



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 THE PUBLIC SERVICE**  
**30 NATIONAL HEROES CIRCLE**  
**P.O. BOX 512**  
**KINGSTON**  
**JAMAICA**

April 23, 2018

Circular No 9  
File No. 107/025  
Strategic Human Resource Management Division

Permanent Secretaries  
Heads of Departments  
Chairmen of Boards of Public Bodies (fully or partially funded from the Consolidated Fund)  
Chief Executive Officers of Executive Agencies

**Re: SERP Payments**

The attention of Permanent Secretaries, Principal Receivers of Revenue (PRR), Heads of Departments, Chairmen of Boards and Chief Executive Officers is invited to the following guidelines regarding payments under the Special Early Retirement Programme (SERP).

**(1) Incentive Payment**

- (1.1) Persons approved under the SERP, (i.e. beneficiaries) must be paid a monetary incentive equivalent to two weeks salary for each year of qualifying service up to a maximum of one year's salary. Qualifying service means temporary service followed by permanent service and includes two-thirds (2/3) of part-time service.
- (1.2) The incentive will be calculated by the Pensions Administration Unit, Ministry of Finance and the Public Service (MOFPS) and will be paid by the Accountant General's Department, with the exception of those Agencies which have responsibility for paying their pensions directly.

The sums are to be advanced from the existing Approved Budgets of the affected agencies, pending regularization in the First Supplementary Estimates 2018/2019

- (1.3) The incentive will be calculated using the salary as at April 1, 2018. Salary means basic salary of substantive post and pensionable allowances.
- (1.4) The incentive payment shall not be subject to taxes, contribution to the National Housing Trust and National Insurance Scheme.

- (1.5) The incentive must be paid on **April 30, 2018**.

**(2) Payment in lieu of vacation leave**

- (2.1) Beneficiaries that have accumulated leave (vacation, recreational and recalled leave) to their credit prior to retirement are to be paid salary in lieu of leave. This payment should follow the established principles of the salary in-lieu of leave facility and exclude public holidays from the period used to represent the number of days that are under consideration for payment.
- (2.2) Travelling allowance shall be paid to Beneficiaries in lieu of leave if they are eligible for such allowance based on the substantive office from which he/she is retiring. This must be paid based on the travel allowance attached to the substantive office.
- (2.3) The calculation of the vacation leave must be computed by the Human Resource Department, checked and verified by the Chief Audit Executive or any competent independent person authorised by the Permanent Secretary/ Chief Executive Officer or Head of Department.
- (2.4) Payment of salary in lieu of vacation leave for Beneficiaries must not be paid unless it is verified as stated at (2.3). The payment shall be subject to Income Tax, Education Tax and National Housing Trust. No deduction must be made for Family Benefit or any other pension scheme.
- (2.5) Payment of travelling in lieu of vacation leave for eligible Beneficiaries shall be paid based on the vacation leave calculated at (2.3). The payment shall not require the submission of a travel claim voucher by the Beneficiary and shall not be subject to deductions for taxes, contributions and pensions.
- (2.6) Travelling allowance is to be paid for each month starting May 2018. However, portions of a month shall be calculated based on calendar year as shown below:
- $$\frac{\text{number of days for which the allowance is payable} \times \text{annual travel rate}}{365 \text{ days}}$$
- (2.7) The sums authorised for payment to Beneficiaries in lieu of leave for salary and travelling must be paid from the 2018-19 Estimates of Expenditure of the relevant Head. The information in respect of this amount must be submitted to the MOFPS, Public Expenditure Division for inclusion in the 2018-19 First Supplementary Estimates.
- (2.8) The payment of salary and travelling in lieu of leave must be paid by the relevant Ministry/Department and Agency (MDA) no later than **April 30, 2018**.



### **(3) Recovery of Amount owed to MDA**

- (3.1) MDAs must recover any salary paid in advance, overpayment, un-cleared advances, private telephone calls etc. from the amount payable to each beneficiary in respect of Payment in Lieu of Vacation Leave.
- (3.2) Where the amount owed by a Beneficiary to the MDA exceeds the amount payable to him/her, the MDA must advise the Pensions Administration Unit in order for the Accountant General's Department to recover the balance.

### **(4) Payment of Gratuity**

- (4.1) Beneficiaries may elect to receive a Full Pension or a Reduced Pension and Gratuity. Beneficiaries can also apply for an advance on gratuity, which represents 70% of the amount payable.
- (4.2) Gratuity shall be paid by the Accountant General's Department for all MDAs with the exception of those Agencies which have responsibility for paying their pensions directly.
- (4.3) The Accountant General shall deduct from the Gratuity payable all amounts owed to the Government of Jamaica in respect of Motor Vehicle Loan, Miscellaneous Loan, Computer Loan, Salary Advance and other form of indebtedness, including a maximum of 1/5 of the amount owing to the Jamaica Civil Service Mutual Thrift Society.
- (4.4) The net Gratuity payable shall not be subject to taxes, contribution to the National Housing Trust and National Insurance Scheme.

### **(5) Advice to Deduction Beneficiaries**

- (5.1) MDAs must advise all personal deduction entities of each beneficiary by May 12, 2018 that the officer has retired and therefore no further salary deduction standing order payment is possible.
- (5.2) The MDA shall not be obliged to make any personal deduction from the Beneficiary's Incentive Payment or Payment in lieu of leave.

### **Conclusion**

Permanent Secretaries, Principal Receivers of Revenues (PRRs), Heads of Departments, Chairmen of Boards and Chief Executive Officers must ensure that this Circular is brought to the attention of all relevant officers.



Darlene Morrison (Miss)  
Financial Secretary (Acting)