

# **HEADS OF AGREEMENT**

*For the*

**CONTRACT PERIOD 2015-2017**



*Concluded between*

**THE GOVERNMENT OF JAMAICA**

*On the one hand*

*And*

**THE JAMAICA CONFEDERATION OF TRADE UNIONS**

**REPRESENTING PUBLIC SECTOR WORKERS**

**ON THE OTHER HAND**

*Signed on*

**Tuesday 11<sup>th</sup> day of August, 2015**

*at the*

**Office of the Prime Minister**

**Jamaica House**

**HEADS OF AGREEMENT CONCLUDED BETWEEN THE MINISTRY OF FINANCE AND PLANNING ON BEHALF OF THE GOVERNMENT OF JAMAICA (GOJ) AND THE JAMAICA CONFEDERATION OF TRADE UNIONS (JCTU) ON BEHALF OF MEMBER UNIONS REPRESENTING CERTAIN ANNUALLY, WEEKLY, DAILY AND HOURLY PAID WORKERS IN THE PUBLIC SERVICE FOR THE CONTRACT PERIOD APRIL 1, 2015 TO MARCH 31, 2017 SIGNED ON AUGUST 11<sup>th</sup>, 2015.**

1. We the undersigned PARTIES hereafter referred to as “The PARTNERS” do recognize and acknowledge that significant progress has been made by the Government of Jamaica (GOJ) in improving the state of the economy since the 2012-2015 Heads of Agreement was signed on 6<sup>th</sup> day of March 2013. This is evidenced by, *inter alia*:
  - 1.1. The GOJ honouring its commitment to reduce inflation to within a range of 7% to 9%. At the end of Fiscal Year 2014/ 2015 the inflation rate had declined to 4.0%, the lowest it has been in 48 years;
  - 1.2. A notable reduction in the current account of balance of payment deficit from 13.4% of Gross Domestic Product in 2011/2012 to 5.3% in 2014/15;
  - 1.3. The commitment to eliminate the fiscal deficit by maintaining a primary surplus of 7.5%;
  - 1.4. The implementation of tax reform to eliminate incentives for a few sectors and provide an equitable system for all sectors which rewards increased employment and investment;
  - 1.5. The decline in the unemployment rate from 16.3% in April 2013 to 13.2% in April 2015 with the unemployed labour force declining by 43, 100 persons over the period;
  - 1.6. The GOJ honouring its commitment not to undertake job cuts in the public sector except as may arise from the process of public sector modernization and transformation;
  - 1.7. The GOJ honouring its commitment to maintain a protected floor on social spending. During FY 2013/14 and FY 2014/15, the floor on social spending was budgeted at \$20.7 billion and \$21.7 billion, respectively whereas actual spending on the programmes captured within the floor amounted in these years to \$20.9 billion and \$23.2 billion, respectively.
2. The PARTNERS also acknowledge that progress has been made during the country’s period of adjustment to provide support to the most vulnerable in society through:
  - 2.1. The increase of the payments made to PATH programme beneficiaries;

- 2.2. Ensuring that government pensioners continue to receive an increase in their pension benefits;
  - 2.3. The agreed revision of the timeline to comply with the promulgated wage ceiling of the GOJ of a wage to Nominal Gross Domestic Product (GDP) ratio of 9% from March 2016 to March 2017;
  - 2.4. The increase in both the National Minimum Wage and the Minimum Wage for Industrial Security Guards; and
  - 2.5. The reduction in the effective rate of personal income tax by raising the tax free portion of income received.
3. The PARTNERS have taken note of the transformation efforts of the GOJ toward Labour Market Reform with:
    - 3.1. The enactment of flexi-work legislation, after many years of consultation; and
    - 3.2. The establishment of a Labour Market Reform Commission comprised of representatives from the trade unions, employers, academia and the public sector.
  4. The PARTNERS AGREE that it remains imperative that, in the national interest, all sectors must remain committed to the continued improvement in the state of the Jamaican economy.
    - 4.1. Positive and sustained GDP Growth: while the economy has returned to growth, higher levels are required to spur employment, improve government revenues and support the country's level of expenditure to improve the infrastructure outlay. Current projections are that the country will begin to record GDP growth in excess of 1.5% by 2016.
    - 4.2. The GOJ is committed to maintaining inflation within a range of 6% to 8% by using appropriate strategies to minimize the impact on prices and possible shocks in the economy. As was agreed in Heads of Agreement 2012-2015, if inflation exceeds the amounts targeted in each year of the Government's Medium Term Economic Programme by more than 2 percentage points, a review of this agreement will be triggered.
    - 4.3. The Government's Medium Term Economic Programme is geared towards eliminating the deficit which is supported by a primary surplus of 7.5% of GDP. The GOJ remains committed to maintaining this commitment during the term of this agreement.



