



REPORT ON OPERATIONS

FINANCIAL YEAR
ENDED JUNE 30, 2020

NATIONAL INSURANCE BOARD OF TRINIDAD AND TOBAGO CORPORATE ANNUAL REPORT FY 2020

Reporting requirements to the Minister of Finance under the National Insurance Act of Trinidad and Tobago

The National Insurance Board of Trinidad and Tobago (NIBTT) was established by an Act of Parliament No 32:01 of 1971. The NIBTT is a Body Corporate led by a tripartite Board of Directors comprising representatives of Government, Business and Labour and an independent Chairman. The Board is charged with the statutory duty to operate and manage the National Insurance System (NIS).

In keeping with the National Insurance Act, the NIBTT produces an Annual Report on its operations every financial year and this Report allows the organization to account to the Parliament and the public on the operations and financial performance of the body corporate and the NIS. At the NIBTT we consider our annual report to serve a much wider purpose, by highlighting what we do, how we deliver our services and the value the NIS provides to the people of Trinidad and Tobago.

The contents of this report comply with Section 13(2A) of the National Insurance Act Chap. 32:01 which stipulates:

The report referred to in subsection (2) shall include the –

- a) number of contributors and beneficiaries in the National Insurance Scheme;*
- b) contribution income collected;*
- c) fixed expenditure incurred in respect of the administration of the National Insurance System;*
- d) composition of the investment portfolio;*
- e) yield on investments; and*
- f) statement of any financial or commercial arrangement with subsidiaries or associated companies.*

EXECUTIVE DIRECTOR'S REPORT

The financial year July 1, 2019 to June 30, 2020 has seen the unprecedented impact of the Novel Coronavirus (COVID-19) pandemic, with its greatest effect being felt in the latter part of the financial year. Despite the significant challenges, the NIBTT is pleased knowing our Strategic Plan: Vision 2024, included many of the tools required in this global transitioning to the 'New Normal' imposed on us by COVID-19. We are therefore, well on our way to repositioning ourselves to work as a robust organization going forward. Satisfying the need for greater sensitivity in this time of uncertainty, our CORE Values embodies the response required in this challenging time when greater C.A.R.E is needed:

C - Collaboration and Commitment,

A - Accountability,

R - Resourcefulness and Resilience, and

E - Empathy

Since the announcement on March 12, 2020 of the first local COVID-19 case and the subsequent *Stay-at-Home Order* by the Government on March 29, 2020, the NIBTT in an immediate response introduced alternative work arrangements, with staff being required to work from home on a rostered basis. Standard protocols were implemented at our offices, as guided by the Ministry of Health, such as: social distancing and additional sanitizing and the wearing of a mask during routine operations to keep our staff and customers safe. Additionally, drop boxes and limiting access to NIBTT's premises for both staff and customers were some of the measures put in place to ensure customers were not placed under undue hardship on account of the virus, while catering for their safety. When the Government restrictions began to be lifted on May 10, 2020, further adjustments were also made to assure a safe environment to work and interact with customers.

As we look to the economy, challenges have persisted over the last two quarters, as the energy sector continued to suffer from depressed output on account of low prices internationally. This situation was exacerbated by the COVID-19 pandemic, which caused demand from major consumers to plummet and a further depression in prices internationally. The resulting effect, globally, was the closure of the plants of inefficient producers whose costs of production was higher than prevailing prices. The attending uncertainty on the duration of the ongoing pandemic meant that some firms could not determine when they would return to profitability. Locally this has impacted firms within the Point Lisas Estate¹ who have either powered down, closed temporarily or chose to cease operations altogether. Firms such as Yara, Titan, Nutrien and MHTL M3 plants

¹ Bridglal, Carla. "[UPDATED] Nutrien temporarily shuts Pt Lisas ammonia plant." *Trinidad and Tobago Newsday*. May 5, 2020. Accessed: June 30, 2020. Available: <https://newsday.co.tt/2020/05/05/nutrien-temporarily-shutters-largest-pt-lisas-plant/>

have all experienced difficulty within the year. Others² could not continue and have closed, laying off staff in the process. Notwithstanding the challenges, the NIBTT has been able to meet its *overall* Contribution Income target for FY2020 on the strength of arrears collected, while we observed a decline on the level of regular Contribution Income as a result of the closure of some businesses due to the pandemic within the last quarter of the financial year.

In the year 2020, the IMF³ had forecasted a local unemployment rate of about 4.75 % and a contraction of 4.54% in GDP. According to the IMF forecast which reflects the world's pre COVID-19 pandemic economic conditions, some hope would have existed for 2021, however, the forecasted GDP of 2.6% for Trinidad and Tobago is unlikely to be realised. The NIBTT is not only impacted by the economic downturn due to COVID-19 but also the decrease in the of price oil and gas, both are expected to have a measurable impact on the level of employment and ultimately Contribution Income. In the coming financial year Contribution Income is also expected to decline by 10% when compared to the level of Contribution Income collected in FY2020. The negative economic situation will also impact our investments as the receipt of dividends will fall due to the uncertainty resulting from the economic fallout from COVID-19. Considering the likely economic impact, we will focus on the strategic collection of arrears and the filling of key vacancies for Authorized Officers, whose performance monitoring and management will be more appropriately linked to debt collection.

