

FM: 3/2/189

COMPTRROLLER OF ACCOUNTS CIRCULAR NO. 2 DATED 2010 JUNE 14

**To: Permanent Secretaries, Heads of Department, Chief Administrator,
Tobago House of Assembly, Heads of Statutory Authorities subject
to the Statutory Authorities Act, Chapter 24:01**

**SUBJECT:
Increase in the contributions to the UNIMED
Group Health Plan (Monthly Paid)**

Your attention is drawn to Personnel Department Circular No. 2 of 2010 dated 2010 May 06, wherein you were advised that it has become necessary to implement a revised rate of contribution to the UNIMED Group Health Plan (monthly-paid) from the existing monthly rate of \$90.00 to \$122.00 with effect from 2010 June 01.

Contribution to the Plan

2. Both Employer and employee will continue to contribute equally to the plan (i.e. the Employer will match all contributions made by the employee) with deductions being made as detailed below:

	Monthly	
Employer	-	\$ 61.00
Employee	-	<u>\$ 61.00</u>
Total	-	<u>\$122.00</u>

The above contribution covers the month or any part thereof. It must not be pro-rated and the full contribution of \$61.00 must be deducted from the salaries of employees in the relevant month.

Deductions for 2010 June and thereafter

3. As indicated in Paragraph 1, the revised rate is effective from 2010 June 01. As monthly contributions are made in advance, the sum of \$77.00 must be deducted from the 2010 June salary of members of the Plan. This sum represents:-

\$16	-	Arrears of contribution in respect of 2010 June
\$61	-	The full revised contribution for 2010 July

4. The Integrated Global Payroll (IGP) System has therefore been configured to deduct automatically the sum of \$77.00 for the month of 2010 June and \$61.00 with

effect from 2010 July from employees' salaries. The equivalent contribution must be paid into the Plan by the Employer in respect of each month.

5. Accounting procedures governing the operation of the UNIMED Group Health Plan for monthly paid officers were established by Comptroller of Accounts Circular No. 4 dated 2004 March, 31 and revised by Comptroller of Accounts Circular No. 3 dated 2006 June, 05. These procedures remain in effect.

Non-compliance by Ministries/Departments/Agencies

6. It has been observed that many **Ministries/Departments/Agencies** have consistently failed to adhere to the following established accounting procedures:-

a. The proper use of the Coded Bank Deposit slips

Deposit slips are encoded with separate Bank Account numbers for Monthly and Daily paid contributions. It has been observed that the Coded Bank Deposit slips are being used interchangeably which has resulted in M&M cheques being deposited to the wrong account. As a consequence, this has created further delays in the reconciliation of records and the settling of claims. **This practice must be avoided at all costs.**

b. Submission of documents to M&M

- (i) Non-submission of copies of Coded Bank Deposit slips.
- (ii) Late submission of copies of Coded Bank Deposit slips.
- (iii) Late submission of Deduction listings.
- (iv) Non-submission of List of Changes Statements.

You are reminded that all the necessary documents must be submitted to the Plan Administrator (M&M) in a sealed envelope **by the third working day of the month following the month to which the payments relate** so as to ensure the efficient processing of claims. This envelope must be accompanied by a delivery note for signature and date as evidence of receipt.

c. Depositing of M&M cheques

It has been further observed that the M&M cheques are deposited with the **Salary Teller**. You are hereby advised that the cheques are to be deposited with the **Commercial Teller** at RBTT Limited, Park Street Branch, Port of Spain.

General

7. Non-compliance with the above procedures impacts negatively on the Plan which is self-administered (i.e. the settling of employees' claims is dependent on contributions received from employees and Employers).

8. It should be noted that all documents submitted to the Plan Administrator (M&M) are necessary for the reconciliation and updating of records of the Plan. Delay in the submission of these documents has resulted in the inability of the Plan Administrator to perform the following:-

a. Allocate contributions

The copy of the Bank Deposit slip allows the Plan Administrator to identify the source of the deposit whilst the Statement of Changes allows for the updating of the Database. Until identified, contributions remain unallocated in the books of the Plan Administrator.

b. Update the Database

Delays in the updating of the M&M Database, due to non-receipt and tardiness in the submission of documents results in the inefficient processing of claims.

Preparation of Cheques

9. Please be informed that the Plan Administrator, formerly M & M Insurance Services Ltd, is now M & M Insurance Broking Services Ltd. Cheques should therefore be prepared in favour of the company's new name.

10. All Permanent Secretaries, Heads of Departments, Chief Administrator of the Tobago House of Assembly, and Heads of the Statutory Authorities subject to the Statutory Authorities Act, Chapter 24:01 should ensure that the contents of this Circular are brought to the attention of all relevant personnel.

Roland Shepherd
Comptroller of Accounts