

FM: 3/2/189

COMPTROLLER OF ACCOUNTS CIRCULAR NO. 4 DATED 2004 March, 31

**TO: All Permanent Secretaries, Heads of Departments,
Chief Administrator, Tobago House of Assembly,
and Heads of Statutory Authorities subject to
the Statutory Authorities Act, Chapter 24:01**

SUBJECT:

**Introduction of a contributory Group Health Plan for members of
the Civil Service, Tobago House of Assembly and Heads of Statutory
Authorities subject to Statutory Authorities Act, Chapter 24:01**

Your attention is drawn to Personnel Department Circular Memoranda PD (bm): 8/7/1 Vol. II dated February 19 and March 25 2004 respectively, wherein you were informed that an agreement was reached between the Chief Personnel Officer (CPO) and the Public Services Association (PSA) on the implementation of a contributory Group Health Plan (the Plan) for full time monthly paid employees of the Civil Service, the Tobago House of Assembly and the Statutory Authorities, subject to the Statutory Authorities Act Chapter 24:01 for which the PSA is the appropriate recognized Association.

2. The Personnel Department Circular Memorandum PD (bm):8/7/1 Vol. II identified those officers who are eligible for membership in the Plan, the criteria for coverage and the relevant benefits. It further advised that M&M Insurance Services Limited has been selected as the Plan Administrator.

3. The purpose of this Circular is to set out the accounting procedures to be followed by the respective Agencies.

4. All deductions made towards the Plan must be recorded for each employee, in accordance with paragraph 80 of the Financial Regulations made under section 45 (1) of the Exchequer and Audit Act Chapter 69:01 and paragraph 126 of the Financial Instructions 1965.

Contributions to The Plan

5. Both employer and employee will 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 | |
|----------|---------|----------------|
| Employee | - | \$26.00 |
| Employer | - | <u>\$26.00</u> |
| Total | - | <u>\$52.00</u> |

The above contribution covers the month or any part thereof. It must not be pro-rated and the full contribution of \$26.00 must be deducted in the relevant month.

Contributions for April and May 2004

6. Under the terms of the agreement between the CPO and the PSA, membership in the Plan will come into effect from April 1, 2004 and contributions are payable monthly in advance. In this regard since it is not possible to make the deduction for April from the March salary, the deductions for April and May must be made from the April salary. The amount to be deducted is fifty-two (\$52.00) dollars per eligible employee. It must also be borne in mind that the employer's contributions will have to be paid to the Plan in respect of both months. With effect from the month of May 2004 the deduction would be \$26 .00 per month per eligible employee.

Creation of a Data base for all eligible employees

7. It is essential for M&M Insurance Services Limited to have a database of all eligible employees to enable the prompt processing of claims. In this regard, Personnel Department Circular Memoranda PD (bm): 8/7/1 Vol. II dated February 19, 2004 required that Agencies submit on diskette, information on all eligible employees who hold permanent or temporary appointments in the organization. In order to facilitate the creation of such a database you are also required to submit to M&M Insurance Services Limited, a copy of the Statement of Contribution from the April paysheet.

Payment of salary in advance

8. Where an employee is to be paid salary in advance when proceeding on vacation leave, contributions towards the Plan should be deducted from the salary.

Payment by employees on extended sick leave without pay

9. An eligible employee who is on extended sick leave without pay will be covered under the plan provided that the employee pays the full contribution of \$52.00 i.e. both the employee's and the employer's contribution. In such cases, payment must be made using the relevant precoded bank deposit slips. At the request of the employee, the paysheet clerk will prepare the necessary bank deposit slips in triplicate and the employee must deposit the full contribution to the Plan Administrator's bank account at any branch of the RBTT bank.

10. After making the payment the employee should retain the acknowledgement slip issued by the bank and return the duplicate and triplicate copies of the deposit slip to the paysheet clerk who must then record the details of the deposit on the employee's Pay Record Card and on the Statement of Contributions in Respect of Deposits made by Employees. The duplicate of the deposit slip is to be sent to the Plan Administrator and the triplicate is to be retained in the Accounting Unit for record purposes. A specimen of this Statement is attached at Appendix 'A'.

GENERAL

Statement of Contributions

11. Statement of Contributions must be prepared in respect of all contributions made by employees towards the Plan. Where the paysheets are generated by the National Information Systems Centre (NISC), the NISC will generate two copies of the Statement of Contribution in the required format. The original must accompany the paysheet and the duplicate is to be used as the supporting document to generate the voucher for the employer's contribution. The code allocated by the NISC to the Plan is: -

351: Group Health Plan Monthly Paid- M&M Insurance Services Ltd

List of Changes Statement

12. A monthly List of Changes statement must be prepared to reflect any additions to or deletions from the Plan when compared to the previous month's records. The list must be prepared in duplicate using the Return of Personnel (ROP). The original should be forwarded to the Plan Administrator and the duplicate is to be attached to the paysheet.

