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Introduction

There are compelling legal requirements for employers to make statutory deductions from emoluments. In order to comply, it is necessary for those involved to have a good understanding of all of the factors involved in this exercise.

The operation of the Pay As You Earn (**PAYE**) system is based on the Income Tax Act and the Income Tax (Employment) Regulations.

This **Employers' Guide** seeks to provide a reference, which will embrace various facts of this important subject. This is a guide only and is not legally binding.

The guide provides detailed information about a number of special subjects, which fall within PAYE, and gives guidance on the basic operation of the PAYE system.

Persons may also direct any additional queries they have regarding the PAYE System to Tax Administration Jamaica's (TAJ) Customer Care Centre 888-TAX-HELP (829-4357) or your local Revenue Service Centre/Tax Office for clarification.

The Income Tax Act is available for purchase at:

The Jamaica Printing Services (1992) Ltd.
77 ½ Duke Street
Kingston.

Important Definitions

Act:	The Income Tax Act
Commissioner:	Refers to the Commissioner General
Collector:	Refers to the Collector of Taxes
Emoluments:	Refers to emoluments to which the Income Tax Act applies. It may be defined as compensation in money or kind and includes all perquisites and allowances arising from ones office or employment, whether paid to the holder or to his relative or dependent.

Employee: Any person in receipt of emoluments.

Employer: Any person paying emoluments, whether on his own account or on behalf of another person.

Income Tax

Month: Every calendar month throughout the year of assessment.

Lump Sum: Any payment other than a periodical payment

IT06: Employer's Annual Return form for summary of gross emoluments and PAYE deductions made for all employees (for years prior to 2011)

S02: Employer's Annual Return form for the summary of gross emoluments and deductions, relating to NIS, NHT, Ed TAX and Income Tax, made for all employees (for years 2011 and onwards)
Effective year of assessment 2016, HEART contributions made by employers is to be reported on this form.

S01: Employer's Monthly Remittance form for deductions relating to NIS, NHT, Ed TAX and Income Tax, made for all employees.
The employer's HEART contributions are also reported on this form.

P24: Certificate of gross emoluments and tax deducted as at end of year.

P45: Certificate of gross emoluments and tax deducted up to the point of leaving an employer.

Relief from

Income Tax: This refers to non- taxable allowances and deductions.

Tax Deduction

Card: A tax deduction card is a form prescribed by the Commissioner General. (No longer in use)

Taxable

Emoluments: Means emoluments reduced by:

- Deductible expenses pursuant to section 13 of the Act as agreed with the Commissioner General.

- An exemption or relief from tax pursuant to The Employee Share Ownership Plan Act (ESOP) and taken into account for the purposes of The Income Tax (Employments) Regulations, in a manner agreed with the Commissioner General.

Threshold/

Nil Rate: Although not specifically defined by the Income Tax Act, the threshold normally refers to that part of an individual's *statutory income* which bears tax at a rate of zero percent.

Statutory Income: This is the aggregate amount of income of any person from all sources remaining after allowing for the appropriate deductions and exemptions given under The Income Tax Act.

Year of

Assessment: For the purposes of PAYE the year of assessment means the calendar year January to December.

THE PAYE SYSTEM DEFINED

PAYE (**Pay As You Earn**) is the system used for calculating and withholding Income Tax and other statutory deductions from payments made to employees. With this comes certain obligations and duties of the employer.

PAYE applies to all fulltime employees, temporary and casual workers, executive directors and pensioners.

Duties and Obligations of the Employer Under the Income Tax Act

The Income Tax (Employments) Regulations (the Second Schedule to The Income Tax Act) outlines the duties and obligations of the employer. These are:

1. To calculate and deduct the tax. Every employer, on making any payment of emolument during any year to any employee is to deduct the appropriate amount and record these on the PAYE deductions cards.
2. To make timely payments of deductions to the Collector of Taxes.
4. To remit all the above-mentioned deductions ***within 14 days of the month*** following the month in which the deductions were made (**for example, the deductions for January should be remitted by the fourteenth of February**).

