

THIRTY-FOURTH REPORT

OF

THE SALARIES REVIEW COMMISSION

OF

THE REPUBLIC OF TRINIDAD AND TOBAGO

FEBRUARY 22, 1995.

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Review of the Overseas Travel Facility applicable to Ministers of Government

The President of the Republic of Trinidad and Tobago by letter dated 26 October, 1994 gave his approval for the review by the Salaries Review Commission of the Overseas Travel Facility applicable to Ministers of Government. This benefit which came into being in 1980 following the submission of the Second Report of the Salaries Review Commission, provides a Minister with the following:-

"At the end of each "Full Parliamentary Term", entitlement to a maximum of four (4) first class passages on the national airline to any point on its existing scheduled route structure to meet the cost of travel for self, spouse and dependent children who are unmarried and under the age of eighteen."

HISTORICAL PERSPECTIVE

2. The earliest record of the existence of an Overseas Travel Facility is found in Executive Council Minute No. 842A of June 14, 1955. The Minute indicates that the arrangement at that time, was that a substantive Minister, including a Minister without portfolio, during any one normal term of office was eligible for the equivalent of three (3) adult return passages to the United Kingdom which could be used by the Minister and/or his wife and children as he wished. It was also stated that where the Minister ceased to hold ministerial office he was not eligible to claim the benefit. The arrangement was rather loose since no determination had been made regarding the actual amount of leave Ministers should earn and the time at which such leave should be taken. As a result, the benefit was largely unutilised, with only a few Ministers being able to access it.

3. In 1967, there was an attempt to make the benefit more available to Ministers but on the basis of seniority, and subject to the agreement by the Prime Minister of the amount of leave to be taken in order to avoid the absence of too many Ministers at the same time. It was not until 1980 with the introduction of the present arrangement that the Overseas Travel Benefit was placed on a workable footing. The vacation leave benefit was still undetermined but it was made clear that the benefit could be utilised only at the end of the full parliamentary term.

4. It is to be noted that the matter of the quantum of leave for which Ministers should be eligible was established following submission of the Seventh Report of the Salaries Review Commission in 1982 and later the Sixteenth Report in 1989.

FACTORS UNDERLYING THIS REVIEW

5. As espoused in our last general review, we continue to uphold the principle of fair comparison between executive compensation in the public and private sectors, while at the same time recognising that the unique characteristics of a particular job would impact on the manner in which the compensation package is structured.

6. In reviewing the travel facility for Ministers we have taken account of the prevailing trends in remuneration other than salary granted to chief executive officers in organizations in the top quartile in the private sector. We note that considerable emphasis is placed on the non-salary monetary benefits aspect as they are strong incentives. Current compensation surveys show that these benefits are considered as perquisites of the job and are paid in cash directly to the incumbents.

7. Against this background, we have analysed the existing Overseas Travel Benefit and its application to Ministers of Government, and made the undermentioned observations:-

- (i) The benefit does not rank as a perquisite since it is not monetised and is lost where a Minister does not travel or does not complete a full parliamentary term, for whatever reason, be it death in service or resignation. There is precedent though for its monetisation based on a legal opinion given in 1991 by the Solicitor General that the unused portion of the overseas travel benefit of a deceased office holder should be considered part of his estate. The appropriate sum was paid in accordance with the Apportionment Act, Chap. 8:06;
- (ii) the benefit as administered at present is not flexible. While Ministers are now provided with annual vacation leave, the benefit is not available to them at such times as it can be accessed only at the end of a full parliamentary term. Preservation of the travel benefit is the accepted norm where an individual is unable to utilise it immediately following the dissolution of Parliament.

However, in view of the uncertainties of political life, the time at which the option is available may be neither politically nor financially expedient;

- (iii) the existing arrangement is somewhat discriminatory in that the actual value per office holder differs according to whether he/she can claim for a spouse and/or eligible children. Moreover, this arrangement does not accord with general practice in the economy where the value of the benefit is not contingent on the number of a person's dependents, but represents a measure of the worth of an executive to an organisation; and
- (iv) the arrangement whereby the passages were to be provided on the national airline, may be no longer viable given government's policy of divestment and the proposed sale of the national airline, BWIA.

RECOMMENDATION

8. In light of the above observations, we are of the view that the existing Overseas Travel facility as currently administered, should be redefined to provide more flexibility to the office holder. Accordingly, we recommend that a Minister (i.e. both Cabinet and non-Cabinet Minister) should be given the option to retain the existing Overseas Travel facility whereby he/she is entitled to a maximum of four (4) first class passages at the end of each full parliamentary term, or be provided with an annual Travel Grant to be paid in cash.

9. We recommend also that Ministers be given a further option to receive either the cash benefit each year or its equivalent value in overseas passages. In addition, the Minister should be given the choice to have the benefit accumulated over the duration of the parliamentary term.

10. With respect to the rate of the Travel Grant we have taken into account an estimate of the value of the existing benefit as well as current levels of similar benefits in the private sector. On this basis, we recommend a Travel Grant of \$15,000 per annum.

11. We have considered that the recommended quantum of the Travel Grant has been based on the estimated value of the existing benefit pro-rated over a full term of office, i.e. five (5) years. Consequently, for those incumbents who may opt for the annual Travel Grant during the present parliamentary term it seems equitable that the revised arrangements should be made retroactive. We recommend therefore that the revised arrangements as at paragraphs 8 to 10 above take effect from January 1, 1992.

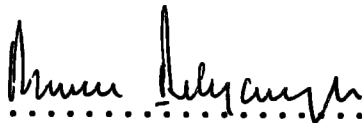
12. In summary, we recommend as follows:-

- (i) A Minister should be given the option to retain the existing Overseas Travel facility whereby he/she is entitled to a maximum of four (4) first class passages at the end of each full parliamentary term, or be provided with an annual Travel Grant to be paid in cash.
- (ii) The rate of the Travel Grant should be \$15,000 per annum.
- (iii) Ministers should be given a further option to receive either the cash benefit each year or its equivalent value in overseas passages. In addition they should also have the choice to have the benefit accumulated over the duration of the parliamentary term.
- (iv) These recommended arrangements should apply to both Cabinet and non-Cabinet Ministers.
- (v) the effective date of the Travel Grant should be January 1, 1992.

Dated this. 22nd. day of February, 1995.


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Leonard Williams (Chairman)


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Edward Collier


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Rowell Debysingh


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George Leonard Lewis


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Keith A. Ortiz