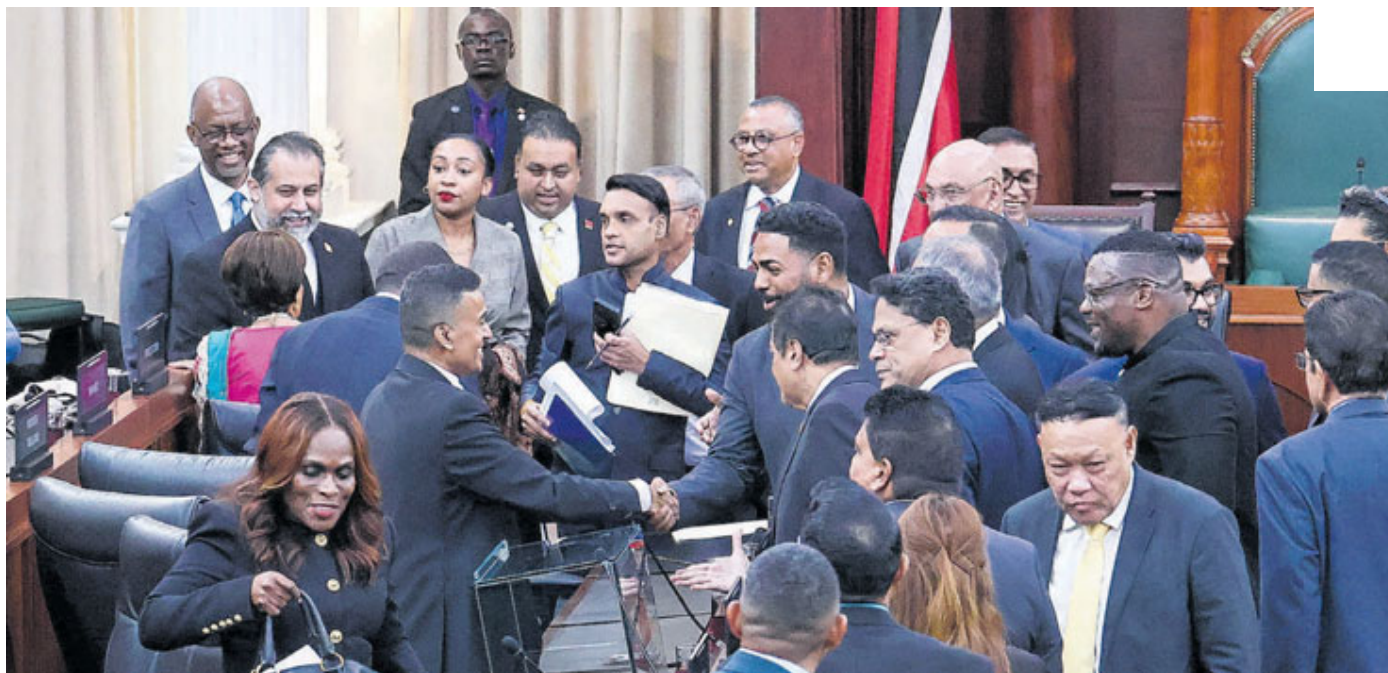


Wage joy for workers

Finance Minister delivers on promised 10% pay hike for public servants but raises duties on cigarettes, alcohol in \$59B Budget



Finance Minister Dave Tancoo is congratulated by his colleagues after presenting his maiden Budget in Parliament yesterday. PHOTO BY ABRAHAM DIAZ

GAIL ALEXANDER SENIOR POLITICAL REPORTER

Government's negotiations regarding public servants' salaries will begin at 10 per cent, motorists began paying \$1 less for Super gas yesterday—but Customs duties on rum and spirits, beer and cigarettes increased yesterday as well.

And next year NIS contributions will be increased, landlords will pay Government a surcharge and commercial and industrial properties will also pay an electricity "surcharge."

Commercial banks and insurance companies will also have to pay a 0.25 per cent levy on their assets.

These were among the United National Congress (UNC) administration's first Budget presented by Finance Minister Dave Tancoo in the House of Representatives yesterday.