Furthermore, with the urgency of our response to the COVID-19 pandemic and the need to serve our customers, the NIBTT will continue on its current path of improving our existing technology as well as the use of online means to engage our customers. During this period, we have facilitated employer's access to Compliance Certificates via online methods and have also continued the initiative of digitizing all NI Forms. In our continued efforts to champion technological innovation, an ICT End-to End system initiative is currently being undertaken which embodies the goal of the NIBTT to achieve being a sustainable, technology driven, and service-oriented organization to EMPOWER our Staff using technology.

The ageing population continues to be a concern of the NIBTT. This dynamic, is represented by a decrease in the number of births resulting in a decline in the working population and a sharp increase in pensioners. This trend based on NIS data as well as data from the Central Statistical Office (CSO) has classified the Trinidad and Tobago population as an ageing society, with 13.4%⁴ of the population aged 60 and over. In fact,

² Wilson, Anthony. "Massy Motors furloughs 68, rotates 35, cuts salaries of 10." *Daily Express*. Accessed: June 5, 2020. Available: https://trinidadexpress.com/news/local/massy-motors-furloughs-68-rotates-35-cuts-salaries-of-10/article_144145e6-a790-11ea-be2b-eb4ee50dab6f.html.

³ International Monetary Fund (IMF). "IMF DataMapper". April 2020. Available: <https://www.imf.org/en/Countries/TTO>

⁴ Calculated by the NIBTT based on data provided by the Central Statistical Office.

since 2010 the number of pensioners has increased by over 50%, with the number of pensioners projected to increase again by more than 40% in the next 10 years. This drastic increase will put a strain on the system, as a shrinking contributory base supports a growing number of beneficiaries. This phenomenon continues to highlight the need for the implementation of pension reform measures as highlighted in the 10th Actuarial Review.

Forged by the challenges of 2020, we must however retain a spirit of resilience in preparation for FY2021. The NIBTT Family must focus on hope as a community. Continuing as our brother's keeper, we must be of service to others in this the *New Normal*.

Financial and Performance Highlights:

	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>% Increase/ Decrease 2018-2019</u>	<u>% Increase/ Decrease 2019-2020</u>
Claims					
Benefit Recipients	197,379	202,800	204,613	2.75%	0.89%
Long – Term Beneficiaries	166,078	172,703	177,410	3.99%	2.73%
New Claims Paid	41,086	40,573	35,800	-1.25%	-11.76%
Compliance					
Customer Base	625,422	599,768	588,401	-4.10%	-1.89%
Insured Contributors	452,234	420,638	404,197	-6.98%	-4%
Employers	20,869	20,714	20,274	-0.74%	-2.12%
Employers Surveyed	2,315	4,742	2,792	104.83%	-41.12%
Financial					
Contribution Income (\$Mn)	4,669.61Mn	4,706.49 Mn	4,685.85 Mn	-0.78%	-0.44%
Net Investment Income Realised (\$Mn)	1,991.24 Mn	1,254.21 Mn	830.5 Mn	-37.01%	-33.78%
Miscellaneous Income (\$Mn)	-0.92 Mn	2.26 Mn	4.14 Mn	345.65%	83.18%
Benefit Expenditure (\$Mn)	4,895.77 Mn	5,139.19 Mn	5,350.81 Mn	4.97%	4.12%
Administrative Cost (\$Mn)	214.01 Mn	219.67 Mn	251.17 Mn	2.64%	14.34%
Administrative Cost as a % of Contribution Income	4.58%	4.66%	5.36%	0.08*	-0.70*
Administrative Cost as a % of Total Income	3.28%	3.38%	3.89%	0.1*	0.51*
Net Yield of Investment Portfolio (realised & unrealised) / Overall Investment Portfolio Return ***	5.71%	8.08%	4.38%	2.37*	-3.70*
Total Funds (\$Bn)	27.83Bn	28.96 Bn	28.65 Bn	4.06%	-1.07%
Total Assets (\$Bn)	27.99 Bn	29.13 Bn	28.93 Bn	4.07%	-0.69%

*Percentage Points

*** Return based on Investment Portfolio-Excludes Cash Balances from NIBTT's Pension Plan a/c, MAT securities (Mortgages) Funeral Grant Cash Account and other cash accounts related to Insurance Operations

Key operational statistics include:

1. Contribution Income in FY2020 was \$4,685.85 Mn, a decrease of 0.44% when compared to the figure recorded in FY2019.
2. The number of Beneficiaries increased by 1,813 or 0.89%, to 204,613 in FY2020 compared with 202,800 in the previous year.
3. Benefit Expenditure amounted to \$5,350.81 Mn and represented an increase of 4.12% over the previous year.
4. Total Funds decreased by 1.07% from \$28.96 Bn as at June 30, 2019 to \$28.65 Bn as at June 30, 2020
5. Total Assets decreased by 0.69% from \$29.13 Bn as at June 30, 2019 to \$28.93 Bn as at June 30, 2020.
6. Administrative Expenses as a percentage of Contribution Income increased from 4.66% in FY2019 to 5.36% in FY2020.

Employer and Employee Registration

During FY2020, the number of employers registering with the NIBTT was 1,752. This represented a decrease of 298 or 14.54% when compared with the 2,050 registered within the previous year FY2019. The active employer population also decreased marginally from 20,714 in FY2019 to 20,274 in FY2020. This represents a decrease of 2.12% during the current reporting period. New Registrants of Employees for FY2020 were 13,700 employees compared to 17,373 in FY2019, a decrease of 3,673 or 21%.