5. To provide any employee leaving your employment **during the year** with a **P45** (Certificate of Gross emoluments and Tax deducted to date).
6. To provide each employee with a **P24** (Certificate of Gross Emoluments and Tax deducted to date) at the end of each year.
7. To keep a record of the emoluments and all deductions made. ***These records should be kept for not less than seven years.***
8. To submit the Employers' Annual Return (**SO2**) (formerly P35/ITO6) for the calendar year, no later than March 31 of the following year to Tax Administration Jamaica via on-line filing, showing total emoluments and deductions, for each employee.
9. To refund tax overpaid during the year- If the employer has deducted more tax from an employee than he or she ought to have paid within the current year of assessment, the employer can refund the tax in the current year.

However, if this overpayment is for a past year of assessment or the return (SO2) had been filed and payments made before the discovery of the overpayment, the employer should inform Tax Administration Jamaica or advise the employee to file an IT05 return.

Employers' Duties Outside of the Income Tax Act

- To calculate amounts of Education Tax (Ed. Tax), National Housing Trust (NHT) and National Insurance Scheme (NIS) Contributions, and any other statutory deduction that may be required from the employees' emoluments. Employers are reminded that they are required to pay a matching portion of Education Tax, NHT and N.I.S. contributions at the respective rates.
- To calculate the amount of HEART contributions payable by the employer.
- To remit deductions of Ed. Tax, NHT, NIS and HEART contributions monthly to Tax Administration Jamaica.

Employer's Annual Return of Income Tax Deductions

The information set out on the SO2 and relevant schedules should include:

- Name, NIS number and Tax Registration Number (TRN) of the employer
- Name, TRN and NIS number of each employee
- Gross emoluments and tax deducted
- Details of all other statutory deductions
- Details of all benefits including accommodation and tax deducted.

What are Emoluments?

The term includes:

- salaries,
- wages,
- overtime pay,
- fees,
- bonuses,
- perquisites,
- accommodation,
- entertainment,
- utilities and other benefits of employment in money, kind or otherwise,
- all annuities, pensions, superannuation or other allowances payable in respect of past services in any office or employment of profit, whether legally due or voluntary, and including lump sums paid in commutation or in lieu of a pension or other periodical superannuation payment,
- any payment of money made, or other valuable consideration given, to any person being the holder or past holder of any office or employment of profit in consideration for, or otherwise in connection with, the termination of the holding of that office or employment (otherwise than by death) or any change in its nature or terms,
- any undertaking given by that person as to his future conduct, whether the payment is made to that person or to his relative or dependent (in which case it shall be treated as made to that person, unless he is dead, when it shall be treated as made to the recipient thereof);
- The term has also been extended to include payments made under a contract or arrangement where:

- One person is under obligation to render personal services to another whether on his own behalf; or on behalf of a company **and**
- Where the person mentioned above is subject to supervision, direction or control by the other person as to the manner in which he renders those services and the remuneration for the services would not, except for these provisions, be treated as emoluments. (See Personal Service below)

List of items included in emoluments:

- Salaries, wages, overtime, bonuses, commission, honoraria
- Cash Allowances
- Pay - in respect of sickness or absence from work
- Statutory Sick Pay
- Statutory Maternity Pay
- Tips paid in addition to normal pay
- Payment of travelling from home to an employee's normal place of work
- Entertainment allowance for domestic purposes
- Uniform and laundry allowance paid to employees not in the exempt group.
- Non-business amounts expended on a credit/debit card given to employee
- Amounts paid to directors or employees for their domestic private expenses (school fees, groceries etc.)
- Value of private use of motor cars given to employees
- Benefits on concessionary loans
- Contract of service payments in relation to individuals and service companies.
- Accommodation provided by employer

List of items not included in emoluments:

