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SIXTY-FIRST REPORT

OF THE

SALARIES REVIEW COMMISSION

OF THE

REPUBLIC OF TRINIDAD AND TOBAGO

June 29, 2001.

SIXTY-FIRST REPORT OF THE SALARIES REVIEW COMMISSION

Review of the Conditions of Service of the offices of Chief of Defence Staff, Commissioner of Police, Chief Fire Officer and Commissioner of Prisons

By letter dated April 6, 2001, the President of the Republic of Trinidad and Tobago conveyed his approval for the Salaries Review Commission (SRC) to undertake a review of the conditions of service of the offices of Chief of Defence Staff, Commissioner of Police, Chief Fire Officer and Commissioner of Prisons.

2. Following the recent signing of memoranda of agreement between the Chief Personnel Officer and the Associations representing First Division Officers of the Protective Services which provided, *inter alia*, for increases in the Duty and Meal Allowances payable to such officers, representations were made by the Chief of Defence Staff, the Commissioners of Police and Prisons and the Chief Fire Officer for increases in similar allowances applicable to them "in an effort to maintain equity". The matter was submitted for the consideration of Cabinet which agreed that the approval of the President be sought for the review by the SRC.

Existing Terms and Conditions of Service

3. In conducting our review, we noted that the Chief of Defence Staff and the Senior Officers of the Protective Services (i.e., the Commissioner of Police, the Chief Fire Officer and the Commissioner of Prisons) are eligible for a number of allowances, many of which are specific to the Services to which they belong. The allowances which are peculiar to the various Services are as follows:

Chief of Defence Staff

- Duty Allowance - \$400 per month.
- Ration Allowance - \$25 per day when meals are not provided.
- Uniform Upkeep Allowance - \$1,300 per annum.

Commissioner of Police

- Duty Allowance - \$400 per month.
- Meal Allowance - \$245 per month.
- Uniform Upkeep Allowance - \$200 per month.

Commissioner of Prisons

- On Call Allowance - \$400 per month.
- Meal Allowance - \$245 per month
- Uniform Upkeep Allowance - \$200 per month.

Chief Fire Officer

- On Call Allowance - \$400 per month.
- Meal Allowance - \$245 per month.

Other Allowances/Benefits

4. The Chief of Defence Staff and Senior Officers of the Protective Services are eligible for other allowances and benefits which are payable to a number of other office holders who fall within our purview. These are as follows:-

Transport Facilities

*Chief of Defence Staff
Commissioner of Police
Commissioner of Prisons
Chief Fire Officer*

- (i) An official car for which all operational and maintenance costs are borne by the State and provision of an official driver (a military driver in the case of the Chief of the Defence Staff).
- (ii) A maximum loan of \$125,000 at a rate of interest of 6% per annum repayable over a period of six (6) years to facilitate the purchase of either:
 - (a) a new motor vehicle with exemption from Motor Vehicle Tax limited to the amount payable on a vehicle with an engine capacity of 1999cc and exemption from Value Added Tax to a maximum of \$25,000; or

(b) a used motor vehicle with exemption from Special Registration Fee or Special Motor Vehicles Tax (whichever is applicable) to a maximum of \$15,992 and exemption from Value Added Tax to a maximum of \$25,000.

- (iii) A loan to cover the cost of Motor Vehicle Insurance premium.
- (iv) A maximum loan of \$10,000 at a rate of interest of 6% per annum to effect repairs to a motor vehicle.
- (v) A Transportation Allowance of \$1,800 per month.

Subsistence Allowance

\$60 per day when travelling on official business beyond a radius of sixteen (16) kilometres from official headquarters and when in Tobago, \$75 per day.

Housing

Chief of Defence Staff

- Rent-free official residence.

Commissioner of Police

- Official residence, fully furnished and maintained by the State.

*Commissioner of Prisons
and
Chief Fire Officer*

- Rent-free furnished quarters of grade I specification or an allowance of \$2,500 per month in lieu.