Benefit Administration

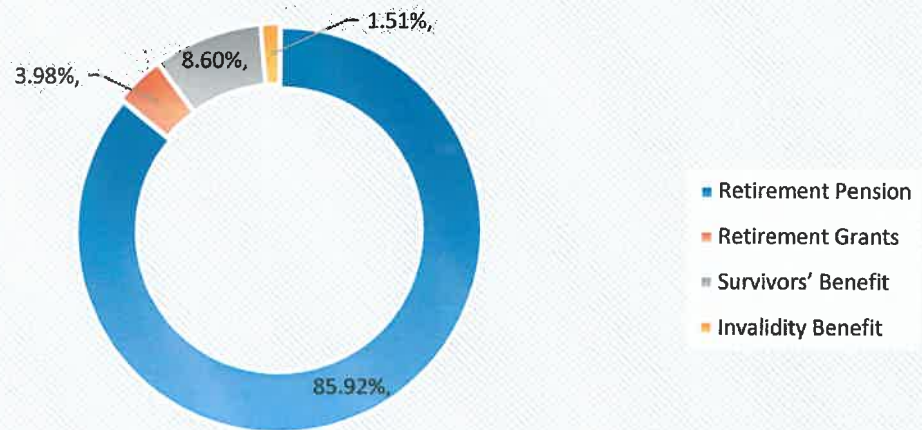
There were 204,613 Beneficiaries who received a total of \$5,350.81 Mn in benefit payments. This represented an increase in expenditure of 4.12% over the previous reporting period.

Long-Term Benefits

The suite of Long-Term benefits includes: Retirement Pension, Retirement Grant, Invalidation and Survivors' Benefit recipients. Payment to this group totalled \$5,067.14 Mn for FY2020 or around 94.7% of total Benefit Expenditure in FY2020, an increase from the 93.96% relative share in total Benefit Expenditure in FY2019. The Retirement Pension accounted for the largest component of Long-term Benefits, totalling \$4,353.56 Mn or 85.57% of Long-Term Benefit Expenditure. There were 177,410 Long-Term Beneficiaries in FY2020 an increase of approximately 3.99% from the 172,703 recorded in FY2019. Long-Term Beneficiaries constituted approximately 86.7% of the total Beneficiaries recorded in FY2020.

Benefit Type	Number of Beneficiaries	Benefit Expenditure	% of Total Long-Term Beneficiaries	% of Total Long-Term Expenditure
Retirement Pension	122,228	\$4,353,563,523.59	68.90%	85.92%
Retirement Grants	4,680	\$201,429,147.03	2.64%	3.98%
Survivors' Benefit	46,886	\$435,566,787.38	26.43%	8.60%
Invalidity Benefit	3,616	\$76,580,838.33	2.04%	1.51%
Total	177,410	\$5,067,140,296.33		
% of Total Beneficiaries	86.71%			
% of Total Benefit Expenditure		94.70%		

Figure 3: Distribution of Long-Term Benefit Expenditure for the Financial Year 2019/2020

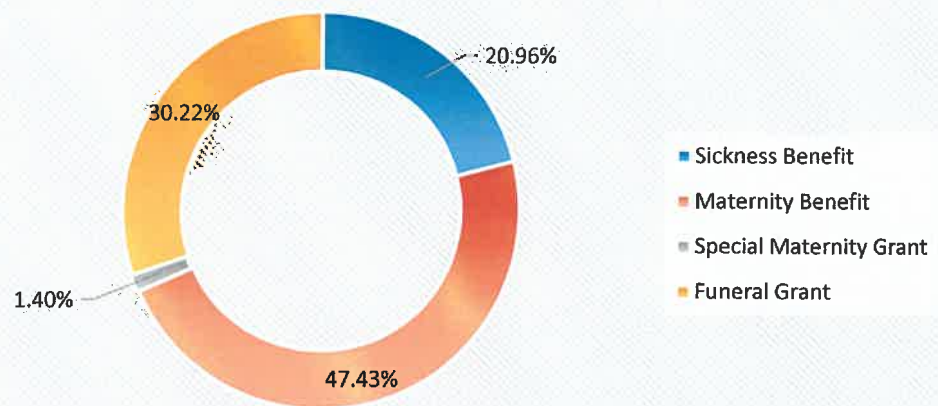


Short-Term Benefits

The Short-Term benefits includes: Sickness Benefit, Maternity Benefit, Special Maternity Benefit and Funeral Grant. Payment to this group totalled \$204.00 Mn or 4% of Total Benefit Expenditure. This represents a decrease from \$230.40 Mn in FY2019 of 11%. A similar pattern of decrease occurred with the number of beneficiaries decreasing from 25,114 to 22,444 or a decline of just over 10% from FY2019 to FY2020. It accounted for 11% of the total number of Beneficiaries.

