

**FOR IMMEDIATE RELEASE**

## **Fund Sustainability Is Priority**

National Insurance contribution rates and maximum insurable earnings (MIE) are expected to increase with effect, July 4, 2016. The contribution rate is expected to increase from 12% to 13.2% and the MIE is expected to increase from \$12,000 to \$13,600. The increase in the MIE will see an equivalent increase of 13.5% in all contribution classes of insured persons. Only claims that arise after July 4, 2016, will benefit from these increases as there will be no change to pensions and fixed rate benefits already in payment.

According to executive director of the NIBTT, Niala Persad-Poliah, “The NIBTT’s decision to increase the contribution rates and the MIE, at this time, was extensively deliberated upon by the board of directors and considered as one of the best short-term measures to adopt to ensure fund sustainability.” She added, “The decision is in keeping with the findings of the ninth actuarial review which recommends a robust mix of short-term and long-term reform measures to fortify the fund in coming decades.”

Increasing the contribution rate and the MIE will safeguard the National Insurance system, improve fund stability, and ensure it continues to be solvent and viable now and in the future. The revised MIE will result in greater protection for contributors and their dependents in the long-term since a greater proportion of their income will be insured.

Persad-Poliah added, “The NIBTT has been entrusted with the mandate of operating and managing the National Insurance System and given recent global trends such as lower birth rates combined with increasing life spans it is now incumbent on policymakers to implement measures to ensure preservation of the fund in the interest of the thousands we serve.”

An actuarial review is conducted, at five year intervals or less, on the NIS, and combined with projections it assesses the ratio of benefits to contribution income and makes recommendations to ensure the long-term sustainability of the fund. “The national community can be confident of the prudent management of the fund and that benefits that are promised will continue to be delivered now and in the future,” said Persad-Poliah.

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