Entertainment

*Chief of Defence Staff
and
Commissioner of Police*

- Actual expenses incurred for entertainment to be met from an official Entertainment Vote under the control of the Ministry of National Security. (In addition, the current holders of the offices are eligible for an allowance of \$200 per month which is personal to them.)

*Commissioner of Prisons
and
Chief Fire Officer*

- Actual expenses incurred for entertainment to be met from an official Entertainment Vote under the control of the Ministry of National Security.

Vacation Leave

- Thirty (30) calendar days per annum.

Telephone

- The cost of telephone rental and other charges, including Value Added Tax, related to official business to be met by the State.

5. While these office holders are also eligible for medical and superannuation benefits like several of the office holders who fall within our purview, the terms of these benefits are peculiar to the Services to which the office holders belong and are generally superior to those applicable to other top managers in the Public Service.

6. In reviewing the conditions of service of the office holders we sought to trace the genesis of the existing allowances and to examine their rationale in order to determine their relevance in the compensation packages of the office holders.

Duty Allowance

7. In 1998, when we conducted a general review of salaries and terms and conditions of service of the offices within our purview, we recommended that the Duty Allowance payable to Senior Officers of the Protective Services be revised from \$180 per month – the same quantum as was then applicable to other First Division Officers in the Protective Services, to \$400 per month, with effect from July 1, 1998, in recognition of the duties and responsibilities of those office holders and the demands placed on their time. That revised rate broke the linkage with the rate of the allowance paid to other First Division officers.

8. In the case of the Chief of Defence Staff who, prior to 1998, had never received such an allowance, cognizance was taken of the fact that, like his counterparts in the Protective Services, much demand was placed on the time of that office holder who was also required to be on call continuously. We therefore recommended the introduction of a Duty Allowance for the office at the same level of \$400 per month.

9. With respect to other First Division Officers of the Protective Services, we noted that the Duty Allowance of \$180 per month was subsequently revised to \$345 with effect from January 1, 1997 and was recently replaced by a First

Division Officers' Allowance of \$1200 per month with effect from January 1, 1999. This allowance, which is to be consolidated with salary at December 31, 2001 and discontinued with effect from January 1, 2002, takes into account the special and peculiar functions required of such officers.

Meal Allowance

10. On the basis of the recommendations set out in our Fifty-second Report, Senior Officers of the Protective Services became eligible for a Meal Allowance of \$245 per month with effect from August 1, 1997 – the rate applicable to other First Division Officers at the time. While the allowance payable to First Division Officers has since been revised to \$350 per month with effect from October 1, 2000 and to \$375 per month with effect from January 1, 2001, that payable to the office holders within our purview remains at \$245 per month.

11. The Chief of Defence Staff, on the other hand, is eligible for the same quantum of Ration Allowance as that which is paid to other officers of the Defence Force, which currently stands at \$25 per day. This is equivalent to \$750 per month. That rate became effective from January 1, 1998, for the Chief of Defence Staff as well as for all other officers of the Defence Force.

12. We understand that the provision of a Meal Allowance to members of the Protective Services is a historic benefit. The allowance was first introduced at a time when it was customary for police officers to work extremely long hours and when they were obliged to live in the districts to which they were attached or in dormitories (being eligible only for leave passes from time to time). Also, because of the nature of their duties, they were required to work constantly away from their stations. In time, the policy of parity treatment of members of the Protective Services led to the extension of the benefit to the members of the Prison and Fire Services. There seems to be no basis today for the payment of such allowance to the Senior Officers of the Protective Services who are the managers of their respective organizations.

13. Similarly, the payment of a Ration Allowance to the Chief of Defence Staff has its basis in the structure of military life where members were required to spend considerable time in the field. In reality, the office of Chief of Defence Staff is, for the most part, a strategic/managerial position the functions of which are performed mainly indoors. Thus, there is little rationale for the continued payment of a Ration Allowance to that office holder.

Entertainment

14. All the office holders are eligible to have actual expenses which they incur for entertainment met from an official Entertainment Vote under the control of the Ministry of National Security. In addition, the current holders of the offices of Chief of Defence Staff and Commissioner of Police retain an allowance of \$200

per month as personal to them. Any expenses incurred in excess of that allowance are met from the official Vote.