Benefit Type	Number of Beneficiaries	Benefit Expenditure	% of Total Short-Term Beneficiaries	% of Total Short-Term Expenditure
Sickness Benefit	7,749	\$42,746,741.62	35%	20.96%
Maternity Benefit	5,709	\$96,748,177.23	25%	47.43%
Special Maternity Grant	754	\$2,857,500.00	3%	1.40%
Funeral Grant	8,232	\$61,635,000.00	37%	30.22%
Total	22,444	\$203,987,418.85		
% of Total Beneficiaries	10.97%			
% of Total Benefit Expenditure		3.81%		

Figure 4 : Distribution of Short-Term Benefit Expenditure for the Financial Year 2019/2020

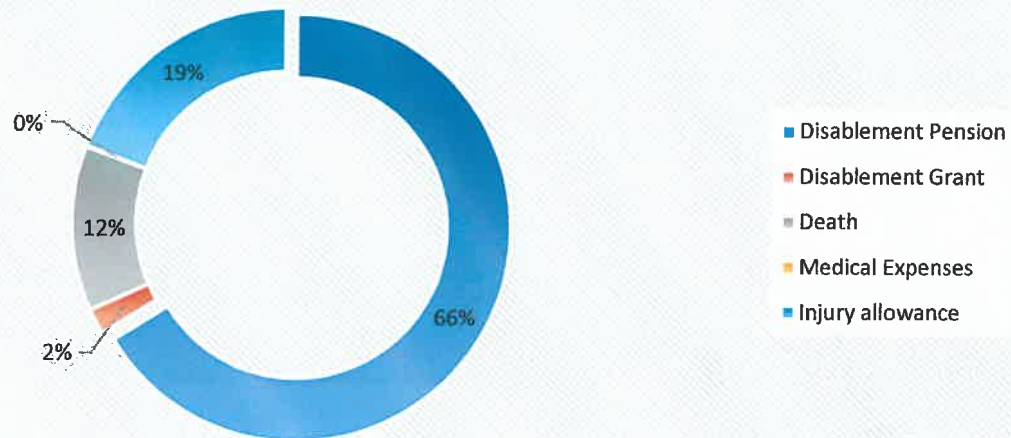


Employment Injury Benefits

The Employment Injury Benefits branch includes: Disablement Pension, Disablement Grant, Death Benefit, Medical Expenses and Injury Allowance. Payment of employment injury benefits across types totalled \$79.70 Mn or 1.5% of total Benefit Expenditure. This represents an increase of about 1% over total Employment Injury Benefit (EIB) expenditure for FY2019 of \$79.04 Mn. There was a decrease from 4,985 beneficiaries in FY2019 to 4,759 in FY2020, a 5% reduction. EIB beneficiaries accounted for 2.33% of total number Beneficiaries in FY2020.

Benefit Type	Number of Beneficiaries	Benefit Expenditure	% of Total EIB Beneficiaries	% of Total EIB Expenditure
Disablement Pension	3,159	\$52,858,223.11	66%	66%
Disablement Grant	48	\$1,554,067.43	1%	2%
Death	434	\$9,934,147.74	9%	12%
Medical Expenses	39	\$60,032.62	1%	0%
Injury allowance	1,079	\$15,277,074.47		19%
Total	4,759	\$79,683,545.37		
% of Total Beneficiaries	2.33%			
% of Total Benefit Expenditure		1%		

Figure 5: Distribution of Employment Injury Benefit Expenditure for the Financial Year 2019/2020



REVENUE

Contribution Income collected for the year ending June 2020 was \$4,685.85 Mn, a total of \$68.1 Mn above the budgeted estimate of \$4,617.75 Mn. Income from penalties and interest amounted to \$34.58 Mn in FY2020, more than double the \$15.26 Mn collected in the previous year. A comparison of Contribution Income for the years 2016 through 2020, giving a measure of the typical yearly fluctuation in Contribution Income, is provided below.

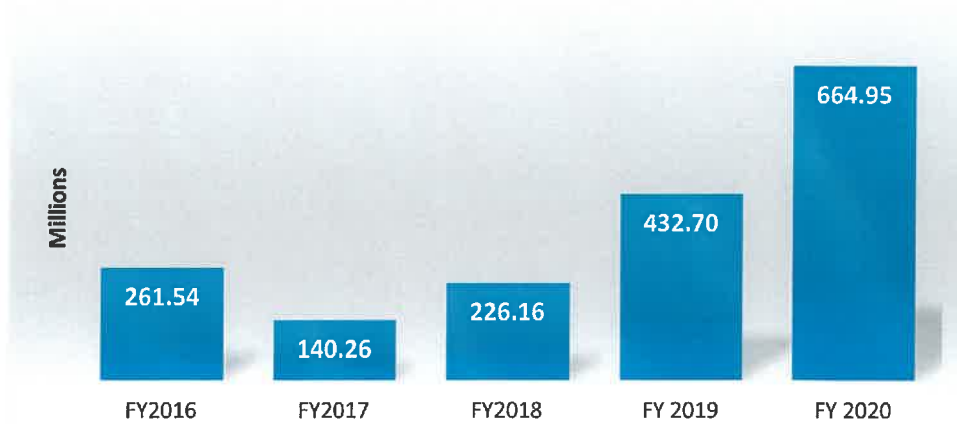
Contribution Income for FY2016 to FY2020

	FY2016	FY2017	FY2018	FY2019	FY2020
Contribution Income (\$Mn)	\$4,251.70	\$4,608.24	\$4,669.61	\$4,706.49	\$4,685.85
% Increase/Decrease		8.39%*	1.33%	0.79%	-0.44%

*Contribution Rate Increase from 12% to 13.2% in FY2017

Of continuing great concern over the last 6-7 years is the increase in the disparity between Contribution Income and Benefit Expenditure. This growing shortfall has been supplemented by investment income. If the status quo is maintained, it is projected that as early as the next 2-4 years assets will have to be liquidated to ensure that benefits can continue to be paid in full.

