

Statement on the Financing of Pension and Gratuity

By Laurel Theresa Bain

The pronouncement of the Government on the payment of pension and gratuity to public officers has rendered my previous articles on honouring the court judgement to be null and void.

In previous articles, I outlined an approach to financing the Court judgement on the payment of pension and gratuity to public officers, which involved contracting of debt of approximately \$350M. The approach was based on the information provided to the nation by the former Prime Minister Hon. Dr. Keith Mitchell in a national address on 26th April 2022. The pronouncement is summarized as follows: i. The arrears of pension and gratuity to already retired public officers is \$465M; and ii. The annual cost for new retirees and the ongoing payment for the previously retired public officers averages \$120M for the next thirty-seven years.

Prime Minister Hon. Dickon Mitchell in the post Cabinet briefing on Tuesday 12th July 2022, informed the nation that the cost of the retroactive payment to public officers is about \$60M. The Prime Minister reiterated the Government's commitment to honour the ruling of the Court. The nation was also informed that the information on the cost of the Court ruling was provided to the representatives of the trade unions, and they were given the opportunity to review the document and submit comments. This is a good beginning for interactive consultation.

The disparity in figures provided to the nation within less than three months is bewildering. This wide disparity could only be explained if the word 'arrears' as used by the former Prime Minister is different in meaning from the word 'retroactive' as used by Prime Minister Hon. Dickon Mitchell. The two words 'arrears' which is money that is outstanding or owing, and 'retroactive' which is taking effect from a date in the past, carry the same meaning. Therefore, the issue is identifying the reasons for this huge disparity in figures, that is, \$465M presented by the previous administration and \$60M presented by the new administration. The nation may be given an opportunity to understand the rationale for the \$465M when the former Prime Minister sits in Parliament as Leader of the Opposition. Also, to be revealed to the nation is the source of the financing of the repurchase of the WRB shares in GRENLEC, which cannot be determined by an examination of any of the Estimates of Revenue and Expenditure.

In the past, the Government has made statements to the public without adequate supporting facts and figures. This should not have occurred in the existing system of governance. The Constitution makes provisions for 'good government'. There is the Parliament with authority to make laws for the peace, order, and good government of the country; and the Executive that executes the laws and is responsible for the financial and administrative management of the country. The Executive is supported by the public service comprising a cadre of technical and administrative officers who impartially serve the Government. There are also defined systems for

financial management, inclusive of the submission of the annual report of the Director of Audit to Parliament.

The existence of financial mysteries for extended periods is evidence of a **‘fatal crash of the system for good government’**. If the arms of government and systems for financial management operate efficiently, the nation would not be plunged into these financial dilemmas. The National Democratic Congress Government has stated that it is committed to transparency and accountability which would require the strengthening of institutions to operate with integrity, and in adherence with the provisions of the Constitution.

Knowledge is power and experience is the greatest teacher