



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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Email: finsec@mof.gov.jm

MINISTRY OF FINANCE & THE PUBLIC SERVICE
30 NATIONAL HEROES CIRCLE
P.O. BOX 512
KINGSTON
JAMAICA

May 12, 2025

REF NO: 59/40^V

Circular No. 4

Cabinet Secretary
Permanent Secretaries
Chief Personnel Officer
Heads of Departments
Chief Executive Officers

Treatment of Temporary Non-Taxable Allowances Effective April 1, 2025

1.0 Temporary Non-Taxable Allowances associated with Substantive Salaries

1.1 This section of the Circular addresses Temporary Non-Taxable Allowances associated with substantive salary levels that, at March 31, 2025 continued to be payable to some employees. The referenced Temporary Non-Taxable Allowances are those which arose as a result of the conversion of individual's substantive compensation levels as structured under the system that existed up to March 31, 2022 to compensation levels on the restructured compensation system. These Temporary Non-Taxable Allowances, where they continued to be payable on March 31, 2025, are to be transitioned, effective April 1, 2025, to special pensionable allowances for the relevant employees.

1.2 In this regard, the applicable amounts payable to employees as described above are to be 'grossed up' in keeping with the directives and using the template issued via this Ministry's Circular No 3 dated February 27, 2024. The grossed-up amount is to be paid to relevant employees as a special pensionable allowance. To ensure clarity, please note that the special pensionable allowance is taxable.

1.3 Please also note the following:

- i) The special pensionable allowance or any part thereof is to be taken into consideration if the affected employees' position is upgraded or in the event of their promotion.
- ii) The special pensionable allowance is also to be included in the calculation of gratuity for qualified persons employed on a contract/gratuity basis.

- iii) Where an employee is already receiving a special pensionable allowance paid under the same conditions, they should be combined and paid as a single rate.

2.0 Temporary Non-Taxable Allowances associated with Acting Assignments

- 2.1** Where an employee on March 31, 2025, was being paid a Temporary Non-Taxable Allowance associated with a conversion in respect of an acting assignment, the related amount remains payable after March 31, 2025, at the existing level (Non-taxable) once the officer's acting assignment continues. Any break in the acting assignment terminates the associated Temporary Non-Taxable Allowance. Where a new acting assignment is made the relevant staff order regarding the calculation of acting allowance is to be applied.
- 2.2** Where an employee paid as detailed at 2.1 above is being appointed, the acting temporary allowance is **not** to be utilized in determining the point in the new scale at which the employee is to be placed. The point of placement is determined by **utilising the employees' substantive position, or**, where applicable, as provided for above under 1.3 i). Upon appointment, the individual will not receive any temporary allowances.

3.0 Data Requirements

3.1 The details regarding the additional funds required to implement the new arrangement should be submitted to the Public Expenditure Division and copied to the Strategic Human Resource Management Division (Compensation Unit) of this Ministry. The costings are to be broken down by the number of positions/persons at each grade/level. The payroll run for the month of implementation must be emailed to the Transformation Implementation Unit (TIU) at executivedirectortiu@transformation.gov.jm by the 15th of the month following implementation.

In any case of doubt or difficulty, the Transformation Implementation Unit or the Compensation Unit of this Ministry should be contacted for advice **before** any payment is made.



Darlene Morrison, CD
Financial Secretary