Figure 6: Excess of Benefit Expenditure over Contribution Income



The chart above shows the excess of Benefit Expenditure over Contribution Income from FY2016. Note that this does not include Administrative Expenditure which has been over \$200 Mn in recent times. In FY2020 the total shortfall to be financed by investment income was **\$916 Mn**, including Administrative Expenditure of \$251.17 Mn. Total realised Investment Income for the year was \$830.50 Mn.

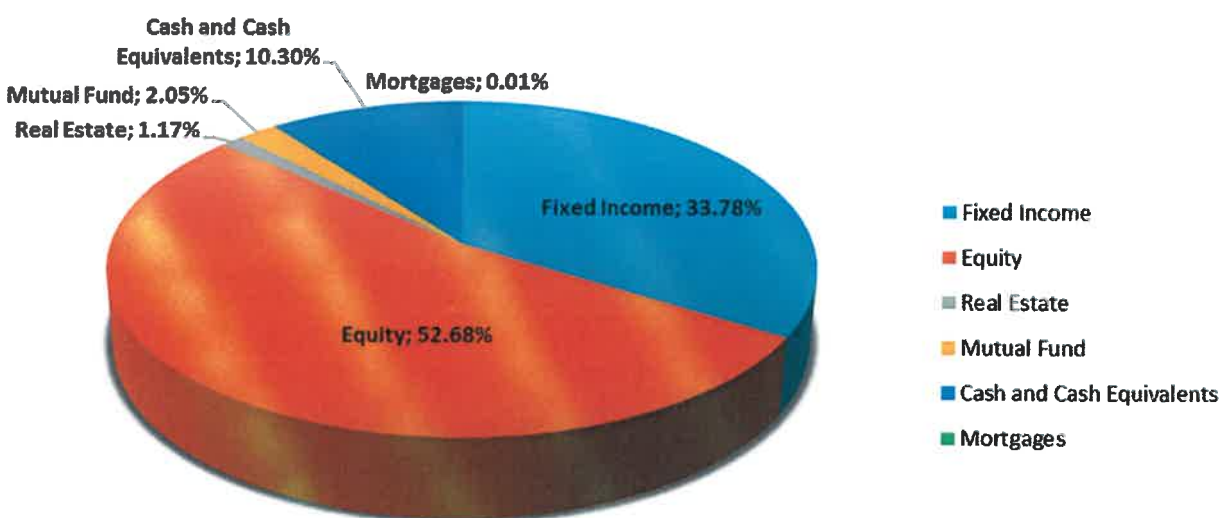
INVESTMENT

The NIBTT's investment portfolio as at June 30th, 2020 had a market value of \$27.73 Bn, reflecting a 0.44% or \$122 Mn decrease over the fund size as at June 30, 2019 which stood at \$27.85 Bn. The decrease in the Fund's market value was mainly attributable to approximately \$120 Mn in unrealised losses; the equity and fixed income portfolios

accounting for \$10 Mn and \$87 Mn respectively of these unrealised losses. The worldwide pandemic has significantly affected global markets, as equities in particular have experienced the steepest declines since the global financial crisis. As such, the NIBTT's net investment yield experienced a decline from 8.08% in FY2019 to 4.38% in FY2020. The decrease in the NIBTT's portfolio was further impacted by withdrawals of \$950 Mn from the Investments Cash Account to support the shortfall between expenditure and Contribution Income as highlighted above.

The chart and table below provide a breakdown of the allocation of assets across the available asset classes as at June 2020.

Asset Allocation as at June 2020



Asset Class	Market Value as at June 30, 2020	Current Asset Allocation
Fixed Income	\$9,367,388,000	33.78%
Equity*	\$14,608,484,000	52.68%
Real Estate	\$324,602,000	1.17%
Mutual Fund	\$569,233,000	2.05%
Cash and Cash Equivalents	\$2,857,119,000	10.30%
Mortgages	\$2,407,000	0.01%
Total	\$27,729,233,000	100.00%

*Includes Investment in subsidiary companies

The Equity Portfolio accounts for the largest asset class of the total fund and currently stands at \$14.61 Bn, which increased by approximately 0.83% or \$120.42 Mn when compared to June 30th, 2019.

Over the financial period, July 2019 to June 2020 the Fund's locally listed equity portfolio reported a total return of 6.74% which significantly outperformed its benchmark the ALL T&T Index return of 1.34% by 540 basis points. The outperformance was mainly attributable to the Fund's weightier positions in Republic Financial Holdings Limited and Massy Holdings Limited.

As at June 30, 2020, the Fixed Income portfolio decreased by 6.07% or \$605.65 Mn to \$9.37 Bn and had a purchased yield to maturity of 5.16%. During the year, \$991 Mn in new securities were purchased while \$850 Mn (face value) matured. The NIBTT's fixed income portfolio invests in high quality debt instruments as the portfolio is primarily invested in government and government guaranteed instruments which account for approximately 54% of the fixed income portfolio.

The top two countries in which the portfolio is invested are Trinidad and Tobago (82%) and North America (18%). The largest areas of NIBTT's investments are Financial (38%) and Sovereign (20%).