The Human Resource Unit (HRU) must ensure that the ROP identifies all employees who are eligible for coverage for the relevant month, in particular the temporary employees who would have completed two years continuous service. A specimen of the List of Changes statement is attached at Appendix "B"

Payment of Employer's Contributions

13. As the employer is required to contribute to the Plan, a payment voucher must be prepared for the same amount as the employees' contribution reflected on the Statement of Contributions. The voucher must be made payable to M&M Insurance Services Limited (the Plan Administrator) and should include paysheet reference information and month to which the payment relates. The voucher must be supported by a copy of the Statement of Contributions.

14. Expenditure with respect to the employer's contribution is to be met from the undermentioned Sub Item.

| | | |
|----------|-----|--|
| Head | xx: | Ministry/Department |
| Sub-Head | 01: | Personnel Expenditure |
| Item | xx: | Department/Division |
| Sub-Item | 27: | Government's Contribution to Group Health Insurance - Monthly Paid Officers |

Preparation of a single Cheque

15. A single cheque must be prepared in favour of M&M Insurance Services Limited for the full contribution. In this regard Agencies must ensure that the voucher for the employer's contribution is processed together with the paysheet.

Payment to the Plan Administrator

16. All payments to the Plan Administrator must be made using the precoded deposit slips, which will be provided to all Agencies. The precoded slips will be coded according to the bank account and the relevant Agencies. Care must be taken to distinguish between the daily paid and monthly paid deposit slips. Payment of contributions to the Plan Administrator must be dealt with as follows: -

- i. All cheques issued for the month, together with deposit slips completed in triplicate must be deposited in favour of M&M Insurance Services Limited at any branch of the RBTB bank on or before the end of the third working day of the following month.
- ii. Agencies must retain the third copy of the deposit slip. It must be noted that the slips are prenumbered and care must be taken to ensure that the slips are sequentially used.
- iii. A covering letter together with the Lists of Changes statement, duplicate copies of Statement of Contributions in Respect of Deposits made by Employees and the duplicate copies of the bank deposit slips must be forwarded to:

M&M Insurance Services Limited
39 Boissiere Village
Maraval

by the sixth working day of the following month. A specimen of the covering letter is attached at **Appendix 'C'**

17. Care should be taken to ensure that eligible employees are covered while in the employ of the Government of Trinidad and Tobago and deductions made from their salaries.

Estimates for Additional Funding

18. Agencies are to submit estimates for the period March to September 2004 (7 months) to the Budget Division by 2004 April 8 to facilitate the provision of supplementary funding to meet the expenditure. Agencies are advised, however, that pending the provision of such supplementary funding, virements should be effected in order to make the necessary payments to the end of June 2004.

19. All Permanent Secretaries, Heads of Departments, Chief Administrator of the Tobago House of Assembly, and Heads of 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 (Ag).

Appendix 'A'
GHP(M) 1

Statement of Contributions in Respect of Deposits made by Employees
Monthly Paid Employees

Details of contributions in respect of deposit made by employees attached to the Ministry/ Department/Agency
of.....Code No.....

| NIS No. | Name of Employee | Mth of Coverage | Dep/Slip No. | Date of Dep | Amount |
|---------|------------------|-----------------|--------------|-------------|--------|
| | | | | | |

Distribution:
Original: Send to the Plan Administrator
Duplicate: Retained by Paysheet Clerk

Ministry/Department/Agency
Stamp and Signature

Appendix 'B'
GHP (M)2

FROM: MINISTRY/DEPARTMENT/AGENCY
Ministry/Department/Agency Code

DATE:

Messrs. M&M Insurance Services Limited
39 Boissiere Village
Maraval

Dear Sir/Madam,

List of Changes - Group Health Plan for Monthly Paid Employees

Detailed below is a list of changes in employees' status in the Group Health Plan for the month of

| NIS No. | Name of Employee | Remarks |
|------------------|------------------|---------|
| <u>Additions</u> | | |
| <u>Deletions</u> | | |

Ministry/Department/Agency
Signature & Stamp

Appendix 'C'
GHP (M) 3

Ministry/Department/Agency
Ministry/Department/Agency Code.....

DATE:

Messrs. M&M Insurance Services Limited
39 Boissiere Village
MARAVAL

Dear Sir/Madam,

**Payment of Premium - Group Health Plan
for Monthly Paid Employees**

In respect of the month of the following are enclosed:-

- List of Changes statement
- Statement of Contributions paid in Respect of Deposits made by Employees
- Bank Deposit slips

Kindly acknowledge receipt of this letter on the attached copy.

.....
Ministry/Department/Agency
Stamp and signature

