable earnings are 13,600 Trinidadian dollars (TTD) per month. Contributions are paid according to 16 wage categories and the pension is calculated based on the category. The self-employed are not covered under the NIB.

The minimum monthly pension is TTD 3,000 (approximately US\$ 445), which represents 115 per cent of the minimum wage. About 97 per cent of the current pensioners receive the minimum pension.

The SWD administers the social pension called the Senior Citizens' Pension (SCP) in accordance with the Senior Citizens' Pension Act. The SCP is a monthly grant paid to persons aged 65 or more based on their income and residential status. To be eligible, their income should not exceed TTD 4,500 per month (approximately US\$ 668). SCP recipients must be resident in Trinidad and Tobago for 20 years preceding the date of application. Any periods of absence must not exceed a total of 5 years during the 20 years preceding the application. SCP recipients must also have spent a period of at least 50 years in the country to be eligible for the benefit.

The SCP benefit is decided for each case depending on the income category that the pensioner falls in. In 2016, the SCP benefit ranged from a minimum of TTD 500 to a maximum of TTD 3,500 per month with 74.2 per cent of the recipients receiving the maximum benefit. The amount is higher than the established poverty line and significantly above the indigence line. The sum also exceeds the established minimum wage for the country and the NIB minimum pension. Where there are two persons living in the same household (husband and wife) who qualify for the SCP, they can get a maximum household pension of TTD 7,000 per month.

Coverage: The coverage has expanded significantly over the years. From 2001 to 2016, the persons covered by the SCP increased from 61,000 to 90,800 senior citizens (or 70 per cent of all elderly people).

Since 1939, the Government has continuously enhanced the benefit levels and other criteria associated with pensions so as to be more responsive to the needs of elderly people. A major policy change is in the statutory income limit to qualify for a social pension. In the early stages, elderly people with a personal income of TTD 5,000 per year including income from savings and assets were excluded from the SCP. Today, a person can have a personal income of up to TTD 4,500 per month and still qualify for an allowance under the non-contributory SCP.

Financing: The NIB pension is financed from social contributions. The total contribution rate is 13.2 per cent; 4.4 per cent by employees and 8.8 per cent by employers.

The SCP is financed directly from the National Budget. The many changes made to the policy over the years have resulted in a significant increase in the expenditures associated with the SCP. In 2015, the expenditures were TTD 2,647,056,180 (1.6 per cent of GDP). For the fiscal year 2016-17, the budget was TTD 3,319,554,016.

Legal framework: NIB benefits are regulated by the National Insurance Act, updated 31 December 2014. The SCP is regulated by the Senior Citizens' Pension Act, updated 31 December 2014.

Institutional arrangements for delivery: To receive the SCP, an application form must be submitted to the Local Board Office of the respective district. Applicants may be required to attend an assessment meeting with the Local Public Assistance Board, which decides on all applications. Persons whose applications have been rejected have the right to appeal. There are 11 Local Public Assistance Boards covering the country.

The SCP is paid via direct deposit into the recipient's personal bank account or by cheques mailed directly to the recipient's address. The Ministry launched a biometric card system in 2015 and this is expected to be the platform for the Central Beneficiary Registry. This

system allows for enhanced identity verification and identity fraud reduction.

3. What other services are available to elderly people?

Elderly people that are eligible under the Chronic Disease Assistance Programme (CDAP) benefit from free health care at health clinics and hospitals, as well as the provision of selected drugs at no cost. The CDAP is managed by the Ministry of Health and provides citizens with free prescription drugs and other pharmaceutical items to combat a number of diseases, including diabetes, cardiac diseases, arthritis, glaucoma, mental depression, high blood pressure, benign prostatic hyperplasia, hypercholesterolemia, thyroid diseases and Parkinson's disease. In case all the necessary drugs and services are not available in the public healthcare system, beneficiaries can access private healthcare services at subsidized rates. Accessibility and coverage do not therefore pose major challenges in Trinidad and Tobago.



Loneliness, one of the major risks facing elderly people, is managed through the Senior Centres Programme. The programme, which targets elderly people who are in good health and physically active, is designed to provide the necessary physical, social and mental stimulation, as well as support mechanisms, to enable elderly people to optimize their later years. Centres are administered by non-governmental organizations and community-based organizations, with financial support from the Government. Elderly and Differently Abled Mobile (ELDAMO) provides free transportation to elderly people to go about their daily routine. Free transportation on the public service transport system (bus rides, ferry to Tobago and trips on water taxis

during non-peak hours) is also available to all elderly people in Trinidad and Tobago.

Homelessness is another risk associated with growing old. The Homes for Older Persons Act provides oversight of Residential Homes for elderly people as well as the regulation and monitoring of all facilities for elderly people in Trinidad and Tobago. Housing opportunities are also available under the State, such as the Pensioners Quarters, as part of the support for elderly people. Other subsidized housing programmes are also available to elderly people.

The Geriatric Adolescent Partnership Programme and the Retirees Adolescent Partnership Programme bridge the generation gap and allow elderly people to interact with young people and provide mutual support. Under these programmes, poor elderly people also benefit from free transportation and caregiving. Several other means-tested programmes are available to elderly people, such as subsidies on annual water and electricity rates, public education, a home improvement grant, house rental grants, household furniture and appliances, home care and assistive devices.



An Older Persons Information Centre (OPIC) established by the Ministry of Social Development and Family Services serves as a referral facility for information on resources, services and products for elderly people.

4. What are the main impacts on people's lives?

Trinidad and Tobago has almost universal pension coverage. Of all NIB members above the age of 60 years, 73 per cent receive the NIB pension while the rest who are ineligible due to insufficient contribution period receive a lumpsum retirement grant. Over 80 per cent

of persons above the age of 65 who are eligible for the SCP receive the non-contributory pension.

In terms of adequacy, NIB guarantees a pension of at least TTD 3,000 per month while SCP's level of pension is calculated so as to guarantee a minimum level of income that exceeds the poverty threshold. The system adopts a concept similar to that of the SPF with income security guaranteed at TTD 3,000 per month.

5. What's next?

Trinidad and Tobago is under fiscal pressure because of economic slowdown and low oil and gas prices. Diversification of the economy is high on the political agenda to ensure long-term economic growth and sustainability of the pension system.

Improving the efficiency and effectiveness of existing programmes without compromising on universality and benefit adequacy as well as ensuring the right incentives that social protection programmes should provide are being discussed. The Ministry of Social Development and Family Services (MSDFS) is fully implementing the Biometric Card System and establishing an integrated information technology (IT) system. The objective of the system is to facilitate the modernization and effective delivery of social services. The system would automate and re-engineer the MSDFS's core business processes, operational activities, business and programme performance, thereby providing an integrated approach to case management. It is expected that there would be a seamless administration of social services together with data and information collaboration among Government ministries and agencies.

The linkages between contributory and non-contributory schemes in the areas of benefit design, administration, financing, delivery of services and administrative tools have to be reinforced. The NIB has to consider the implementation of social protection mechanisms for the self-employed and the unemployed. Such social protection schemes will have considerable impacts in the long run by reducing the number of social assistance benefits that would have to be paid in the future, while ensuring an adequate universal system.

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This brief was produced by Vijay Gangapersad of the Ministry of Social Development and Family Services and Ariel Pino of ILO with support from Loveleen De.

The Social Protection Floors in Action brief series is edited by Isabel Ortiz, Valerie Schmitt and Loveleen De, Social Protection Department, International Labour Organization (ILO).

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