



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

Telephone No. 92-28600-16  
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**MINISTRY OF FINANCE AND THE PUBLIC SERVICE**  
**30 NATIONAL HEROES CIRCLE**  
**P.O. BOX 512**  
**KINGSTON**  
**JAMAICA**

August 17, 2017

Circular No 7  
File No. 107/022  
Division Public Expenditure Policy Coordination Division

Permanent Secretaries  
Heads of Departments  
Chief Executive Officers of Executive Agencies  
Chairmen of Boards

**Re: Payment of GCT on Health Insurance Premiums**

Permanent Secretaries, Chief Executive Officers, Heads of Departments and Chairmen of Board of Directors are advised that with effect from June 1, 2017, General Consumption Tax (GCT) is payable on premiums in relation to the provision of group health insurance. However, this does not apply to the Government Employees Administrative Services Only (GEASO) and the Government Pensioners Administrative Services Only (GPASO) schemes as they are administrative services and not group health insurance schemes.

Based on the above, the following amendment is made to the Financial Administration and Audit Act, Financial Instructions 2017:-

**New Section**

**“9.7.8 Payment of GCT on Health Insurance Premiums**

- (i) *The GCT payable on group health insurance premiums is payable by both employees and the employer i.e. (the Government). This must be done as follows: -*
  - (a) *The GCT portion payable by the employee must be deducted from their salary in addition to the insurance premium.*
  - (b) *The GCT portion payable by the Government plus the amount deducted from the employees' salaries must **NOT** be paid to the insurance company. Instead the*

*insurance company is to be issued with a Withholding Tax Certificate (WTC) based on their invoice for the total premium payable for the month.*

*(ii) Those Ministries, Departments and Agencies whose GCT is paid by this Ministry are required to: -*

- (a) Include on the form shown as Appendix 38 (see copy attached), the total amount deducted from employees' salaries for GCT on insurance premium plus the GCT portion payable on the employer's contribution.*
- (b) Generate and issue a WTC to the relevant health insurance company in respect of the total GCT payable for the month in accordance with their invoice.*
- (c) Prepare and file the GCT Remittance Return for Tax With-holding Entities (TWEs) as requested in Form 4F (see Appendix 40) (stating the names and taxpayer registration numbers of the health insurance company from whom the tax was withheld and the amount of tax withheld in respect of each company).*

*(iii) Government bodies excluding those at (ii) who are registered TWEs are required to: -*

- (a) Generate and issue a WTC to the relevant health insurance company in respect of the total GCT payable for the month in accordance with the invoice.*
- (b) Prepare and file GCT returns Form 4A and Form 4F (see Appendices 39 and 40).*
- (c) Remit the tax payable on Forms 4A and 4F by the last working day of the month following the taxable period for which a withholding tax certificate is issued."*

Permanent Secretaries, Heads of Departments and Chief Executive Officers must ensure that this Circular is brought to the attention of all relevant officers within their Ministries/Departments/Agencies and public bodies.



Darlene Morrison (Ms)  
Acting Financial Secretary

## APPENDIX 38 – GCT PAYMENT ADVICE

### GENERAL CONSUMPTION TAX PAYABLE

Ministry/Department/Agency \_\_\_\_\_

MONTH \_\_\_\_\_

Head No.	TRN	NIS	Ministry/Department/Agency	GCT Payable
			Ministry X - Recurrent	
			Agency 1	
			Agency 2	
			Agency 3	
			Ministry X - Capital A	
			Ministry X - Capital B	
			Total	

\_\_\_\_\_  
Principal Finance Officer/  
Director of Finance/  
Financial Controller

