

## NOW IS THE RIGHT TIME FOR THE NEW PUBLIC SECTOR COMPENSATION SYSTEM



The current compensation system has over time developed a number of issues. There are real and perceived inequities, it lacks clarity and transparency and now contributes little in the way of motivation and increasing productivity. **It is complex with 325 salary scales and approximately 185 allowances.** In the current environment, there is pressure to work around the system to increase pay and this oftentimes results in anomalies. These things create a constant upward pressure on the wage bill which is not sustainable.

The new public sector compensation system will support the delivery of high-quality public services, reward performance, promote equity and be competitive in the domestic labour market. Addressing the issues of the current compensation system means there will be a range of adjustments, as the new system, which is based on market levels, responds to the circumstances of each of the current classification levels. In the new system, the critical objective is to always view compensation from the perspective of the total compensation which accounts for basic salary, benefits and allowances.

Given that the new compensation system is based on market levels, it will allow the Government of Jamaica to become more competitive in the domestic labour market thereby enabling the attraction and retention of staff.

The new compensation system will result in increases in total compensation for the public sector worker. This means that for some public sector workers, their compensation will increase from a level that was below the income tax threshold to one that is above the threshold. Be assured that this will not result in a reduction in your net compensation as the income tax rate is only applied to the compensation amount that is above the threshold.

## THE NEW PUBLIC SECTOR COMPENSATION SYSTEM WILL:

- Assist in retaining and attracting the requisite skills and expertise needed in the public sector
- Incentivise high performance
- Ensure correct pay relativities
- Be market-responsive
- Inform positions in negotiations
- Assist in managing the wage bill
- Consist of a reward system linked to business strategy
- Consist of a reward system that encourages desired culture and behaviours



## WHAT YOU SHOULD REMEMBER:

- Pay will be simpler – with fair, competitive compensation levels.
- Your total compensation will be transparent.
- Everyone will see an increase in net compensation.
- Public sector jobs will become more competitive.
- You will only pay income tax on the amount that is greater than the income tax threshold.

## WHAT'S IN IT FOR ME?

- The new public sector compensation system is **Simple and Easily understood**
- The new public sector compensation system is Transparent with a Consistent and Equitable application across the public service
- The new public sector compensation system Recognises and Rewards high performance.

- The new public sector compensation system is **SUSTAINABLE**- it is affordable, manageable, defensible and supports the realisation of strategic goals

NEW COMPENSATION PACKAGE = CLEAR, COHERENT & TRANSPARENT PAY

The GOJ is committed to creating a working environment that supports employees to deliver high-quality services to the people of Jamaica. The new public sector compensation system will help the Government to retain and attract competent professionals in all spheres who embody service excellence.