4.4. **Continued Restraint:** The Government will, while adhering to the Economic Reform Programme, engage in activities to promote growth and improve the business environment which will accelerate job creation and better wages for an efficient public service.

4.5. Productivity enhancement remains a critical focus on which the prospects of the economy rest. All efforts will continue through training and development and the provision of adequate resources to enable the public sector to realize improved productivity across all areas of public service.

## TERMS OF THE AGREEMENT

### 5. OUTSTANDING AND CONTINUING ITEMS FROM THE HEADS OF AGREEMENT FOR THE CONTRACT PERIOD 2012 – 2015

**Item 2.4.1 Implementation of the Occupational Safety and Health Act (OSHA) within this Parliamentary Year 2015/2016**

THE PARTNERS AGREE that the Occupational Safety and Health Act (OSHA) will be given priority by the Government and passed by December 2015.

**Item 4.3 Increments to temporary workers and other Public Sector Entities with and without an incremental scale**

THE PARTNERS AGREE that this item will be extended for the 2015/2017 contract period, with no change to the existing conditionalities.

**Item 4.5 Discount of Auxiliary Fees in Secondary Schools**

THE PARTNERS AGREE that the Government of Jamaica through the Ministry of Finance and Planning will continue consultation with the Ministry of Education on this item.

The Government of Jamaica through the Ministry of Finance and Planning will convene a meeting with the Ministry of Education within three months of the signing of this agreement with a view to finalizing this item.

**Item 4.6 Discounted Goods and Services**

THE PARTNERS AGREE that the Government of Jamaica will continue to lend its full support to the programme of Discounted Goods and Services with Jamaica Confederation of Trade Unions (JCTU), the Private Sector Organization of Jamaica (PSOJ), and other private sector organizations.

- Item 4.9 Voluntary Separation**  
THE PARTNERS AGREE that during the present contract period 2015/2017, the Government of Jamaica will introduce a policy of voluntary separation within the Public Service, guided by the Public Sector Transformation Programme.
- Item 4.10 Employment (Subsection 4.10.1)**  
THE PARTNERS AGREE that the existing status quo documented in the Heads of Agreement for the contract period 2012/2015 signed between the Government of the Jamaica and the Jamaica Confederation of Trade Unions and other unions and staff associations representing Public Sector workers, remains in effect.
- Item 4.11 Pension Reform**  
THE PARTNERS AGREE that discussions will continue with the aim of resolving specific areas of concern by the unions on Pension Reform within three months of the signing of this agreement. The implementation date of April 1, 2016 remains unchanged.
- Item 4.12 Retirement Increments (Increments for Retired Employees 2012-2015)**  
THE PARTNERS AGREE that discussions will continue on this item. However, legal advice should determine its direction. THE PARTNERS AGREE further that the Pensions Act will be amended via a "Sunset Clause" within three (3) months of the signing of this agreement.
- Item 4.13 Tertiary Loan Fund Facility**  
THE PARTNERS AGREE that the balance in this Fund stands at approximately \$164 million and is sufficient to meet the current demands. However, the Government commits to replenish the Fund as warranted.
- Item 4.18 Housing/Land**  
THE PARTNERS AGREE that the Public Sector Monitoring Committee will continue to work towards the development of at least one (1) project for the 2015/2017 contract period.
- Item 4.19.6 Employment Retention for Entities being Divested**  
THE PARTNERS AGREE that where the new owner/operator seeks to retain workers, conditions shall be imposed in the divestment process that requires that they be employed under terms and conditions no less favourable than those they enjoyed prior to the divestment, including Trade Union Representation.



**Item 4.19.7 Dismissal without a fair hearing**

THE PARTNERS AGREE that the policy of due process granted to temporary workers who may face disciplinary action, will continue as a general rule of employment within the public service.

**6. PAYMENT OF WORKERS' DEDUCTIONS ON TIME**

THE PARTNERS AGREE that the Ministry of Finance and Planning will continue to monitor this arrangement with a view towards improved performance in all public sector entities to ensure compliance with Circular No. 2 Ref. No. 107/022 dated January 9, 2014.

**7. WAGES**

THE PARTNERS AGREE to an increase of 4% in year 1 and 3% in year 2 as per the attached schedule.

