

Tax-free private pensions proposal before Cabinet



Minister of Finance Davendranath Tancoo speaks during a press conference last Sunday at the headquarters of the ruling United National Congress in Chaguanas.

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Minister of Finance Davendranath Tancoo says legislation to make private pensions tax free has been drafted and is now before Cabinet, with the measure expected to be included in a Finance Bill due for Parliament by late February or early March.

Speaking in a one-on-one interview on the sidelines of the CAF International Economic Forum in Panama, Tancoo said the proposal, first announced in his 2026 budget presentation, was delayed after questions arose over supporting data. He said those issues have since been resolved.

“The legislation has been drafted.

I think it is before the Cabinet as we speak,” Tancoo said, adding, “I expect

there's a Finance Bill that is due possibly in the end of February, early March. It will be involved in that Finance Bill. So that is coming."

Tancoo initially signalled the measure would take effect from January 1, but later said parliamentary approval was re-quired. He explained the delay stemmed from the need to verify data to determine how far the policy could go without undermining fiscal stability.

"There was a little difficulty in terms of the data to verify where we wanted to go and that data has since come in," he said, adding that the draft legislation had now been placed before Cabinet.

The proposal is part of a wider set of pension-related reforms, including recent changes to National Insurance contributions and retirement age thresholds, which Tancoo said were necessary to prevent the National Insurance fund from becoming insolvent.

"If we did not do that, what would have happened is the National Insurance fund would have gone bankrupt," he said, warning that such an outcome would have threatened future pensions and other benefits within the lifetimes of current contributors.

Tancoo framed tax-free private pensions as a policy aimed at protecting retirees' income, while the Government works to stabilise public finances and expand revenue through growth rather than new taxes. He said broader fiscal measures were focussed on widening the revenue base and improving tax collection, rather than placing additional burdens on pensioners.

Once approved by Cabinet and passed by Parliament, the measure would remove income tax on pensions, a change the Government has pitched as relief for retirees amid rising living costs.