Pensioners and Income Taxes

- Pensioners are eligible to pay income in keeping with the general population. The Income Tax Act of Jamaica recognizes earnings as being income received from any source pension being one. Taxes is due provided the amounts payable is above the specified tax thresh hold.
- Income Tax Threshold as of April 1, 2017 is as outlined: Under 55 yrs - \$1,500,272.00 55-64 yrs - \$1,580,272.00 65 yrs & over - \$1,660,272.00

Pensioner Health Plans

- Pensioners may apply for health coverage through Sagicor, the deduction orders are sent to the AGD for processing.
- The payments are deducted from the monthly pension and forwarded to Sagicor
- After three (3) payments are deducted and sent to Sagicor they will provide a health card
- Contributions are currently \$847.40
 for individual benefits and
 \$1,462.60 for family benefits (spouse only).

Did You Know?

Pension payments are not transferable

Pension may cease on accepting certain appointments

Pension may cease on conviction

FIND US

2-4 Church Street P.O. Box 495 Kingston

CONTACT US

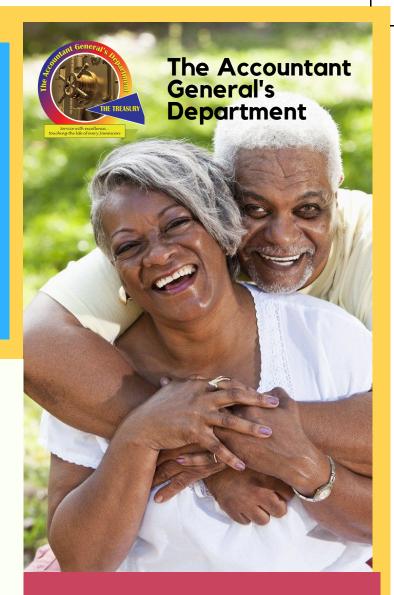
Tel: (876) 922 - 8320 - 7

WhatsApp & Text: (876) 818 - 6583

Fax: (876) 967 - 0315

Website: www.treasury.gov.jm

Email: infoetreasury.gov.jm



PLANNING FOR YOUR PENSION

A Pre-Retirement Quick Guide

Service with Excellence...

Qualifications for a Pension

- Minimum of 10 years service
- Permanent status
- Confirmed in the post in case of first appointment
- Minimum of 15 years where there is break in service

Factors which Affect Your Pension

- Some typres of Leave (e.g. no pay)
- Broken Service
- Resignation (Deferred Pension payable at age 65 years)
- Failure to Link of Service
- Indebtedness
- Service under age 18 years

Grounds for Retirement

(Public Officers /Teachers/ District Constables) Age (65) Public Interest Ill Health

Refund of Contribution

An individual will be eligible for a refund:

- 1. Abolition / re-organization
- 2. Resignation with less than 10 years service
- 3. Dismissal of the officer

*A refund will not prevent an officer eligible from a benefit in accordance with the Employment (Termination and Redundancy Payments) Act.

Pension Application

- Apply in writing to HR (at your Ministry, Department or Agency [MDA]) for pension/ Seek approval to proceed at least 2 yrs before you schedules retirement.
- MDA send application & service records to MoF seeking approval
- MOFP does computation and grant Approval
- MoFP advises applicant & AGD by way of letter of approved gratuity and pension
- AGD advises client to submit ID, TRN
 & Banking Information

Your Role

Ensure consistency to avoid delays: Check that Names on Government Issued Photo IDs, Tax Registration Number (TRN), Bank Account and Award Letter match.

Pension Awards

- 1. Advance: Retirees are allowed to apply for an advance on their pension until pension is finalized. Along with the Alimentary Allowance these are referred to as "First Payment".
- 2. **Alimentary Allowance**: A provisional pension granted to Government retir ees while in expectation of a finalized pension.
- 3. Basic/Reduced Pension: Pensioner elects to receive in lieu of the full pension a reduced pension. The value of the reduction is ¾ of the full pension. This amount is normally found on the final payment letter which supersedes the first payment letter.
- 4.**Gratuity**: The "lump sum" paid on retirement. This represents the differ ence between the final Pension and the reduced pension over 12 ½ years, the pensioner waives the full pension and elects to receive the "lump sum" upfront.
- **5.Restoration to full pension:** After 12 ½ years from the date of retirement, the reduced pension is restored to full pension and paid as a temporary supplement, this amount represents a 1/3 of the reduced pension. Persons who elect to receive a reduced pension w.e.f. April 1, 2018 will not be restored to full pension the Pensions Public Service Act, 2018.
- 6. Contract Gratuity: Persons contracted to the G.O.J are paid a percentage gratuity on cessation of contract. The amount paid is based on the agreed percentage (15% or 25%)