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Re. 2017 BARP Manifesto Proposals

In accordance with the mission of the Barbados Association of Retired Persons Inc. (BARP) to be an outstanding leader in championing the well-being of all 50 plus people in Barbados, we are submitting a set of Proposals to each political party for inclusion in their respective party manifesto.

The attached submission is the outcome of a consultation we convened with a cross-section of our membership and consists of areas of concerns and corresponding proposals which our members believe should form part of any policy making processes, initiatives and programmes going forward. The proposals encompass the following:

1. The high level of taxation, especially with the introduction of the National Social Responsibility Levy, which has increased the cost of living of all Barbadians and has placed a heavier burden on pensioners in meeting their daily needs.
2. The ravages of Non Communicable Diseases and the associated high costs of healthcare financing which the country faces.
3. The slow implementation of policies and lack of requisite infrastructure which will prepare Barbados for the realities of an aging population given the projections that one in every eight Barbadians will be aged 67 years or over during the term of the next Government.
4. The absence of a comprehensive anti-corruption policy.

We trust that our recommendations are deemed favourable by the members of your political party. Should you require clarification on any aspect of our submission, please do not hesitate to contact the undersigned.

Yours sincerely,
Barbados Association of Retired Persons Inc.

Elsa C. Webster
Executive Manager

Taxation

1. No Income Tax On Pensions

The National Insurance Scheme and Social Security was enacted in 1966 and by virtue of an amendment to the Income Tax Act in that year national insurance contributions were deductible allowances for income tax purposes. When National Insurance pensions first became payable (about three years after the commencement of the National Insurance Scheme), an amendment to the Income Tax Act was passed in 1971 exempting from Income Tax the pensions payable under the NIS legislation. This situation, where both the National Insurance contributions and pensions enjoyed tax exemptions, continued until 1992 when both exemptions were withdrawn. As a consequence, no tax relief was allowed in respect of the contributions paid and National Insurance pensions were subject to tax. The present regime has been in force for approximately twenty years which is more than sufficient to recover any excess benefits individuals may have gained when NIS contributions were tax deductible.

The burden of taxation is better carried during a person's working life than after retirement. This is evident given the fact that, with very few exemptions, the normal range of pensions received on retirement is between ten percent (10%) and fifty percent (50%) of salary at date of retirement.

Moreover, it is considered that the situation where a person who has funded his/her pension out of taxed income and then is required to pay tax on the pension when it comes payable is, in effect, double taxation and should be avoided.

Recommendation: *The granting of a tax exemption on National Insurance pensions.*

2. Tax Refund On Time

Recommendation: *The timely return of income tax rebates as many seniors depend on these rebates for day to day living.*

3. Tax Rebate - Renewable Energy

The National Sustainable Energy Framework identifies a number of strategies to encourage investments in renewable energy and energy efficiency in order to reduce energy costs, improve energy security and enhance environmental sustainability. One of these strategies seeks to drive the uptake of Renewable Energy technologies by offering fiscal incentives to individuals.

We have noted that many seniors and pensioners are unable to make use of the available tax incentives. At present, individuals are provided with fiscal incentives to encourage the use of environmentally preferred products, electrical retrofitting, Solar Photovoltaic Systems and other Systems that produce electricity from sources other than fossil fuels. However, pensioners who fall below the earned income threshold are exempt from paying income tax and will not benefit from these allowances.

The initial investment in Renewable Energy Systems is significant; a 4 kW system costs approximately \$23,000. Pensioners, especially those on a fixed income, need to embrace energy efficiency measures and Renewable Energy Systems in order to reduce their energy bills and control their cost of living at a time when medical conditions take a large slice out of their available income.

By investing in Renewable Energy Systems they not only lower their cost of living but also help to meet the stated national goal to achieve 20% of electricity generation from renewable energy sources by 2026.

Recommendation: We strongly recommend that pensioners who purchase environmentally preferred products and install Renewable Energy Systems and do not file tax returns should be given a rebate.

4. Improved Tax Collection

Recommendation: Improving the efficiency of tax collection to ensure that citizens who should be paying taxes are compliant so that the tax burden does not fall solely on persons who work in Government and at registered companies and businesses.

