



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 & PLANNING
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P.O. BOX 512
KINGSTON
JAMAICA

Circular No. 21

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PERMANENT SECRETARIES
HEADS OF DEPARTMENTS/AGENCIES
CHIEF EXECUTIVE OFFICERS

2012/2015 Wage Agreement with Public Sector Trade Unions/Associations

Your attention is drawn to the Heads of Agreement signed between the Government of Jamaica and Trade Unions/Staff Associations representing employees in the Public Sector. **This Agreement is applicable to all employees in Central and Local Government and all other Government Entities, Commissions, Companies, Corporations, Institutions and Statutory Bodies.**

This Agreement will be for a period of three (3) fiscal years 2012/13, 2013/14 and 2014/15. Wages for the period will be settled in keeping with the promulgated wage ceiling of the Government that is, a wage to Nominal GDP ratio of 9% by March 2016. During this period of restraint **there will be no increase in wages**, save and except where increases are arrived at through:

- (a) Promotion
- (b) Increments; and
- (c) Reclassification exercises agreed prior to the period of this agreement.

The above will apply to all remuneration under contracts of employment for any kind of work to be performed in the Public Sector of Jamaica.

The following sets out some critical areas of the Agreement which should be strictly adhered to:

- (1) **Reclassification** – During this period of restraint there should be **no reclassifications**. However, where circumstances indicate the need for the conduct of reclassification exercises, these should be considered by the Public Sector Monitoring Committee (PSMC), within the context of the agreed wage parameters of 9% of Nominal GDP.

- (2) **a) Increments** - For the period of this contract, temporary workers who are employed for two (2) consecutive years and above will be eligible for increments consequent on satisfactory performance evaluation. Permanent employees will continue to be eligible for the payment of increments in keeping with the guidelines previously issued.

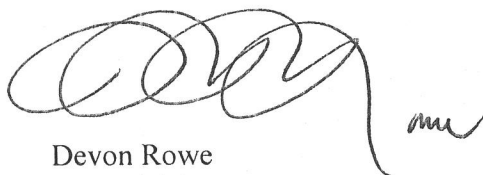
b) Increments - Entities without incremental pay scales will also be eligible for the payment of an annual increment for the period of this agreement, however, approval must be sought from the Ministry of Finance and Planning before any payment is made.

- (3) **Appointment** - In keeping with the instructions/policy of the Office of the Services Commissions (Public Service, Local Government, Judiciary, Teachers) and Boards, as far as is possible, no officer should be acting in a clear vacancy for more than six (6) months. However, where persons have been employed or are acting in a clear vacancy for over six (6) months such persons should be evaluated with a view to appointment unless valid reasons exist why such persons should not be appointed.
- (4) **Redundancies** - There will be no redundancies/separations in the public sector during the life of this agreement except as a result of the implementation of the Master Rationalization Plan accepted by Parliament, or as a result of natural attrition or voluntary separation as per contractual agreement. All separation, outside of natural attrition or voluntary separation should be forwarded to the Public Sector Monitoring Committee (PSMC) for final approval prior to implementation.
- (5) **Divestment** - Where divestment of Government asset is contemplated a minimum of 10% of the number of shares must be reserved for the workers of the entity and other public sector workers or total control by workers in an Employee Share Ownership Programme (ESOP) arrangement.
- (6) **Previous MOU's** - All agreements reached in previous Memoranda of Understanding remain in force except in cases where amendments have been made to some specific items.

It should be noted that discussions are continuing on some items of the Agreement at the level of the Public Sector Monitoring Committee (PSMC) and these outcomes will be conveyed as soon as the items are finalized.

Please ensure that this circular is brought to the attention of the public sector entities and the relevant personnel under your purview.

In case of doubt or difficulty, please contact the Public Service Establishment Division of this Ministry for any assistance.



Devon Rowe
Financial Secretary

Ms Helen Rumbolt
1st Floor