In March 2020, S&P Global Ratings lowered its long-term sovereign credit ratings on the Republic of Trinidad and Tobago (T&T) to "BBB-" from "BBB" with a "Stable" outlook. The agency notes the lower oil and gas prices due to the impact of COVID-19 will materially affect Trinidad and Tobago's government revenues, and lead to larger increases in net general government debt as a result, over the forecast horizon. Trinidad and Tobago remain heavily dependent on the energy sector, which has historically contributed over a third of the government's revenues, on average, over 30% of the country's real GDP, and over 80% of its exports.

Additionally, it is expected lower energy prices will lead to lower tax collections from oil and gas companies and the government will be challenged with maintaining expenditure, particularly given its desire to avoid a further contraction in its economy. Meanwhile, in May 2020, Moody's Investors Services changed Trinidad and Tobago's credit outlook from "Stable" to "Negative" whilst affirming its Ba1 rating. Moody's believes the negative outlook reflects increased downside risks to Trinidad and Tobago's economic and fiscal strength stemming from medium-term challenges that have now been exacerbated by the severe shock to global oil and gas demand and prices, triggered by the coronavirus pandemic.

Realized and Unrealised Investment Income FY2019 – FY2020

Year on Year Total Realised Investment Income (\$'000)		
	2019/2020	2018/2019
Interest Income	\$416,372	\$432,607
Dividend Income	\$285,726	\$600,618
Gain on sale of foreign equities	\$32,650	\$84,627
Loss from Foreign exchange	(\$10,819)	(\$4,179)
Gain/ (loss) on sale of mutual funds	\$20,288	\$31,154
Other Income	\$116,863	\$144,215
Total realised Investment Income	\$861,080	\$1,289,042

Year on Year Net Unrealised Investment Income (\$'000)		
Asset Class	2019/2020	2018/2019
Equity	(\$10,331)	\$946,049
Bonds	(\$87,184)	\$33,349
Investment property valuation	-	-
Other	(\$22,879)	(\$2,493)
Total	(\$120,394)	\$976,905

As highlighted in the tables above, the asset class that contributed mainly to the net unrealised investment loss over the period is bonds. This negative unrealised gain was offset by a total realised investment income of \$861 Mn. Key drivers for the portfolio's realised investment income were interest income from bonds, dividend income from equity holdings, and realised gain on the sale of foreign equities.

Subsidiaries of the NIBTT

National Insurance Property Development Company Limited (NIPDEC) **100%**

NIPDEC is a fully owned subsidiary of the NIBTT. Its mission is to develop, manage and sell property, goods and services in partnership with the NIBTT and other organisations in Trinidad and Tobago, utilising a project management approach to bring value to their shareholders and stakeholders.

Home Mortgage Bank (HMB) **100%**

HMB is a subsidiary of the NIBTT. Its purpose is to develop and maintain a mortgage market in Trinidad and Tobago, contribute to the mobilisation of long-term savings to support the development of a system of real property and housing finance, provide leadership in the home finance industry and promote growth of the capital market.

Trinidad & Tobago Mortgage Finance Company Limited (TTMF)

51%

TTMF is a subsidiary of the NIBTT. Its mission is to provide mortgage financing for the purchase of residential properties.

Financial or Commercial arrangements with Subsidiaries or Associated Companies

Note that there are no financial or commercial arrangements with subsidiaries or associated companies.

OPERATIONAL HIGHLIGHTS

The content that follows serves to provide information on other aspects of the NIS or NIBTT's operation and management of the NIS which are beyond the requirements of NIBTT's Annual Report compliance obligation, but which may be of informational value to stakeholders.

NIBTT Strategic Plan Vision 2020-2024

The financial year 2020 saw the implementation of the Strategic Plan Vision 2020-2024 and the commencement of the planning activities for the period which culminated in an all staff in-person launch in October 2019. The new Strategic Plan covers a 5-year period and functions as a roadmap from which the organization will develop operational plans for its constituent Business Units and Departments moving forward. As the year progressed and the impact of the pandemic materialised, a comprehensive review of corporate strategic targets for FY2020 and an analysis of the possible impact of the pandemic on the achievement of these targets was prepared and submitted to the Board of Directors for consideration. A review of the entire strategic plan will also be undertaken early in the new financial year.

Technology

Technology remains a critical support system which allows us to deliver on our mandate of the provision of Social Insurance services to our customers. Within the year, we continued to expand on our plans for the development of our IT infrastructure, while preserving appropriate standards of performance.

Continuing with our efforts to develop an End-to-End solution, the NIBTT rebranded this initiative with the new name "Empower" in FY2020 with the key activities within the year focusing on the development issues and evaluation of a Request-for-Proposal (RFP) for this IT solution. These works were accomplished with the help of multi-disciplinary teams whose work entailed the development and overview of a Value Management Plan to cater for the evaluation of proposals as well as the further drafting of a Change and Communication Management Plan. Work has progressed steadily throughout the year

with the proposals submitted in August 2019 and evaluations completed by October 2019. Vendor demonstrations were held with shortlisted companies in February 2020. Further due diligence was conducted in April and May 2020 by an Executive Committee with the final stages of the current phase of procurement conducted in June 2020. It is anticipated that the coming financial year will result in a formal award of contract as we move steadfastly to bring the “Empower” project closer to realisation.

