

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

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

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**CIRCULAR NO. 26**

**FILE NO. 463/132**

**DIVISION: PUBLIC EXPENDITURE POLICY CO-ORDINATION**

Permanent Secretaries  
Chief Executive Officers

**Performance Incentive Payments - Guidelines for Executive Agencies**

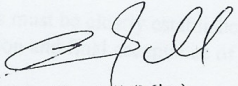
The attention of Permanent Secretaries and Chief Executive Officers of Executive Agencies is being drawn to the requirement to adhere to the following guidelines in respect of the payment of Performance Incentives with immediate effect:

1. The Executive Agency's Key Performance Indicator (KPI) must be included in the Corporate Plan of the Executive Agency (EA).
2. All annual performance targets must be agreed to by individuals and be so evidenced and approved by the management of the EA. Senior Executives' targets must be approved by the Portfolio Minister and be so evidenced.
3. Procedure for the evaluation of KPI's must be established in the EA Human Resources handbook/manual and approved by the Cabinet Office.
4. The basis for evaluation of KPI's must be clearly established and communicated to all participants prior to the finalization and final acceptance of all performance targets.
5. All expenditure for Incentive payments must be included in the Approved Estimate of Expenditure for the financial year in which the payment is being made.
6. The KPI's achieved by all EA's must be audited and certified by the Chief Internal Auditor (CIA) of the Executive Agency or the Portfolio Ministry before commencement

- of the processing for payment. Approval for payments must only be given after the Chief Internal Auditor has certified the achievement of the KPI's.
7. The Chief Internal Auditor in the EA or the Portfolio Ministry must audit all payments of Performance Incentives for correctness and eligibility.
  8. All proposals for the payment of performance incentives must be sent to the Financial Secretary for review and evaluation in adherence to Circular No. 17 "Public Sector Compensation Packages" dated December 13, 1999.
  9. Payment for Performance Incentives must be made only if the performance targets have been substantially achieved. A One Hundred Percent (100%) or above achievement of performance targets is deemed to be satisfactory achievement of performance targets. However, an achievement of between eighty-five and ninety-nine percent (85% - 99%) satisfactory performance rating shall be deemed to be eligible for incentive payment.
  10. Performance Incentive payments shall not be made for the achievement of any level of performance that is less than Eighty-five percent (85.%) of agreed target.
  11. Payment shall be made on a pro rata basis to individuals who have achieved an Eighty-five percent (85%) to Ninety-nine percent (99%) performance rating.
  12. Performance Incentive payments shall not exceed Twelve and one half percent (12.5%) of an employee's gross basic salary and must be based on the salary level in existence on the last day of the period to which the performance review relates.
  13. The following rates shall apply to the payment of performance incentives:

| <u>% Rating</u> |   | <u>% Payment</u> |
|-----------------|---|------------------|
| i. $\geq 100$   | = | 12.5             |
| ii. 95 - 99     | = | 10.0             |
| iii. 90 - 94    | = | 7.5              |
| iv. 85 - 89     | = | 5.0              |

The contents of this document are to be brought to the attention of all relevant personnel.

  
 Shirley Tyndall (Miss)  
 Financial Secretary.