

## WHAT'S IN IT FOR ME?

NEW PUBLIC SECTOR COMPENSATION SYSTEM

# TOTAL COMPENSATION: A WIN-WIN

One of the main purposes of the new **public sector compensation system** is to simplify the current structure by replacing the existing 325 salary scales and 185 allowances with a simple, sustainable structure. Under the current compensation system, there is an over-reliance on allowances as part of pay packages. This has implications for not just pension, when an employee retires, but also for accessing the financial market.

With the accommodation of some current allowances as basic pay, employees will be placed into a better position as they now have a higher basic pay level which is more attractive for accessing loans, mortgages etc. and a higher base on which pension will be calculated.

### As a public sector employee:

- Your net pay will not decrease. **You will receive an increase.**
- You will move to the proposed new rates over a 3-year period.
- Ranks and classifications will be aligned to a core 16-band pay structure.
- Some key allowances such as overtime, taxi and shift premium will continue.



### WHAT YOU SHOULD REMEMBER:

- Total compensation may include basic pay, allowances and benefits.
- A higher basic salary means a higher base on which to calculate pension.
- You will receive an increase in total compensation when the new system is implemented.
- If you are earning an annual salary that is below the tax threshold and the new system takes you above the threshold, note that only your earnings above the threshold will be taxed.
- Your total pay will be transparent under the new public sector compensation system.

**TOTAL  
COMPENSATION** =

01 **Better Pension**

02 **More Competitive Salary Package**

03 **Transparent System**

The GOJ is committed to a sustainable compensation system for public sector workers. This system will ensure that workers receive better pay today and better pension tomorrow.