Uniform Upkeep Allowance

15. We have been advised that Uniform Upkeep Allowances have traditionally been provided to First Division Officers of the Police and Prison Services and officers of the Defence Force who are required to purchase their uniforms. That allowance is designed to assist the officers in acquiring articles of uniform initially and in replacing them as necessary.

16. The Chief of Defence Staff has been eligible for a Uniform Upkeep Allowance of \$1300 per annum since July 1, 1998. In preparing our Fifty-second Report, however, we were advised that the office holder had, in fact, received that level of allowance since January 1, 1994, the date from which other officers of the Defence Force became eligible for that quantum.

17. We note that the Commissioners of Police and Prisons, on the other hand, have received a Uniform Upkeep Allowance of \$200 per month since January 1, 1997 while the Chief Fire Officer does not receive such an allowance since his uniforms are provided free of charge.

18. We are aware that during the recently concluded negotiations with the Associations representing First Division Officers of the Police and Prison Services, agreement was reached that steps would be taken to ensure that officers would be provided with all the necessary items of uniform free of charge and that as soon as such a decision was implemented, the Uniform Upkeep Allowance which is currently payable to First Division officers would be discontinued. In the interim, an allowance of \$250 per month is payable. That revised rate took effect from January 1, 1999.

Medical Benefits

19. The Chief of Defence Staff and the Commissioner of Police are eligible for free medical attention for self, spouse and children while the Commissioner of Prisons and the Chief Fire Officer are eligible for free medical attention including dental and optical treatment for self, spouse and dependent children.

20. In examining the evolution of the medical benefit for the Commissioner of Police, we noted that prior to the scheduling of the position under the Constitution (Prescribed Matters) Act, 1980, with effect from April 1, 1971 and in accordance with the provisions of the Police Service Regulations, Chap. 15:01, the office holder alone was eligible for free medical, dental, optical and hospital treatment and medicines as provided by a Government medical officer or at a Government medical institution. Where such treatment or medicines were not readily available, he was entitled to be reimbursed the reasonable cost of private

treatment, once prior approval had been obtained. Provision, however, existed for officers who were appointed prior to April 1, 1971 and who had been eligible for medical benefits for themselves and family to retain such benefits. The benefits available were restricted to free medical and hospital treatment and medicines as provided by a Government medical officer or at a Government medical institution. Dental and optical treatment were specifically excluded.

21. In the case of the Chief of Defence Staff, prior to January 1, 1981, his entitlement, which applied to all officers of the Defence Force, was for medical, dental, optical and hospital treatment and medicines as provided by a Government medical officer or at a Government medical institution for himself and his family.

22. With regard to the Commissioner of Prisons and Chief Fire Officer, we have been advised that these officers were required to opt for free medical, dental, optical and hospital treatment and medicines for themselves only or to retain an entitlement to free medical and hospital treatment and medicines for themselves and their families – these benefits to be provided by a Government medical officer or at a Government medical institution. However, the existing benefits of these office holders indicate that dental and optical treatment are available to the office holders' spouses and children.

23. In light of the genesis of the existing medical benefits for the Chief of Defence Staff and the Senior Officers of the Protective Services, we see the need to correct what we consider to be an anomaly, more so because the entitlement of the offices is far superior to those provided for their counterparts who fall within our purview.

Pension/Gratuity

24. The office holders are entitled to superannuation benefits set out in specific legislation governing the provision of such benefits for all officers of the respective Services.

Recommendations

25. In formulating our recommendations on the conditions of service which ought to apply to the Chief of Defence Staff and Senior Officers of the Protective Services, we thought that it was necessary to emphasize that, from our understanding, the purpose of placing certain offices in the Public Service within the purview of the SRC is to delink those offices from the compensation arrangements payable to other public officers. This allows for a certain flexibility in addressing the remuneration for top office holders without being unduly circumscribed by the compensation provided to other public officers who are paid in salary ranges in the various Public Service Classification and Compensation Plans. We draw attention to the fact that in making our recommendations over

the years, we have continuously espoused the view that top managerial pay in the public sector should bear relevance to that prevailing for comparable levels of work and responsibility in the private sector. We normally take account of prevailing trends in remuneration in the country, giving due regard to the principle of fair comparison, the necessity to attract and retain suitably qualified personnel and the motivational and intrinsic value which compensation packages should carry generally.