- Material Allowance up to \$72,000 per annum for teachers in educational institutions, (however effective April 1, 2001, the teachers in public educational institutions have opted to receive the equivalent amount as part of their salaries and taxed accordingly).
- Lump sum paid out of the Consolidated Fund.
- Meal Allowances paid in relation to work done outside of normal working hours.
- Uniform and Laundry Allowances (if employees are in the exempt group not exceeding \$5,739 p.a. and \$3,395 p.a. respectively. (See **Appendix V**)

- Rental of telephone and official calls where it is necessary for an employer to place a telephone in an employee's home because of the nature of the job.
- Expenses wholly and exclusively incurred to acquire the emoluments.

Exemptions to PAYE:

Under Section 12 of The Income Tax Act, the following are sources of income that are exempt from income tax:

1. Emoluments paid to the Governor- General and an Acting Governor-General under any provisions of *The Governor-General (Expenditure, Personal Staff, Tax Exemptions and Pensions) Act*.
2. Income derived from such wounds and disability pensions and war gratuities as the Minister may declare to be exempt from income tax.
3. The emoluments paid from the United Kingdom funds or funds of any territory of the Commonwealth (other than this island) to members of Her Majesty's Forces and to persons in the permanent service of the United Kingdom Government or of any territory of the Commonwealth in respect of their offices under the United Kingdom Government or such territory of the Commonwealth.
4. The official salaries and emoluments of Consuls, Vice-Consuls and members of the permanent Consular Services of foreign countries who are citizens of the countries they represent in respect of their offices or in respect of services rendered by them in their official capacities.
5. The income derived from sources outside of the Island of any person arriving in the Island for the purpose of rendering technical assistance, where agreement is made with the Government concerned.
6. Any amount paid to any person by Her Majesty's Government in the United Kingdom as compensation in respect of tax paid or payable by such person in respect of any emolument paid to such person by the Government of India or Pakistan.
7. Any monies paid or income received, which is exempted from the payment of income tax by any enactment of the Island.
8. The income arising from a scholarship, exhibition, bursary or any other similar educational endowment held by a person, receiving full time instruction at a university, college, school or other educational establishment.
9. Such training expenses allowances as may be prescribed by the Commissioner General and which are payable out of monies provided by Parliament to persons who serve on a part time basis in the Jamaica National Reserve and payments from such monies by way of bounty to such persons in consideration of their undertaking prescribed training and attaining a prescribed standard of efficiency.
10. An allowance to any person in the service of the Crown which is certified by the Minister to represent compensation for the extra cost of having to live outside the Island in order to perform his duties.

11. Any education allowance to any person in the service of The Crown in Jamaica, which is made pursuant to an agreement between the Government of Jamaica and The Government of the United Kingdom under the Overseas Service Aid Scheme.
12. Any material allowance to persons employed as teachers in an educational institution.
13. A person who receives an income from a superannuation allowance or in the form of a pension under either a statutory pension scheme or a scheme for payment from a superannuation fund approved by the Commissioner General will be entitled to a Pensioner's Exemption of \$80,000, and a person who is aged 65 and over will be entitled to an Age Exemption of \$80,000.
14. Pensioners 55 years of age and over or certified to be permanently incapacitated may utilize the pension exemption of \$80,000 against pension income **and** income from any other source.
15. Income received pursuant to a productivity incentive scheme which is established in relation to such categories of employment as may be specified by The Minister by Order, and approved by the Minister for that purpose.
16. Income not exceeding \$29,104 (July 1, 2009 to December 31, 2009 \$74,768.00) (prior to July 2009, \$250,000.00) received pursuant to a gratuity scheme which is established in relation to such categories of employment as may be specified by the Minister by Order. Employees must not earn more than \$500,000.00. **(This benefit was applicable to employees in the tourism sector. However, effective January 1, 2013 this exemption is no longer applicable).**
17. The **emoluments** payable to an individual who is certified by the Minister responsible for social security, on the advice of The Chief Medical Officer to be:
 - a. A person suffering from a disabling permanent physical disability, infirmity, malformation or disfigurement of indefinite duration, resulting from illness, injury or congenital defect; or
 - b. A person suffering from a disabling permanent mental handicap, but capable of being gainfully employed,
 - c. So, however, that the exception shall cease if that individual either, on such medical examination as the Minister responsible for social security may at any time require, is certified by The Chief Medical Officer to be no longer suffering from the physical handicap or mental handicap aforesaid or fails to submit such medical examination.

