

Pensioners and Income Taxes

- Pensioners are required to pay income tax in keeping with the general population. The Income Tax Act of Jamaica recognizes earnings as being income received from any source, pension being one. Tax is due, provided the amount payable is above the specified tax threshold.
- 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

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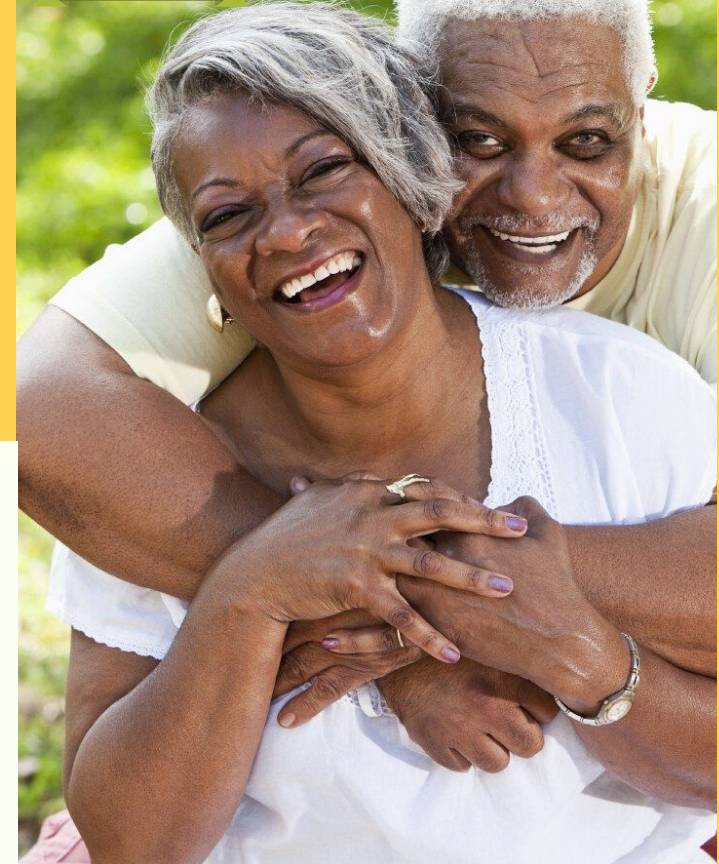
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**The Accountant
General's
Department**



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 (Prior to April 1, 2018)

Factors which Affect Your Pension

- Some types of Leave (e.g. no pay)
- Broken Service (Prior to April 1, 2018)
- Resignation (Deferred Pension – payable at age 65 years)
- Failure to Link of Service
- Indebtedness
- Service under age 18 years
- Temporary Service

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

1. Apply in writing to HR at your Ministry, Department or Agency (MDA). It is recommended that you seek approval to proceed at least 2 yrs before your scheduled retirement age.
2. MDA then sends application & service records to MoFPS seeking approval
3. MoFPS does pension computation and grant approval
4. MoFPS advises applicant & AGD by way of letter of approved benefits.
5. 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 retirees 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 $\frac{3}{4}$ 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 difference between the final Pension and the reduced pension over 12 $\frac{1}{2}$ years, the pensioner waives the full pension and elects to receive the “lump sum” upfront.
5. Restoration to full pension: After 12 $\frac{1}{2}$ years from the date of retirement, the reduced pension is restored to full pension and paid as a temporary supplement, this amount represents a $\frac{1}{3}$ 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%)