\_\_\_\_\_  
Date

# APPENDIX 39 – GCT RETURN



## THE GENERAL CONSUMPTION TAX ACT GENERAL CONSUMPTION TAX RETURN

**FORM 4A**

*Please Read Instructions Overleaf before Completing this Return*

<b>Section A: GENERAL INFORMATION</b>		2. Taxpayer Registration Number (TRN)	
1. Name of Business		3. Return Period (Year- Month -Day to Year Month-Day) 2, 0   0 1 to 2, 0	
4. Address of Business		5. Tick if applicable. <input type="checkbox"/> New Address <input type="checkbox"/> Revised Return	
<b>Section B: SUPPLIES (Goods &amp; Services)</b>			
Total Supplies for Period (Excluding Imported Services)		6	
Exempt Supplies	Export Supplies	Zero Rated Supplies	
7	8	9	10
Taxable Supplies at a positive rate (Subtract Line 10 from Line 6)			11
<b>Section C: OUTPUT TAX</b>			
Supplies to Tax Withholding Entities (TWEs) at Standard Rate	12	X	Rate % = 13
Supplies to Other Entities at Standard Rate	14	X	% = 15
Supplies to TWEs at Other Rate(s) (Transfer totals from Section C1 overleaf)	16		17
Supplies to Other Entities at Other Rate (Transfer totals from Section C1 overleaf)	18		19
Imported Services (Not to be included in Line 6 above)	20	X	% = 21
GCT Deferred			22
GCT Due on Goods Used for Exempt Activities, Personal Use and other Adjustments			23
Total Output Tax (Add Lines 13, 15, 17, 19, 21, 22 and 23)			24
<b>Section D: INPUT TAX/TAX CREDIT</b>			
Total Purchases & Expenses that qualify for credit	25	Imported Goods	Local Purchases
	26		Local Expenses
			27
			28
<i>Note: If Exempt Supplies exceed 5% of Total Supplies, complete Section D1 overleaf. If not, complete relevant Lines below</i>			
GCT on Local Purchases & Expenses that qualify for credit			29
GCT on Imports that qualify for credit	30	GCT Paid on Imports that qualifies for credit	31
			32
GCT on Capital Goods that qualify for credit (If not included at Line 32 above)			33
GCT withheld by Tax Withholding Entities (To claim this tax credit, return must be e-filed)			34
GCT on Imported Services that qualify for credit			35
Adjustments - Specify:			36
Total Input Tax (Add Lines 29, 32, 33, 34, 35 and 36)			37
<b>Section E: GCT PAYABLE / (CREDITABLE)</b>		<b>OFFICIAL USE</b>	
GCT Payable/(Creditable) (Subtract Line 37 from Line 24)	38		
Balance Brought Forward: Payable/(Creditable)	39		
Total GCT Payable/(Creditable) (Add Lines 38 and 39)	40		
GCT Being Paid this Period	41		
If amount at Line 38 is negative, tick appropriate box at Line 42	42	<input type="checkbox"/> Refund <input type="checkbox"/> Credit	
<b>Preparer's Details - (To be completed if prepared by person other than Taxpayer)</b>			
Preparer's Name (Individual/Firm)	Address	TRN:	
		Contact Number:	
<b>Section F: DECLARATION: (To be signed by Taxpayer only)</b>			
I declare that to the best of my knowledge and belief this is a true and correct statement of the information and particulars given on this form.			
Name of Sole Trader / Responsible Officer	Signature	Official Stamp	Title
			Date



<b>Section C1 - OUTPUT TAX ON SUPPLIES AT RATES OTHER THAN STANDARD RATE</b>						
For each row, enter supplies that are taxable at the same rate (other than Standard Rate) and calculate the Tax thereon  <i>(Transfer Total of (a) to Line 16, (c) to Line 17, (d) to Line 18 &amp; (f) to Line 19 overleaf.</i> Total (See note above) ▶	Supplies to Tax Withholding Entities (a)	Rate (%) (b)	GCT (c)	Supplies to Other Entities (d)	Rate (%) (e)	GCT (f)
<b>Section D1 - GCT THAT QUALIFIES FOR CREDIT</b>						
<b>If you have Exempt Sales/Supplies more than 5% of your Total Sales/Supplies, complete the Table below</b>						
<b>Line Items:</b>	(a) Total GCT on Items (\$)	(b) GCT Not Subject to Apportionment (\$)	(c) GCT to be Apportioned (\$)	(d) Portion Related to Taxable Sales (%)	(e) Apportioned GCT (\$) <i>(e) = (c) x (d)</i>	(f) GCT that Qualifies for Credit (\$) <i>(f) = (b) + (e)</i>
Local Purchases & Expenses. . . . .	1					
Imports Paid. . . . .	2					
Deferrment. . . . .	3					
Capital Goods. . . . .	4					
Imported Services. . . . .	5					
<b>Transfer amounts determined in column (f) to the relevant Lines in Section D overleaf; Transfer Line 1(f) to Line 29, Line 2(f) to Line 30, Line 3(f) to Line 31 and Line 4(f) to Line 33 and Line 5(f) to Line 35.</b>						

