

**CIRCULAR No. 26**  
**Ref. No. 59/43<sup>II</sup>**

**MINISTRY OF FINANCE AND PLANNING**  
**(PUBLIC SERVICE ESTABLISHMENT DIVISION)**  
**30 NATIONAL HEROES CIRCLE**  
**KINGSTON 4**  
**September 22, 2005**

**TO: PERMANENT SECRETARIES**  
**HEADS OF DEPARTMENTS**  
**CHIEF EXECUTIVES- GOVERNMENT ENTITIES/**  
**PUBLIC BODIES**

**ADDENDUM TO THE MEMORANDUM OF UNDERSTANDING**

Based on the Addendum to the Memorandum of Understanding signed by the Government of Jamaica and the Jamaica Confederation of Trade Unions, approval is given for the payment of a temporary, non pensionable allowance and for there to be an optional moratorium on the repayment of existing staff loans.

**TEMPORARY ALLOWANCE**

2. Details for the payment of the temporary allowance are listed below:

- |       |   |                   |
|-------|---|-------------------|
| (i)   | Employees earning \$250,000 per annum<br>and under                          | \$577.00 per week |
| (ii)  | Employees earning over \$250,000 per annum<br>and up to \$500,000 per annum | \$865.00 per week |
| (iii) | Employees earning over \$500,000 per annum<br>and up to \$650,000 per annum | \$846.00 per week |
| (iv)  | Employees earning over \$650,000 per annum                                  | \$705.00 per week |

3. The following guidelines are to be observed when the above payments are being made:

- (i) The payments are to be made to full time employees who are permanent, temporary, or on fixed term contracts.
- (ii) Part time employees working at least three days per week are to be paid at the rate of \$255.00 per week

- (iii) The allowance is to be paid for the period September 19, 2005 to March 31, 2006. Therefore, the payment of this allowance will cease effective April 1, 2006
- (iv) The pay ranges set out above are gross figures.
- (v) The per week rates for the allowance are gross amounts and therefore the allowance is subject to income tax, education tax, and deductions for National Housing Trust and where applicable National Insurance.
- (vi) The payments are to be represented separately on pay slips as "Temporary MOU Allowance". The allowance is payable on the normal paydays.
- (vii) In determining the pay band in which an employee falls, all salary payments are to be taken into account including acting, seniority, special and personal pensionable allowances. Traveling or transportation allowances are **not** to be included
- (viii) If an officer's acting allowance ceases during the period September 19, 2005 to March 31, 2006 and the effect is that the officer will fall into a lower pay band then an adjustment should be made to ensure the relevant temporary allowance is paid.

Therefore, if an officer's pay is \$600,000.00 per annum and that officer is receipt of an acting allowance of \$80,000.00 per annum then that officer should receive a temporary allowance of \$705.00 per week. If that officer ceases to act during the period and his/her substantive pay reverts to \$600,000.00 then the temporary allowance would move to \$846.00 per week.

4. For Ministries, Departments and Agencies funded directly from the Budget, the payments for September and October should be made in October 2005. The additional cost to implement this allowance and the payment of the retroactive amounts for the month of September **must** be sent to this Ministry's Public Expenditure Division **and copied** to the Public Service Establishment Division (Compensation Unit).



5. Thereafter, this costing must be submitted on a monthly basis on the form at appendix A to the Public Expenditure and Public Service Establishment Divisions of the Ministry of Finance and Planning.

6. For Public Bodies that are not on the Budget the payments for September and October should be made by October 2005. The additional cost to implement this allowance and the payment of the retroactive amounts for the month of September **must** be sent to this Ministry's Public Enterprises Division **and copied** to the Compensation Unit of the Public Service Establishment Division. Thereafter this costing must be submitted to the above-mentioned Divisions on a monthly basis on the form at Appendix A.

#### **LOANS MORATORIUM**

7. Effective October 1, 2005, approval is given for employees to opt for a moratorium on existing in-house staff loans during the period October 1, 2005 to March 31, 2006. This facility is not applicable to loans granted on or after September 19, 2005.

8. Once a moratorium is granted it should be clearly explained that this would effectively extend the period of repayment by the period of the moratorium.

9. Employees who opt to take the moratorium must advise their Human Resource Department in writing stating the loan or loans on which the moratorium should apply and that they understand the effect of taking the moratorium. **This is to be done by October 7, 2005 for loans disbursed by the Accountant General.**

A suggested format for this application is at Appendix B.

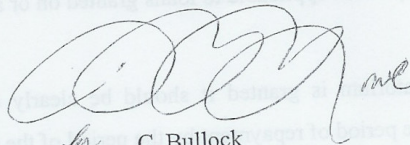
10. A list of all officers in Central Government and The Teaching Service who have opted to take a moratorium is to be sent to the Public Service Establishment Division's Compensation Unit and the Accountant General's Department (the Ministry of Education

Youth and Culture in the case of the Teaching Service). This list detailing the applicable loans and the period of the moratorium being taken is to be submitted by **October 15, 2005.**

11. Please note that during the period of the moratorium the ability of the Accountant General or the respective Agency to pay out new loans will be severely curtailed. Human Resource Managers are asked to bring this to the attention of all employees.

12. IN ANY CASE OF DOUBT OR DIFFICULTY PLEASE CONTACT THE COMPENSATION UNIT OF THE MINISTRY OF FINANCE AND PLANNING FOR ADVICE **BEFORE** ANY ACTION IS TAKEN.

13. Please ensure that the contents of this circular are brought to the attention of all public sector employees.



C. Bullock  
Financial Secretary



# APPENDIX A

## TEMPORARY MOU ALLOWANCE COSTING SCHEDULE

Ministry/Department/Agency .....

Pay Range	# of Employees	Total Cost (Gross)	Total Cost (Net)	Income Tax	Education Tax	Employer's Contribution to NIS	Employer's Contribution to NHT
\$250,000 per annum and under							
Over 250,000 p.a. and up to \$500,000 p.a.							
Over \$500,000 p.a. and up to \$650,000 p.a.							
Over \$650,000 per annum							
Part Time Employees							

**APPENDIX B**

**MORATORIUM FORM (Central Government)**

I ..... Post .....

Ministry/Department..... opt to take a moratorium on the following loans (check applicable loan) for the period October 1, 2005 to March 31, 2006

Salary Advance	( )
Motor Vehicle Loan	( )
Miscellaneous Loan	( )
Motor Vehicle Repair Loan	( )
Motor Vehicle Insurance Loan	( )
Computer Loan	( )

I fully understand that by taking this Moratorium I will effectively extend the loan repayment schedule by the moratorium period.

.....  
Employee's Signature