



**Statement by
the Honourable Minister for Finance and Economic Development on
the “Exceptional Circumstance” Transactions Incurred During the 2024
Financial Year for the Ministry of Finance and Economic Development**

Mister Speaker, as required by Section 11(6) of the Public Management and Finance Act (2020 Revision) – the PMFA - I make this Statement to Members of this Honourable House with respect to the “exceptional circumstance” transactions that were approved by Cabinet for the Ministry of Finance and Economic Development with respect to its 2024 Financial Year that ended on 31 December 2024: such transactions were approved pursuant to Section 11(5) of the PMFA.

Mister Speaker, there were two financial transactions that the Cabinet approved for the Ministry of Finance and Economic Development, pursuant to Section 11(5) of the PMFA in respect of the Ministry's 2024 Financial Year:

The first transaction, Mister Speaker, was an increase to the 2024 Appropriation entitled *OE 121 - Additional Normal Cost for Pension Plans*, by \$895,000.

The second transaction, Mister Speaker, was a compensating decrease to the 2024 *OE 27 – Past Service Pension Liability* appropriation by \$895,000.

Mister Speaker, in November 2024, Cabinet approved an increase to the pension contribution rates under the Parliamentary and Public Service Pensions Plans.

Meeting the Definition of an Exceptional Circumstance Transactions

Mister Speaker, the supplementary funding that was required for OE 121 - *Additional Normal Cost for Pension Plans* meets the definition of an exceptional circumstance as:

1. the increase to the contributions rates were not known when the 2024 Budget was prepared in December 2023;
2. the Government could be exposed to significant financial risks, potential legal liabilities and disruption of services if it does not pay the increased contribution rates; and
3. the increase to the contribution rates were approved in November 2024 – making it impractical to request for the supplementary funding to be granted, via Section 12 of the PMFA – as there were no planned meetings of the Finance Committee of Parliament in very late 2024.

Mister Speaker, the exceptional circumstance transactions did not result in an adverse impact on the Government's financial results and position for the 2024 financial year, nor the principles of the responsible financial management - because the appropriation changes were merely a transfer of funds within the same Operating Expenditure category: an increase in one Operating Expenditure appropriation was mitigated by an equal reduction to another Operating Expenditure appropriation.

Mister Speaker, in conclusion, I thank you for allowing me to explain the exceptional circumstance transactions which were approved by the Cabinet for the Ministry of Finance and Economic Development with respect to its 2024 Financial Year.

Thank you, Mister Speaker.