26. Consequently, the compensation packages of the Chief of Defence Staff and Senior Officers of the Protective Services have in the past been structured to reflect the principles upheld by the SRC. That, notwithstanding, certain allowances which have traditionally been payable to the First Division Officers in the respective Services, have continued to be part of the compensation packages of those office holders within the purview of the SRC. We have therefore taken this opportunity to re-examine such position with a view to assessing its appropriateness.

27. Further, we compared the total remuneration packages of the office holders within our purview with those of other senior ranks in the Defence Force and the Protective Services. In this regard, notwithstanding recent increases in certain allowances approved for First Division Officers and senior ranks in the Defence Force, the remuneration packages of the Chief of Defence Staff and the Senior Officers of the Protective Services are significantly superior. Thus, the fact that there have been changes in the package of allowances applicable to the other First Division Officers ought not, in our view, to be used as a basis for automatic revision of the remuneration arrangements for the office holders within our purview.

28. As a consequence, we reiterate that, by placing the office of Chief of Defence Staff and those of the Senior Officers of the Protective Services within the purview of the SRC, issues of parity with other officers no longer apply. It is clear to us that different factors are taken into account when determining the remuneration arrangements for various groups of office holders. The offices within our purview are top managers of the Protective Services and the appropriate comparators are their managerial counterparts in the rest of the Public Service, as well as holders of similar offices in the economy.

29. In light of the foregoing, we recommend as follows:-

Duty Allowance

30. Given the nature of the responsibilities of the top managers of the Protective Services and the Defence Force, we agree that there is a need for the continued payment of a Duty Allowance. In determining an appropriate rate we have taken account of the fact that the only other office holders to whom a Duty Allowance is payable are the Permanent Secretary to the Prime Minister and

Head of the Public Service and the Permanent Secretary, Ministry of Finance, in the light of their peculiar, overall responsibilities in respect of the entire Public Service. That allowance is fixed at \$1500 per month at present. Consequently, we recommend a revised allowance of \$1000 per month for the Chief of Defence Staff and the Senior Officers of the Protective Services.

Meal Allowance

31. In our opinion, given the rationale for payment of the Meal Allowance, there appears to be little justification for the retention of this allowance for the Senior Officers of the Protective Services. Further, we have borne in mind that such an allowance does not normally form part of the compensation package of managerial personnel in the public or private sector. Additionally, we note that provision already exists for these office holders to receive a Subsistence Allowance to meet the cost of a meal when they are required to travel on official business beyond a radius of sixteen (16) kilometres from their headquarters as applies to a number of other office holders within our purview.

32. We recommend that the existing Meal Allowance of \$245 per month payable to the Senior Officers of the Protective Services and the Ration Allowance of \$25 per day payable to the Chief of Defence Staff should be discontinued. However, the existing incumbents should retain the allowances at current rates as personal to them.

Uniform Upkeep Allowance

33. We have been advised that the Ministry of National Security has taken steps to have items of uniform provided to all First Division Officers of the Police and Prison Services on an annual basis. We therefore recommend that the existing Uniform Upkeep Allowances payable to the Commissioners of Police and Prisons be discontinued once the new arrangement is implemented.

34. In the case of the Chief of Defence Staff, we recommend that the Ministry of National Security give consideration to the establishment of a similar policy as has been done in the Police and Prisons Services. In the event that such a policy is adopted, the Uniform Upkeep Allowance payable to the Chief of Defence Staff should then be discontinued.