**8. COMPENSATION REVIEW**

THE PARTNERS AGREE that the Government will conduct a compensation review which will establish relations between and among groups in the public and private sector. The compensation philosophy of the Public Service will also be determined and the review is to be completed in the contract period 2015/2017.

**9. NEGOTIATIONS: STATE AGENCIES/STATUTORY BODIES (Ability to Pay)**

THE PARTNERS AGREE that where some public sector entities may have the ability to pay above the wages agreed on in this agreement, such entities shall be permitted to engage freely in collective bargaining in keeping with the policy outlined by the Ministry of Finance and Planning as per Circular No. 4 Ref. No. 55/99 dated February 12, 2015.

**10. EXTENSION OF FACILITIES TO STATE AGENCIES/STATUTORY BODIES**

THE PARTNERS AGREE to the extension of benefits within the public sector where applicable. THE PARTNERS AGREE further that where an employee enjoys a benefit in state agencies similar to that which exists in central government, both benefits **cannot** be accessed. Examples of these benefits are:

- i. Tertiary Loan
- ii. Tertiary Grant to Children of Public Sector workers
- iii. Refund of Tuition
- iv. Government Transportation and
- v. Skills Training.

## **11. TAILORING ALLOWANCE**

**11.1** THE PARTNERS AGREE to an increase from \$18,000 per annum to \$23,000 per annum with effect from April 1, 2015 and a further increase to \$23,690 per annum, with effect from April 1, 2016

### **11.2 Health Support Sub-Group**

THE PARTNERS AGREE to an increase from \$45,000 per annum to \$50,000 per annum, with effect from April 1, 2015; and a further increase to \$51,500 per annum, with effect from April 1, 2016.

### **11.3 Health support Sub-Group – Accessories Allowance**

THE PARTNERS AGREE that the Ministry of Health is to supply the necessary tools and equipment required for the performance of duties in this sub-group.

### **11.4 Issuing of Uniform Material to Health Sector Employees**

THE PARTNERS AGREE that the existing arrangement will continue in the 2015/2017 contract period. THE PARTNERS FURTHER AGREE that the Ministry of Health will make available uniform material to those groups that are required to be uniformed and are not now in receipt of uniform material.

### **11.5 Protective Clothing/Devices**

THE PARTNERS AGREE that Ministries, Departments and Agencies (MDAs) are required to provide the relevant protective gears/clothing on a replacement basis as outlined in Circular No. 21 Ref. No. C11300VIII, dated September 28, 2009.

## **12. VACCINATION**

THE PARTNERS AGREE to a programme of mandatory vaccination of all public sector workers exposed to certain diseases such as Hepatitis and Tuberculosis, to be implemented in collaboration with the Ministry of Health. THE PARTNERS AGREE FURTHER that THE Ministry of Health will develop a list of the diseases to be covered under this agreement for the approval of the partners.

**13. HEALTHY LIFESTYLE**

THE PARTNERS AGREE that the Ministry of Health will enhance the promotion of a health and wellness lifestyle programme across the public sector within one month of the signing of this agreement.

**14. SUPPER/MEAL ALLOWANCE**

THE PARTNERS AGREE to an increase from \$550 per occasion to \$700 per occasion, with effect from April 1, 2015 for the contract period 2015/2017.

**15. TAXI ALLOWANCE**

**15.1 Round Town**

THE PARTNERS AGREE to an increase from \$550 per occasion to \$700 per occasion, with effect from April 1, 2015 for the contract period 2015/2017.

**15.2 Out of Town**

THE PARTNERS AGREE to an increase from \$900 per occasion to \$1,200 per occasion, with effect from April 1, 2015 for the contract period 2015/2017.

**16. TRANSPORTATION ALLOWANCE TO COMMUNITY HEALTH AIDES**

THE PARTNERS AGREE that this item will form part of the general discussion on Travelling Allowance and will be concluded concurrent with this agreement.

**17. TRANSPORTATION ALLOWANCE (MILEAGE)**

THE PARTNERS AGREE that the Government will review the kilometre rates (mileage) in Year 2 of this 2015/2017 contract period.

**18. MOTOR VEHICLE UPKEEP**

THE PARTNERS AGREE that this item will form part of the general discussion on Travelling Allowance and will be concluded concurrent with this agreement

**19. SUBSISTENCE ALLOWANCE**

THE PARTNERS AGREE to an increase from \$1,608 per 24 hour period to \$2,500 per 24 hour period, with effect from April 1, 2015 for the contract period 2015/2017.