CONTRACTS

Persons may enter into contracts of varying kinds in order to render services. These include:

- Contract **of** Service
- Contract **for** Services
- Contract for personal services

Contract of Service

Once a Contract of Service is identified, then this means that the contract is one of employment. The amounts paid under this contract are emoluments and therefore all statutory deductions are to be withheld by the employer. These deductions include income tax, education tax, NHT and NIS contributions. The employer is also required to make matching contributions for education tax, NHT and NIS.

Under this contractual arrangement the individual (employee) is under an obligation to render services to another person (employer) and the: -

- individual is subject to the supervision, direction and control of another person.
- individual holds an integral position within the organization.
- individual does not conduct business on his account.
- contract is a legally binding exclusive service agreement between the performer and payer.
- tools, materials and work place are provided by payer.
- individual receives a payment of a fixed salary and reimbursement of his expenses incurred on behalf the payer.
- individual receives vacation leave and any other staff related benefit.
- individual is required to submit regular, oral or written status reports with the payer.

Contract for Services:

This contract represents an independent business and the individual is therefore responsible for his/her tax returns and payments under the self-assessment system, this applies:

- to an individual who is not subject to the supervision, direction and control of another person.
- to an individual who does not hold an integral position within the organization.
- to an individual who conducts business on his own account.

- in instances where the performer has the right to provide services to more than one person at a time with a separate contract between the performer and each payer.
- In instances where the performer provides his own equipment.
- where there is payment of a fixed amount or commission for the complete job rather than periodic payments.
- where the performer assumes his/her own financial risk and has responsibilities for his/her investment and management.

Personal Services:

Under the Income Tax Act “Personal Services” includes services of a professional, clerical, Technical Administrative or Managerial nature”.

- Where an individual provides personal services on his own behalf or on behalf of a company and is subject to the supervision, direction or control of the client as to the manner in which he renders those services; S 5(1) (c) (ix) of the Income Tax Act deems him to be an employee and the client to his employer and the income arising or accruing from the service provided is to be treated as emoluments solely for the purpose of withholding income tax only. (This treatment came into effect in the year 2002)

Education Tax and Contracts of Personal Services

The question now is: should **education tax** be deducted from payments for this type of service?

The definition of ‘*employment*’ under the Education Tax Act, First Schedule is as follows: -

“Employment in Jamaica under any contract of service or apprenticeship written or oral and whether express or implied”.

Based on this definition, the contract income of persons rendering personal services is subject to Education Tax, but the tax should not be withheld under Section 5(1)(c)(ix) of the Income Tax Act. The employee who receives this income must account for the education tax payable on his S04A declaration and his S04 Return and make payment to Tax Administration Jamaica. (Please note that no matching payment is due from the deemed employer, that is, the person giving the contract).

Other Categories of Employments and Emoluments – Special Cases

Casual employees

PAYE applies to casual labourers in the same way as it does to regular employees. The income paid should be recorded and the threshold applied accordingly. All relevant statutory deductions should be made where applicable.

Holiday Workers

High school students (irrespective of age), full-time tertiary students and persons participating in youth service programs, should be given the cumulative threshold (nil rate) as at the date of employment, (if it is ascertained such persons were not employed during the year). This does not apply to students doing evenings or part-time work outside the normal holiday times.

Part- time Employees

Part-time employees should be taxed at 25% on all emoluments received and no threshold is to be applied. These persons should file a return (S04) for the calendar year declaring income from all sources, taking credit for the threshold.