Manpower, Staff Training and Welfare

During this financial year, the NIBTT continued to focus on ensuring that the organization was staffed with the right resources, in the right positions, at the right time, with the right skills and competencies in the pursuit of an engaged and enabled workforce. Throughout the year great emphasis was put on engaging employees and facilitating greater dialogue between Management and Bargaining Unit staff, filling critical vacancies throughout the NIBTT and training existing staff to better function in their respective areas while ensuring staff operated in a safe and healthy environment.

In March 2020, the threat of COVID-19 resulted in the closure of all non-essential services by the Government of the Republic of Trinidad and Tobago (GORTT). While the NIBTT was classified as an essential service, measures to safeguard health and safety were implemented involving reduction of staff ensuring that only staff required for critical processes were operational from March to June 2020.

At the end of the financial year the approved staff complement was 723. This comprised 471 Permanent staff and 208 temporary staff. There were 252 vacancies at the NIBTT at the end of the financial year. A drive to fill vacancies is on-going where appropriate, with consideration being given to the impact of future ICT changes.

Whilst ensuring that we had the resources available, focus was also placed on ensuring that the resources had the right skills and competencies to get the job done. In this regard a training plan with 14 training programs was developed for the year. Of this, 10 programs or 71% were completed, with a total of 278 employees exposed to training over the course of the financial year. The completion of the other programs was stymied as a result of the measures implemented due to the COVID-19 pandemic.

Reflecting on some of the other initiatives worked on during the past year, our discussions on wage negotiations have continued as we commit ourselves to meet with the Public Services Association of Trinidad and Tobago (PSA) to address the needs of our staff. In June 2020, staff members were afforded the facility to receive Payments of advances on Salaries in Arrears (Back Pay) based on an agreement between the NIBTT and the PSA. We envisaged that this advance would assist in stemming the pressure in this economically challenging time. Discussions have also progressed on the issue of Pay-for-Performance as we work to reach a formal agreement on this matter.

NIS Compliance and Recovery

As part of our continuing efforts to safeguard the assets of the National Insurance System, we continued to utilise all legal measures to ensure the recovery of monies owed to the NIBTT. Through court agreements, promissory notes as well as litigation actions, a total of \$128.6 Mn in contribution arrears, penalties and interest from 22 non-compliant employers were retrieved. Additionally, for the period under review, two (2) judgements were obtained against employers and/or directors for arrears of contribution, penalties and interest payments in the amount of \$1.90 Mn.

Appeals

Claimants continued to exercise their right of appeal whenever they felt aggrieved by decisions of the NIBTT in respect of their claims for benefits. This is in accordance with Section 62 (1) of the National Insurance Act (NI Act) which states that:

“Appeals from decisions of the Board shall lie to the Appeals Tribunals on questions of fact only and to the High Court on questions of law or partly of law and partly of fact from the High Court to the Court of Appeal.”

As such during the financial year, 154 appeal notices were received from the Appeal Tribunal. Of these we responded to 171. It must be noted that this figure also included some appeal matters from the last financial year. The following table gives an overview of the number of appeals received and responded to over a 3-year period. Note NIBTT’s financial year covers the months July to June.

Comparison of Appeals received, and responses sent for FY2018, FY2019 and FY2020

Financial Year	No of Appeals Received	Responses Issued
2017/2018	249	288
2018/2019	167	140
2019/2020	154	171

Reciprocal Claims

During the financial year, 225 of 534 backlog applications made by persons in Canada/CARICOM accessing Trinidad and Tobago benefits through their relevant Social Insurance Partners were authorized and payments finalized.

As at June 30th, 2020, 211 applications are awaiting responses from CARICOM and Canada which have not been reactivated, 74 responses were received and are to be reprocessed upon submission of life certificates. Additionally, 24 reciprocal claims are pending for various reasons such as compliance investigations to be conducted before

outstanding claims could be processed. At the end of the reporting period 309 applications from previous financial years remain pending.

Health, Safety and Customer Service Delivery

The most challenging issue of the year revolved around the COVID-19 pandemic and the necessity to respond quickly to preserve the health and well-being of our internal and external customers. Operationally, following the notification of the first COVID-19 case on March 12, 2020 and the subsequent *Stay-at-Home Order*, the NIBTT responded by instituting alternative work arrangements with staff working remotely coupled with other measures such as the practice of social distancing and sanitizing protocols in addition to the wearing of facial mask and gloves by the frontline staff. Other measures included infrastructural changes such as the installation of sneeze guards, physical distancing markers and posters to enforce safety guidelines and protocols. These protocols remain enforced after the gradual phased reopening of the economy, which commenced in May 2020. The NIBTT will review, and where required enact the necessary protocols, approaches and initiatives going forward.

Despite these adjustments we were still able to progress in extending our efforts to enhance Customer Service Delivery. During the period, we deepened our capacity by formally assigning a Manager – Customer Care whilst simultaneously focusing on product training for our CSRs. This ensured that frontline staff had the tools as well as the guidance to deliver on an improved customer service presentation to the public. As the situation evolved, the NIBTT also implemented additional hotline numbers for Customer Care due to the shift in focus from face-to-face interactions to more technologically based solutions. We intend to keep on this path to ensure that our delivery to all our customers maintains the highest standards and will improve wherever possible.