## **20. SEVERANCE PAYMENT TO NON-PENSIONABLE EMPLOYEES**

**20.1** THE PARTNERS AGREE that the Government will conduct a review of the Government Employees (Compassionate Gratuities) Resolution during the contract period 2015/2017, with a view to reduce the minimum eligibility for gratuity. However, existing arrangements will remain in place pending the outcome of said review.

Employees with:

- i. 2 - 4 years of service**  
Two (2) weeks pay for each completed year of service
- ii. 5 - 9 years of service**  
Two (2) weeks pay for each completed year of service.
- iii. 10 years and over**  
Four (4) weeks pay for each completed year of service.
- iv. Notice of Termination**

Existing arrangement to continue, that is weekly paid employees who are terminated are given two (2) weeks notice or pay in lieu thereof; annually paid employees normally receive four (4) weeks notice or pay in lieu thereof.

### **20.2 Gratuity to Relief Watchmen and all other eligible employees**

THE PARTNERS AGREE that to qualify for gratuity, Relief Watchmen and other eligible employees are required to work 156 days for each year of service two (2) years and over. (See item 20.1 above)

## **21. UNIVERSAL SOCIAL WELFARE AND PROTECTION POLICY**

THE PARTNERS AGREE that a new approach aimed at a Universal Social Welfare and Protection Policy for workers is to be pursued in collaboration with the Ministry of Finance and Planning and the Ministry of Labour and Social Security.

**22. DISCOMFORT ALLOWANCE**

**22.1 Discomfort Allowance**

THE PARTNERS AGREE for the extension of this allowance to employees in the Waste Management Unit of the Ministry of Health as well as workers who handle chlorine in the Minor Water Supplies Department of the Parish Councils.

**22.2** THE PARTNERS AGREE to an increase from \$75 per day to \$100 per day with effect from April 1, 2015 for the contract period 2015/2017.

**23. HAZARD ALLOWANCE**

THE PARTNERS AGREE that the Ministry of Finance and Planning in conjunction with the JCTU, the Ministry of Labour and Social Security and the Ministry of Health will examine conditions of a hazardous nature with a view to determine whether payment of a hazard allowance is warranted.

**24. SHIFT/NIGHT PREMIUM (Payable after 6:00 p.m.)**

**24.1 Swing Shift – 2:00 p.m. to 10:00 p.m.**

THE PARTNERS AGREE to an increase from \$11.00 per hour to \$13.75 per hour with effect from April 1, 2015 for the contract period 2015/2017.

**24.2 Graveyard Shift - 10:00 p.m. – 6:00 a.m. / 11:00 p.m. – 7:00 a.m.**

THE PARTNERS AGREE to an increase from \$16.00 per hour to \$20.00 per hour with effect from April 1, 2015 for the contract period 2015/2017.

**24.3 Night Premium (payable to those employees normally working from 6:00 p.m. to 8:00 a.m.)**

THE PARTNERS AGREE to an increase from \$16.00 per hour to \$20.00 per hour with effect from April 1, 2015 for the contract period 2015/2017.

**25. SPECIAL DUTY ALLOWANCE**

THE PARTNERS AGREE to an increase from \$750 per occasion to \$1,500 per occasion with effect from April 1, 2015 for the contract period 2015/2017.

**26. FUNERAL GRANT**

THE PARTNERS AGREE that Funeral Grants applicable to public sector workers will be increased as follows:

- 26.1** An increase from \$220,000 to \$400,000 with effect from April 1, 2015 payable when an employee dies in the line of duty or after prolonged illness.
- 26.2** An increase from \$100,000 to \$300,000 with effect from April 1, 2015 payable when an employee dies from natural causes.
- 26.3** Where Funeral Grant is also payable in respect of employees with three (3) continuous years of service and a minimum of 156 days a year and who would have qualified for benefits under the Government Employees (Compassionate Gratuities) Resolution, is to be increased from \$80,000 to \$120,000 with effect from April 1, 2015.

THE PARTNERS AGREE that the Government will complete a review of the Government Employees (Compassionate Gratuities) Resolution during this contract period, with a view to reducing the minimum eligibility for Funeral Grant.

**27. DEATH BENEFIT**

THE PARTNERS AGREE to an increase from \$8 million to \$10 million with effect from April 1, 2015 payable to the beneficiary of an employee who dies in the line of duty.