Health Related

1. Incentives for Self-financing Healthcare

Many seniors are forced to leave their insurance plans at retirement from their workplaces and therefore have no coverage at the most crucial time of their lives. Given the constant rise of costs associated with the provision of health care and the prevalence of Non Communicable Diseases (NCDs) amongst seniors, incentives should be put in place to encourage persons to self-finance their own health care. The self-financing of health care will assist in the reduction of the current burden placed on Government.

Recommendations:

- (i) The granting of a tax benefit for seniors aged 50 and over who purchase either an individual or group medical insurance.*
- (ii) A tax incentive for insurance companies who provide medical insurance plans for seniors to 100 years of age.*

2. Payment of Overseas Medical Insurance Premiums

Recommendation: *The removal of the application of the 2 percent foreign exchange fee on payments for medical services received overseas at the referral of the member's Doctor. In addition, removal of the percent foreign exchange fee for the payment of overseas medical insurance premiums.*

3. Basket of Goods

Recommendation: *BARP supports the Ministry of Health's recommendation to remove luxury food items such as lobster and caviar from the basket of goods replacing them with healthier food items which would assist in the fight against Non Communicable Diseases (NCDs).*

4. Public Health and Illegal Dumping

Illegal dumping and littering are serious environmental problems which pose a threat to public health and negatively impact tourism, among other things.

Recommendation: *The implementation of a robust, national anti-littering campaign as well as the enforcement of laws and fines dealing with littering and illegal dumping.*

The Transition to an Age Friendly City

1. Elderly abuse

It is well known that there is a high prevalence of elderly abuse in Barbados. Currently, the National Assistance Board (NAB) looks after the well-being of the elderly in Barbados but there is no legislation that specifically governs elderly abuse or specific guidelines which supports seniors at all stages to the end of their lives.

The National Policy on Ageing for Barbados (2012) outlines a comprehensive programme for the elderly, including legislation and recommendation of the establishment of a Commission for Elderly Affairs.

Recommendations:

- (i) An entity/ ministry specific to seniors which promotes and facilitates the creation of new opportunities for seniors to be physically and socially included in their communities, society and the economy.*
- (ii) The implementation of Elder Abuse legislation similar to that which exists in Australia that addresses not only elderly abuse but other critical issues, such as, aged care, pensions for seniors, incentives for persons who dedicated their entire life to domestic care and care giving, family agreements and health services.*

2. Ageing in Place

Recent studies have shown that seniors prefer to age in place and enjoy health through doing so. However, most homes (less than 1%) are not suitable for comfortably ageing in place.

Recommendations:

- (i) Provision of incentives for seniors to remodel their homes to accommodate the changes associated with ageing, such as, the building of ramps and step-less entry ways for persons with mobility issues, the widening of doorways for wheelchair access, the installation of grab bars in bathrooms, etc.*
- (ii) The provision of Tax concessions for caregivers of older persons.*

3. Age Friendly Public Transport System

BARP promotes active ageing and encourages seniors to be active and independent in their daily lives. Indeed it is important for seniors not to feel isolated due to lack of suitable and reliable transportation. Any reform of the current transport system should take into consideration age friendly modifications to the current public transport system.

Recommendation: *The transition to an age friendly public transportation friendly which could include but should not be limited to the following:*

- (i) The posting of up-to-date schedules at strategic bus stops, post offices and on appropriate website pages for easy reference by bus users.*
- (ii) Adherence to circulated bus schedules. This may require the provision of additional buses to some routes.*

- (iii) The provision of buses with lowered platforms to accommodate the entry and exit of Persons with Disabilities (PWDs) and seniors.*
- (iv) In addition to the regular bus service, provision of specialised buses to accommodate PWDs.*
- (v) Improved sidewalks for pedestrians and wheel chair users.*
- (vi) The widening of bus stops to accommodate walkers, wheelchairs and other mobility aids.*

Enhanced Governance and Transparency

1. Corruption in Barbados

Recommendation: Each political party should include a statement that supports a comprehensive Prevention of Corruption Act.