



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

June 12, 2019

Circular No: 10
File No: 107/025

Permanent Secretaries
Heads of Departments
Chairmen of Boards
Chief Executive Officers

Re: Terminal Benefits Payable – Abolition of Office/Re-organization

Permanent Secretaries, Heads of Departments, Chairmen of Boards and Chief Executive Officers are hereby advised that consequent on implementation of the Pensions (Public Service) Act, 2017 on April 1, 2018, termination of the appointment of an employee on the ground of Abolition of Office/Re-organization, regardless of their years of service, should be dealt with under The Employment (Termination and Redundancy Payments) (ETARP) Act.

Consequently, terminal benefits payable must be determined and calculated in keeping with the provisions of the ETARP Act and The Income Tax (Termination of Employment Payments) Order, 1971.

With respect to the payment of the benefit the following guidelines must be observed:

1. Payment of Terminal Benefit

- 1.1** The terminal benefit must be computed by the Finance and Accounts Department of the Ministry, Department or Agency (MDA) and checked/verified by the Chief Audit Executive or any competent independent person authorized by the Permanent Secretary/Chief Executive Officer or Head of Department.

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1.2 The benefit must not be paid unless it is verified as stated at (1.1) above. The payment shall be subject to the relevant taxes. Please be guided by The Income Tax (Termination of Employment Payments) Order, 1971.

1.3 There should be no deduction from the benefit for the Pensions (Public Service) Scheme.

1.4 The payment of terminal benefit must be made by the relevant MDA.

2. Recovery of Amounts owed to Government.

2.1 MDAs must recover any salary paid in advance, loan, overpayment, un-cleared advance, amount for private telephone calls and any other amount owed, from the amount payable to each beneficiary in respect of the payment of terminal benefit.

3. Advice for Entities with Authorized Deduction Beneficiaries.

3.1 MDAs must advise all institutions for which personal deductions were being made on behalf of Beneficiaries, within 10 working days of the termination of appointment, that the officer is no longer employed to the MDA and therefore no further salary deduction will be executed by the MDA.

3.2 MDAs shall not be obliged to make any personal deduction from the Beneficiary's terminal payment.

4. Eligibility for Deferred Pension

4.1 Please note that the payment of a terminal benefit does not prejudice an employee's eligibility to receive a deferred pension on attaining the normal retirement age.

Conclusion

Permanent Secretaries, 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
Financial Secretary