**28. COMPASSIONATE LEAVE**

THE PARTNERS AGREE to the continuation of discussion on this item within the context of Public Sector Leave Reform.

**29. PATERNITY LEAVE**

THE PARTNERS AGREE to the continuation of discussion on this item within the context of Public Sector Leave Reform.

**30. JCTU EDUCATION GRANT**

THE PARTNERS AGREE to an increase from \$2.75 million to \$3.5 million for the contract period 2015/2017.



### **31. TERTIARY GRANT**

THE PARTNERS AGREE that an amount of \$20 million in Year 1 and \$25 million in Year 2 will be made available for Tertiary Grant to Children of Public Sector Workers during the contract period 2015/2017.

### **32. PROFESSIONAL AND SKILLS TRAINING**

THE PARTNERS AGREE that an amount of \$20 million will be made available for professional and skills training over the contract period 2015/2017. The Ministry of Finance and Planning will engage the HEART Trust/NTA and other recognized training institutions regarding the programmes to be offered.

### **33. COMPUTER LOAN FUND**

THE PARTNERS AGREE that the existing arrangement will continue for this contract period 2015/2017. THE PARTNERS AGREES FURTHER to examine the extension of this facility to other workers where this does not currently exist within six months of the signing of this agreement.

### **34. REIMBURSEMENT OF TUITION FEES**

THE PARTNERS AGREE that the existing arrangement will continue; that is, the Government will refund 60% of tuition costs **only**, subject to a ceiling of \$500,000 in accordance with Circular No. 20 Ref. No. 11038, dated September 21, 2009.

THE PARTNERS AGREE further that the Ministry of Finance and Planning will conduct an audit of entities to determine the value of outstanding application for reimbursement with a view for settlement of outstanding claims by the end of the first year of this contract.

### **35. REMOTE LOCATION AND INDUCEMENT ALLOWANCE**

THE PARTNERS AGREE that the JCTU will advise the Government on areas deemed to be remote, in order to determine the extension to other categories of workers not now in receipt.

### **36. REFRESHMENT ALLOWANCE**

THE PARTNERS AGREE to an increase from \$1,000 per day to \$1,200 per day with effect from April 1, 2015 for the contract period 2015/2017. Where employees are already in receipt of compensation for working on the weekend, this allowance should **not** be paid.

**37. PERMANENT STATUS**

THE PARTNERS AGREE to the continuation of discussions on this item at the level of the Public Sector Monitoring Committee, guided by the International Labour Organisations' Decent Work Agenda and the Government of Jamaica's Public Sector Transformation Programme. A policy framework will be finalised by the end of Year 1 of this contract period 2015/2017.

**38. ON CALL DUTY ALLOWANCE**

THE PARTNERS AGREE that the Ministry of Finance and Planning will convene a meeting with the Ministry of Health within three months of the signing of this agreement with a view to determine the extension of On Call allowance to Operating Theatre Technicians.

**39. INCLUSION OF POSTAL AGENCY EMPLOYEES**

THE PARTNERS AGREE to the continuation of discussions on this item at the level of the Public Sector Monitoring Committee, guided by the International Labour Organisations' Decent Work Agenda and the Government of Jamaica's Public Sector Transformation Programme. A policy framework will be finalised by the end of Year 1 of this contract period 2015/2017.

**40. INDEPENDENT AND/OR PRIVATE EMPLOYMENT IN THE PUBLIC SECTOR**

THE PARTNERS AGREE that further discussions are to be held under the Decent Work Agenda.

**41. Reclassification**

THE PARTNERS AGREE that the reclassification exercise for Bursars in Public Educational Institutions will be completed and implemented by June 2016.

**42. SUPPLEMENTARY ITEMS**

**42.1 Elimination of contract employment for persons employed against established posts**

THE PARTNERS AGREE that further discussions on this item will continue under the Decent Work Agenda, with a view to arriving at an agreed position by the end of Year 1 of this agreement.

**42.2 Review and Expansion of the Miscellaneous Loan Fund**

THE PARTNERS AGREE that the Government will continue discussions on this item with a view for implementation within three (3) months of the signing of this agreement.

**42.3 Expansion of Transportation Service for Public Sector Workers**

THE PARTNERS AGREE that a subsidy will be underwritten by the Ministry of Finance and Planning for Public Sector Workers who travel on the JUTC buses, within three months of the signing of this agreement.

**43. SAVINGS CLAUSE**

THE PARTNERS AGREE that all agreements reached in previous Memoranda of Understanding remain applicable except in cases where amendments have been made to some specific items.