"Budget 2026 is a declaration that Trinidad and Tobago is back on course ... When UNC wins, everybody wins!" Tancoo declared of his package, which comprised a balance of perks for some sectors and penalties for others.

Tancoo spoke for three hours and 15 minutes in delivering a \$59.232 billion package—slightly

smaller than the former government's \$59.741B for 2025.

His delivery was punctuated by loud desk thumping and an "Everybody wins!" chorus from his Government colleagues, who gave him a standing ovation on conclusion. His Budget theme was "T&T First: Building Economic Fairness through Accountable Fiscal Policies." Revenue is projected at \$55.367B and the fiscal deficit is estimated at \$3.865B – less than the former government's 2025 Budget.

Education and Training received top dollar among allocations \$ 8.766B.

The Tobago House of Assembly received \$2.96 billion. Tancoo said a further \$763 million will also be spent by various ministries on Tobago. "In total, then, the allocation to Tobago for fiscal 2026 will be \$3.724 billion, which equates to 6.3 per cent of the National Budget," Tancoo added. The Budget was pegged on an oil price of US\$73.25 per barrel (compared with US\$77.80 per barrel in 2025) and natural gas price of US\$4.25 per MMBtu (compared with US\$3.59 per MMBtu in 2025).

"This 2026 Budget is a realignment of objectives towards a Trinidad and Tobago-first policy," Tancoo added.

Government adopted the UNC 2025 Manifesto as official Government policy to guide initiatives that will be implemented in the next five years.

More in your pocket

Announcing a reduction of the Super gas price, Tancoo said, "The then Finance minister gloated and sneered that because citizens hadn't rioted yet, he could raise the price of gas again. And he did again and again and again.

"While citizens suffered in pain and frustration as the cost of living skyrocketed, the PNM in government continued to pile pressure on the backs of those least able to bear it ... the previous PNM government has been unfairly overcharging citizens for Super gasoline.

"In our bid to build economic fairness, the Honourable Kamla Persad-Bissessar has instructed that, effective immediately, the price of Super gasoline at the gas station pump be reduced by \$1 per litre."

"The average fuel tank capacity is about 50 litres ... every time you fill your tank you'd be saving \$50 thanks to this reduction! When UNC wins, everybody wins!"

Tancoo added. On outstanding negotiations with the Public Service Association (PSA), Tancoo said, "After nine long years of stagnation, we're committed to finally bringing all parties back to the bargaining table to address this long-overdue injustice.

"On completion of the bargaining process, we'll work with Republic, First Citizens Bank and the National Insurance Board to find a comprehensive solution to discharge this national obligation.

"In furtherance of the conclusion of negotiations for the Civil Service, Statutory Authorities and Tobago House of Assembly for the periods 2014-2016 and 2017-2019, the Honourable Prime Minister has instructed me to advise the Chief Personnel Officer to submit a revised offer of 10 per cent – Promise made, promise kept! Because, when UNC wins, public servants win!!"

He said Government will ratify collective agreements signed in April 2025 between the Chief Personnel Officer and unions for the Teaching Service, Defence Force and Port-of-Spain and San Fernando City Corporations.

Tancoo said the recurrent cost of implementing these agreements is estimated at \$214 million

annually, with arrears of \$730 million as of December 2025.

Among his 26 fiscal measures, Value-Added Tax on food items– from table salt, to locally produced vegetables – will be reduced from Friday.

NIS contributions up, retirement age adjustment

After the 11th Actuarial Review projected the National Insurance Fund would be depleted by 2033 if nothing is was done, Tancoo said, “We will not allow the fund to collapse... this Government will act decisively where the PNM refused to act! To save this critical institution from bankruptcy and preserve benefits for future generations, we must increase the contribution rate.”

To minimise burden on contributors, Tancoo proposed a phased approach: implementing a three per cent increase in the contribution rate effective January 5, 2026, followed by another three per cent increase from January 4, 2027.