Medical Benefit

35. We are of the view that there is a need to revise the Medical Benefits provided for the Chief of Defence Staff and the Senior Officers of the Protective Services. However, in recommending appropriate revised benefits for the office holders, we had to bear in mind that in this instance it was necessary to take cognisance of the benefits for which other members of the various Services are eligible. Given that the provision of medical benefits is a significant perquisite,

we consider that it would be inequitable to provide the office holders with terms that were inferior to those available to the other members of the Defence Force and the Protective Services.

36. In this regard, we recommend that the office holders should be entitled to free medical attention/treatment, dental and optical treatment and prescribed drugs for themselves at any health care facility under the Regional Health Authorities, including the Eric Williams Medical Sciences Complex (EWMSC). Additionally, where such attention/treatment is not available at such health care facility, he/she should be required to seek approval from the Permanent Secretary in the Ministry responsible for National Security to have the costs met at any other hospital, institution or nursing home in Trinidad and Tobago.

37. The incumbents of the offices of Chief of Defence Staff, Commissioner of Police, Commissioner of Prisons and Chief Fire Officer may opt to retain their existing benefits as personal to them or to accept the new arrangements.

Other Allowances and Benefits

38. We recommend that the other allowances and benefits payable to the Chief of Defence Staff and Senior Officers of the Protective Services be maintained since except in the case of superannuation benefits, they are common to other top office holders within the purview of the SRC. Consequently, anomalies would be created if those allowances are modified in isolation. The superannuation benefits provided to these office holders are group benefits which apply to all other members of the Services to which they belong and cannot be dealt with on an individual basis.

Effective Date

39. We recommend that the effective date of implementation for the revised provisions as set out in the Appendix should be June 1, 2001.

APPENDIX

Recommendations on the conditions of service to be applicable to the Chief of Defence Staff, the Commissioner of Police, Chief Fire Officer and Commissioner of Prisons with effect from June 1, 2001

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| Transport Facilities | - | Existing provision to be maintained |
| Subsistence Allowance | - | Existing provision to be maintained |
| Housing | - | Existing provision to be maintained |
| Entertainment | - | Existing provision to be maintained |
| Vacation Leave | - | Existing provision to be maintained |
| Telephone | - | Existing provision to be maintained |
| Duty/On Call Allowance | - | The existing allowance of \$400 per month to be renamed 'Duty Allowance' and be revised to \$1,000 per month. |
| Meal Allowance
<i>Commissioner of Police
Commissioner of Prisons
Chief Fire Officer</i> | - | The existing allowance of \$245 per month to be discontinued. Existing incumbents to retain allowance as personal to them. |
| Ration Allowance
<i>Chief of Defence Staff</i> | - | The existing rate of \$25 per day to be discontinued. Existing incumbent to retain allowance as personal to him. |
| Uniform Upkeep Allowance
<i>Chief of Defence Staff</i> | - | Existing allowance of \$1300 per annum to be discontinued if a policy is adopted by the Ministry of National Security to provide uniforms for the senior officers of the Defence Force. |
| <i>Commissioner of Police
Commissioner of Prisons</i> | - | Existing allowance of \$200 per month to be discontinued when the new arrangement for providing uniforms is implemented. |

Medical Benefits

- Entitlement to medical attention/treatment, dental and optical treatment and prescribed drugs for self at any health care facility under the Regional Health Authorities, including the Eric Williams Medical Sciences Complex (EWMSC). Where such attention/treatment is not available at such health care facility, the office holder is required to seek approval from the Permanent Secretary in the Ministry responsible for National Security to have the costs met at any other hospital, institution or nursing home in Trinidad and Tobago.

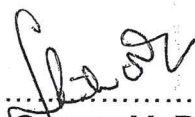
(‘Prescribed drugs’ exclude drugs which are obtainable without a prescription.)

The incumbents of the offices may opt to retain their existing benefits as personal to them or to accept the new arrangements.

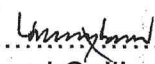
Pension/Gratuity

- Existing provisions to be maintained.

Dated this 29th day of June, 2001.



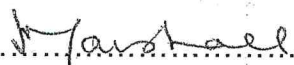
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