43. Subject to clause 9, The PARTNERS AGREE that no group should be treated more favourably than the groups that are represented under this agreement.



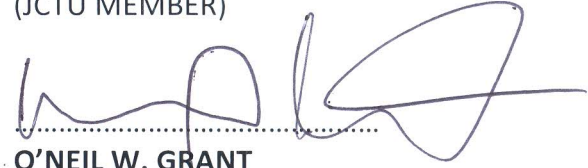
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**MOST HON. PORTIA SIMPSON MILLER, ON, MP**  
PRIME MINISTER



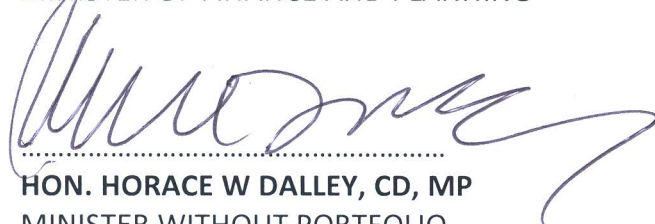
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**HELENE DAVIS-WHYTE, CD**  
JAMAICA ASSOCIATION OF LOCAL  
GOVERNMENT OFFICERS (JALGO)  
(JCTU MEMBER)



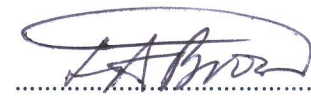
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**DR. THE HON. PETER D PHILLIPS, MP**  
MINISTER OF FINANCE  
MINISTER OF FINANCE AND PLANNING



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**O'NEIL W. GRANT**  
JAMAICA CIVIL SERVICE  
ASSOCIATION (JCSA)  
(JCTU MEMBER)



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**HON. HORACE W DALLEY, CD, MP**  
MINISTER WITHOUT PORTFOLIO  
MINISTRY OF FINANCE AND PLANNING



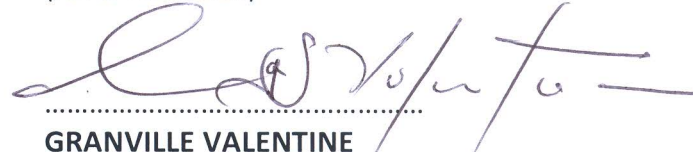
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**SEN. LAMBERT BROWN, CD**  
UNIVERSITY AND ALLIED  
WORKERS UNION (UAWU)  
(JCTU MEMBER)






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**DEVON ROWE, CD**  
FINANCIAL SECRETARY

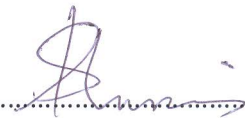
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**SEN. KAVAN GAYLE, OD**  
BUSTAMANTE INDUSTRIAL TRADE  
UNION (BITU)  
(JCTU MEMBER)



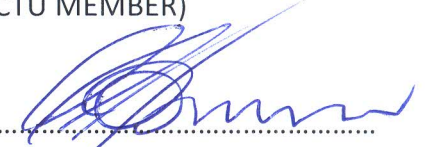
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**GRANVILLE VALENTINE**  
NATIONAL WORKERS UNION (NWU)  
(JCTU MEMBER)



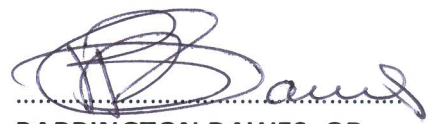
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**KEITH COMRIE, OD**  
UNION OF SCHOOLS, AGRICULTURAL  
AND ALLIED WORKERS (USAAW)  
(JCTU MEMBER)



.....  
**ST. PATRICE ENNIS**  
UNION OF TECHNICAL,  
ADMINISTRATIVE AND SUPERVISORY  
PERSONNEL (UTASP)  
(JCTU MEMBER)



.....  
**CLIFTON BROWN**  
JAMAICA WORKERS UNION (JWU)  
(JCTU MEMBER)



.....  
**BARRINGTON DAWES, OD**  
TRADE UNION CONGRESS (TUC)  
(JCTU MEMBER)



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**WESLEY NELSON, OD**  
BUSTAMANTE INDUSTRIAL TRADE  
UNION (BITU)  
(JCTU MEMBER)



.....  
**JAMES FRANCIS**  
UNITED UNION OF JAMAICA (UUJ)  
(JCTU MEMBER)



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**FITZROY BRYAN**  
UNION OF PUBLIC AND PRIVATE  
EMPLOYEES (UPPE)  
(JCTU MEMBER)