



MINISTRY OF FINANCE AND PLANNING  
30 NATIONAL HEROES CIRCLE  
P.O. BOX 512  
KINGSTON  
JAMAICA

ANY REPLY OR SUBSEQUENT REFERENCE SHOULD BE  
ADDRESSED TO THE FINANCIAL SECRETARY AND THE  
FOLLOWING REFERENCE NUMBER QUOTED:-

Telephone No. 92-28600-15

November 13, 2003

**CIRCULAR NO. 25**

**DIVISION: PUBLIC EXPENDITURE POLICY CO-ORDINATION**  
**FILE NO. 107/125**

Permanent Secretaries  
Heads of Departments

**Salary Lodgement and Authorised Deductions**

The attention of Permanent Secretaries and Heads of Departments is invited to the following instructions:

**1 Lodgement of Net Salary**

- (1.1) Ministries, departments and agencies may accept orders from public officers to lodge their entire net salary to any local financial institution provided that such institution is on the list of approved financial institutions published by the Financial Services Commission.
- (1.2) No irrevocable order for lodgement of salary to any approved financial institution shall be accepted unless such order expressly and explicitly states that the Government:
  - (a) shall in no way be held liable for the debt(s) of the employee;
  - (b) is authorized to recover all debts owed by the employee to Government from sums owed to him/her before lodgement of his/her net salary to the designated financial institution in circumstances where the employee dies or becomes separated from the Service.

- (1.3) Where a ministry, department or agency has doubts about the terms and conditions of an irrevocable order, the advice of the Attorney General must be sought before acceptance of such an order.
- (1.4) Where an irrevocable order for lodgement of salary is accepted, ministries, departments and agencies must ensure that systems and procedures are in place to enforce the order, as follows:
- (a) an Irrevocable Order Register must be maintained in respect of all orders accepted, and the following information recorded therein:
    - i. name of the employee,
    - ii. the date of the order,
    - iii. the name of the officer accepting the order and
    - iv. the institution to which the salary is to be lodged;
    - v. the expiry date of the order, if any.
  - (c) a thorough check of the Irrevocable Order Register must be made before acceptance and signing of every new order to ensure that the employee does not already have an existing irrevocable order.
- (1.5) Where an irrevocable order for lodgement of salary is in force, ministries, departments and agencies must ensure that:
- (a) all salary paid in advance in respect of vacation leave pay is lodged to the designated financial institution;
  - (b) where the employee's net salary for any month is nil or is substantially reduced due to suspension, interdiction, etc. the financial institution is advised accordingly.
- (1.6) Ministries, departments and agencies that are paid by the Accountant General's Department shall be responsible for:
- (a) signing, acceptance and executing the order; and
  - (b) maintaining the Irrevocable Order Register in respect of all their employees.
- The signed order must be sent to the Accountant General's Department in the normal manner.
- (1.7) Ministries and Departments shall charge the employee a non-refundable processing fee of five hundred dollars (\$500.00) before signing and acceptance of any order. This fee must be collected and paid over to the Accountant General for Miscellaneous Revenue in the normal manner.



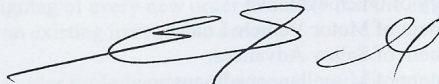
## **2 Authorised Salary Deductions**

- (2.1) Ministries, departments and agencies are authorized to deduct from salary all statutory deductions. These shall include the following:
- (a) Income Tax (PAYE);
  - (b) Education Tax;
  - (c) National Insurance Scheme (NIS) Contributions;
  - (d) National Housing Trust (NHT) Contributions;
  - (e) Civil Service Family Benefits Pension Contributions;
  - (f) Provident Fund Contributions.
- (2.2) Ministries, departments and agencies are authorized to deduct from salary all loans and advances payable to Government. These shall include the following:
- (a) Recovery of Overpayments;
  - (b) Repayment of Motor Vehicle Loans;
  - (c) Repayment of Salary Advances;
  - (d) Repayment of Miscellaneous Loans;
  - (e) Repayment to Students' Loan Bureau;
  - (f) Rental of Government Quarters;
  - (g) Repayment of any other loans, advances or any other amounts due to Government.
- (2.3) Ministries, departments and agencies are authorized to deduct from salary the following private deductions:
- (a) Union dues;
  - (b) Contribution to ministry/department's sports and social club or staff association;
  - (c) Contribution to Government group health insurance scheme (Blue Cross);
  - (d) Contribution to group health insurance scheme operated by an approved financial institution;
  - (e) Life and health insurance premiums in respect of insurance companies approved by the Financial Services Commission.
  - (f) Contributions to credit unions that are on the list of approved financial institutions;
  - (g) Alimony payments and other deductions as per Court Order;
  - (h) Contributions to charitable and non voluntary organizations;
  - (i) Contributions to pension and superannuation funds operated by an approved financial institution.

(N.B Approved financial institutions are institutions authorized or registered by the relevant regulatory body, ie. Financial Services Commission, Bank of Jamaica, and the Department of Cooperatives and Friendly Societies.)

- (2.4) Under no circumstances whatsoever must there be any deduction from salary for hire purchase installments, payments of utility or other personal bills.
- (2.5) Where a current or proposed salary deduction does not qualify for acceptance based on the above, the relevant institution may submit an application to the Financial Secretary outlining in detail the special circumstances that merit its inclusion as an authorised public sector salary deduction. A non-refundable processing fee of five thousand dollars (\$5,000) must be paid by the institution at the Ministry of Finance & Planning upon submission of the application.

Permanent Secretaries and Heads of Departments must ensure that this circular is brought to the attention of all relevant officers.



Shirley Tyndall (Miss)  
Financial Secretary