Institutional Strengthening

Coming out of the most recent Strategic Planning exercise, it was observed that there is a need to further develop certain key areas of the NIBTT to ensure that the overall goals of the organization was being met. Key amongst these were the initiatives which progressed significantly over the period such as the review and implement an Investigations and Controls Department (ICD) Framework. This project included the following:

- the implementation of a new fraud policy;
- change management to transition the Claims Investigations Unit (CIU) to a new reporting structure; and,
- acquisition of the data and analytical software to ensure the ICD performs in line with best practice.

Port of Spain Collection Centre

Another key project advanced over the year was the step to establish a Collections Centre at the Corporate Headquarters at Queen's Park East. During the year all activities related to drafting of project plans, design of the Collection Centre, development, issue and evaluation of tenders', the mobilisation of the contractor and outfitting works were completed. At the end of the period, only minor fittings and approval of the Health and Safety Department remained outstanding. When fully completed and operationalized the Collection Centre will boost the collections capacity within the Port-of-Spain and North-West region which will assist in maintaining compliance and financial sustainability of the National Insurance System.

Education & Outreach

Compliance Media Campaign

A media campaign, which began in FY2019 has continued in FY2020. This campaign has been featured in print, radio, social and digital media, targeting employers and employees and providing critical information to both segments. The main objective of this campaign has been to better educate the public about their obligations to the NIBTT, as well as to provide information about the NIBTT's benefits and services. An enhanced focus on education and outreach initiatives continues to be prioritized. Virtual seminars and marketing initiatives utilizing print, electronic and social media, will remain integral to NIBTT's education and brand management efforts.

UWI Mortality Study

Following from the initial steps after the signing of a Memorandum Of Understanding (MOU) in the previous financial year between the University of the West Indies (UWI), St. Augustine and the NIBTT, work commenced in FY2020 on a joint mortality study for salaried workers in Trinidad and Tobago. The aim of the collaboration was the development of a new mortality table. This study is expected to assist with the improvement of the accuracy of insurance pricing models used in the local insurance industry. It is also deigned to assist the NIBTT in its own understanding of pensioner mortality. The exercise was completed, and the results were jointly presented by both the UWI and the NIBTT at the annual conference of the Caribbean Actuarial Association (CAA) in Curacao in December 2019.

ISSA Workshop

Early in FY2020, the NIBTT, in conjunction with the International Social Security Association (ISSA), co-hosted a workshop for local and regional social security practitioners. The workshop with its theme, "*Administrative Solutions for coverage extension and contribution collection and compliance (focusing on difficult to cover*

groups)” was held from July 24 – 26, 2019 at the NIBTT’s Corporate Headquarters, Queen’s Park East and featured ISSA facilitators from the United Kingdom and Switzerland.

Attendees included Social Security practitioners from around the region who participated in a series of interactive workshops on the theme identified. Representation at the event came from the islands of Antigua and Barbuda, Bahamas, Barbados, Belize, British Virgin Islands, Grenada, St. Kitts & Nevis, St. Vincent and the Grenadines, Turks & Caicos as well as representatives from Trinidad & Tobago. In addition to being successfully hosted, this workshop was attended by two (2) members of the Cabinet appointed High-Level Working Committee for the incorporation of Self-Employed Persons (SEP) into the NIS. Valuable knowledge was shared and utilized in our own SEP proposal, which is due to be finalized in FY2021.

AMCHAM Youth Forum

To boost outreach to the public, a strategy which targeted the youth demographic was employed. The main objective was to educate this group on the findings of the 10th Actuarial Review and to foster a deeper understanding of how the findings and recommendations therein impacted them in a tangible manner. In line with this objective, the NIBTT joined with the local branch of the American Chamber of Commerce (AMCHAM T&T) and other sponsors, to engage 4th and 6th form students on the topic, “*An ageing population and pension security...toward a more productive Trinidad and Tobago*” through the 11th annual National Youth Productivity Forum (NYPF). Students from secondary schools throughout the country engaged in spirited dialogue and intense research on a topic which, ordinarily, may not have been considered by their demographic. A total of 120 students from 24 secondary schools, took part in the NYPF over a 6-week period. The finals of the NYPF took place on March 4th, 2020 at the UTT Valsayn Campus.

This collaboration was quite successful, as students gained an appreciation of the operations of NIBTT as well as the financial status of the NIS through the 10th Actuarial Review (AR). Students were able to articulate this understanding through well prepared arguments and presentations during the forum.

CONCLUSION AND ACKNOWLEDGEMENTS

When assessing the events of the past year, including the positive and institution building challenges, I must acknowledge the unrelenting support of the Board of Directors, Executive Management and the NIBTT staff.

Throughout the period, staff at all levels have shown tremendous commitment to ensure that we were able to continue our operations and maintain a level of service to the public,

especially through this challenging period. I must make special mention of our Service Centre staff, who continued as the proverbial frontline soldiers, interacting with the public to ensure that their needs are met.

During this time, the NIBTT also launched our new Strategic Plan FY2024 which is designed to take the NIBTT into the future, with the emphasis on redesigning the entire Information system framework to better service our customers. At this time the realization of this goal has been accelerated as a result of the 'New Normal' as we move toward becoming a digital economy.

In closing I must say thanks again to all our stakeholders, let us always remember that unity of purpose and vision allows us all to progress.



Niala Persad-Poliah
EXECUTIVE DIRECTOR

