

WHAT'S IN IT FOR ME?

NEW PUBLIC SECTOR COMPENSATION SYSTEM

BETTER PAY, **BETTER** PENSION



The current public sector compensation system is characterised by, among other things, real and perceived inequities, complexity and lack of clarity and transparency. **The system comprises 325 salary scales and approximately 185 allowances**, where allowances make up a large portion of the total compensation for some groups. This negatively impacts their pension, as most allowances are not pensionable. The new compensation system being implemented by the Government of Jamaica (GOJ) will offer better compensation to public sector workers.

WHAT IS COMPENSATION?

Compensation is the **combination of monetary and non-monetary benefits** you receive in exchange for the work that you do.

HIGHER PAY = BETTER PENSION

**BASIC PAY + ALLOWANCES + BENEFITS
= TOTAL COMPENSATION**

BETTER PAY EQUATES TO A BETTER PENSION

In the new compensation system, **the pay on which your pension is calculated increases significantly**. A higher salary means a higher base on which to calculate pension.

WHAT YOU SHOULD REMEMBER:

- **Pension is a long term benefit.**
The more of your pay that is pensionable, the higher your pension will be.
- **Individuals will receive better pay today and a better pension when they retire.**
- **Pension is taken out pre-tax**
The first deduction from your pay is your pension. This guarantees that the taxes you pay are calculated on a lower base.
- **Everyone will receive an increase in their net pay.**

The GOJ is committed to restructuring the current compensation system so that all public sector employees will be better off. The effective date of the new compensation system is April 1, 2022 and should reflect on your salary during the financial year.