He also announced a gradual adjustment to the retirement age for a full NIS pension “Beginning January 2028, the age at which a person can receive a full NIS retirement pension will gradually increase over a 10– year period. There will be no change for anyone who retires at age 60 before January 1st, 2028.

“These retirees will continue to qualify for a full NIS pension (with a minimum of \$3,000) at age 60. Furthermore, existing pensioners will not be affected by this change.”

Starting in January 2028, the age for a full NIS pension will increase by one year every two years until it reaches age 65 in 2036.

“This means that to access the full minimum pension of \$3,000:

- From January 1, 2028, to December 31, 2029, a retiree must be 61 years of age;
- From January 1, 2030, to December 31, 2031, a retiree must be 62 years of age;
- From January 1, 2032, to December 31, 2033, a retiree must be 63 years of age;
- From January 1, 2034, to December 31, 2035, a retiree must be 64 years of age; and
- From January 1, 2036 onward, a retiree must be 65 years of age.”

“These adjustments mean that the retirement age for a full NIS pension will move from 60 to 65 over the next decade. Persons who retire early will still receive a pension, but at a reduced rate,” Tancoo added.

Landlord business, electricity surcharge

On the landlord surcharge starting January 1, Tancoo said, “In recent times, there has been an explosion of unregistered commercial and residential rental properties.

Many of these landlords have been avoiding paying their fair share of taxes. This contributes to significant revenue loss and a lack of reliable data to support policy development.

“Introduction of this Landlord Business Surcharge, based on actual rental income – not ghost rental fee–, will broaden the tax revenue base, promoting fairness, transparency and accountability. This measure requires all landlords to register with the Board of Inland Revenue and pay a one-time registration fee of \$2,500.”

The landlord surcharge will be applied as follows: (i) 2.5 per cent of the gross annual rental income

of \$20,000.00 or less; and (ii) 3.5 per cent of the gross annual rental income exceeding \$20,000.

The electricity surcharge for commercial and industrial customers—not residential— will take the form of a fixed, bill-level charge of \$0.05 per kWh. On the Asset Surcharged for banks and insurance companies, Tancoo said due to their large size, profitability and capitalisation, these entities have reported sustained earnings, high liquidity ratios and strong asset base growth.

“Conservative lending practices and favourable monetary conditions have driven these outcomes. Despite this, the average citizen continues to be subjected to unreasonably high fees and near-zero returns on their savings and investments,” he said.

This measure is expected to contribute \$575 million annually to revenues. The levy will not be applied to financial institutions and insurance companies operating under the provisions of the Special Economic Zones Act.

CEPEP, URP \$, single mothers' housing In keeping with Government's campaign, private pensions will be exempted from income tax on January 1, Tancoo added.

He also said Government is committed to ending the state funding of criminal gangs by eliminating the CEPEP and URP programmes and replacing them with providing full-time, better-paid jobs.

“I have established an Employment Fund in the Finance Ministry with \$475 million, which will be utilised, together with the \$310 million in the Unemployment Fund, for job creation.”

Among Housing plans, Tancoo said the Foundation-for-Life Programme will help single mothers and seniors with rent-toown options, while inclusive housing at Edinburgh 500 will serve persons with disabilities.

VAT review

Tancoo said Government intends reviewing the existing VAT regime “and, if feasible, replace it with a simplified, more efficient sales tax applied at the final point of transaction.”

Government will also clear the backlog of VAT refunds and close outstanding arrears.

Tancoo also announced that the abandoned Caroni Racing Complex will be converted to a world-class convention centre with assistance from the TT Manufacturers Association (TTMA) Tancoo said, “T&T's economic prosperity, economic security, energy security and regional stability have been given a significant boost with the recent US support for the Dragon gas proposal. We'll be exploring every avenue to advance this project.”

He thanked US President Donald Trump's administration for assistance.

Budget Allocations

- Education and Training: \$8.766B
- Health: \$8.214B
- National Security: \$6.366B
- Public Utilities: \$3.395B
- Infrastructure: \$1.943B
- Rural Development & Local Govt: \$1.807B

- Transport: \$1.840B
- Agriculture: \$1.130B
- Housing: \$0.662B