### INSTRUCTIONS

Taxpayers carrying out Tourism Activities prescribed in Part II of the Second Schedule of the General Consumption Tax Regulations, Item 12(1) should complete FORM 4D. Taxpayers carrying out General Insurance Activities should complete FORM 4E).

Please TYPE or PRINT the required information. Use blue or black ink pen only. Do not use a pencil. All dollar value amounts should be rounded to the nearest whole number.

#### **Section A: GENERAL INFORMATION**

Box 1 : Name of Business - Enter information as stated on the GCT Certificate of Registration.

#### **Section B: SUPPLIES (Goods & Services)**

Include all activities relating to supplies (sales) during the Return Period. For business enterprises in the service sector the value of sales must include the amount charged for Fees.

#### **Section C: OUTPUT TAX**

Calculate tax on supplies (sales) during the Return Period.

Treat the full amount paid for the imported services as the deemed supply (Enter amount in Line 20) and apply the applicable rate.

#### **Section D: INPUT TAX/TAX CREDIT**

Report tax paid on goods and services incurred in carrying on the taxable activity during the period.

Line 34: GCT withheld by Tax Withholding Entities - Enter the total value of GCT withheld by Tax Withholding Entities (i.e. currently Government Entities) for the period. To claim this tax credit you must:

- Possess a "Certificate for GCT Withheld" (Form 5) issued by a Tax Withholding Entity.
- File your return online!

#### **Section E: GCT PAYABLE/CREDITABLE**

Where Output Tax exceeds Input Tax, the difference should be remitted to the Collector of Taxes plus any applicable charges (penalties, interest and/or surcharge) balances from previous periods. Where Input Tax exceeds Output Tax, you are required to indicate how the credit should be treated by placing a tick in the appropriate box at Line 42.

**NOTE : If a refund is requested and has not been received by the time the next Return is filed, do not take a credit against the tax due.**

# APPENDIX 40 – GCT REMITTANCE RETURN FOR TWEs



## THE GENERAL CONSUMPTION TAX ACT GENERAL CONSUMPTION TAX REMITTANCE RETURN FOR TAX WITHHOLDING ENTITIES

**FORM 4F**

### Section A: GENERAL INFORMATION

1. Name of Tax Withholding Entity (TWE)	2. Taxpayer Registration Number (TRN)
	3. Return Period Year    Month    Day    to    Year    Month    Day
4. Address	5. Tick if appropriate. <input type="checkbox"/> Revised Return

### Section B: DETAILS OF GCT WITHHOLDING CERTIFICATES ISSUED

*(Table continues overleaf)*

(a) Tax Withholding Certificate Number	(b) Tax Withholding Certificate Date	(c) TRN of Supplier	(d) Name of Supplier	(e) Number of Invoices	(f) Value of Supply (\$)	(g) GCT Charged (\$)	(h) GCT Withheld (\$)

### Section C: SUMMARY OF GCT WITHHELD

Total number of GCT Withholding Certificates issued for period .....	7	
Total value of goods and services supplied to TWE for period <i>(Total column (f), Section B)</i> .....	8	
Total GCT Withheld/Payable for period <i>(Total column (h), Section B)</i> .....	9	

### Section D: DECLARATION

I declare that to the best of my knowledge and belief this is a true and correct statement of the information and particulars given on this form.

\_\_\_\_\_  
Name of Responsible Officer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

### OFFICIAL USE