Overtime Payments

Overtime payments are taxable in the same way as other emoluments. The overtime amount is to be added to regular pay and the appropriate accumulative threshold applied.

Bonus Payments, Commission, etc.

These payments are subject to income tax and other statutory deductions in the same way as other emoluments.

Lump sum, honorarium, and ex-gratia payments:

Lump sum payments include:

- Payments for loss of office
- Ex-gratia payments

- Payments in commutation or in lieu of pensions.
- **Terminal** Gratuity paid by Government Entities/Statutory Bodies.

(see Income Tax (Termination of Employment) Payments Order 1971 for computation of amount that should not be taxed.)

The taxable portions of the above payments are subject to statutory deductions in the normal way.

When should a lump sum NOT be taxed?

Lump sum should not be taxed if it satisfies the following criteria:

- a. If the lump sum is paid from the Consolidated Fund or payments are made out of a public fund or an account designated thus by the Minister of Finance;
- b. If the lump sum is a terminal gratuity where the employment period is 3 years or more and the gratuity payment is not from the Consolidated Fund, then the Regulations under the Income Tax (Termination of Employment Payments) Order 1971 should be used to determine the portion of the lump sum payment that should not be taxed.
- c. Gratuity payments made by Government Entities/Statutory Bodies whose budget is not entirely financed from the Consolidated Fund, but the lump sum payments are clearly from a warrant from the Consolidated Fund
- d. Lump-sum paid as terminal gratuity by Government Entities/Statutory Bodies whose annual budget is funded solely from the Consolidated Fund.
- e. If a Government Entity or Statutory Body, whose source of funding is not limited to that from the Consolidated Fund makes a lump sum payment, then this payment would be subjected to income tax – if it cannot be clearly shown that its source was from the Consolidated Fund.

BENEFITS AND ALLOWANCES

Uniform and Laundry Benefits

Effective December 1995 the tax-free allowances in respect of uniform and laundry were restricted to specified categories of workers (**see appendix B of the Second Schedule to the Income Tax Act**). The tax-free limits remained unchanged at - uniform allowance t **\$5,739** and laundry allowance **\$3,395**.

Effective August 1, 2009 where employers supply uniforms to employees, the benefit must be calculated as follows:

- *Where an employee falls in the exempt category and uniform is provided by the employer, the tax on the benefit is as follows:*

Cost of uniform to employer: \$10,000.00

Exempt amount \$ 5,739.00

Excess amount (benefit to employee) **\$ 4,261.00**

The benefit is now to be taxed as follows: $\$4,261 \times 25\% = \$1,065.25$

- *Where an employee does not fall in the exempt category, the calculation is as follows:*

Cost of Uniform: \$10,000.00

Benefit to employee: $\$10,000.00 \times 25\% = \$2,500.00$

Tax on Benefit \$ 2,500.00

Motor Vehicle Benefit

Where an employer provides a fully maintained motor vehicle for the business and private use of its employees, the schedule provided in Appendix A of the second schedule to the Income Tax Act should be used to determine the taxable benefit.

Accommodation/Housing Benefit

- Where cash payments are made for accommodation, whether to a third-party landlord or to the employee the total amount paid is subject to income tax.

Effective August 1, 2009 the following is applicable:

- Where the employer is the landlord for the accommodation the value of the accommodation shall be deemed to be the market value of the said accommodation.
- Where the employee is provided with accommodation on the same premises where the employment is exercised or resides elsewhere and it can be established that it is necessary for the employee to have that accommodation for the exercise of his employment; the employee shall be taxed on an amount not exceeding thirty percent (30%) of his gross emoluments excluding the value of the accommodation.
- Where the employee occupies premises owned or operated by a registered charitable organization; the income tax is computed on an amount not exceeding thirty percent (30%) of the gross emoluments excluding the value of the accommodation.

- **Example:**

Salary (monthly) \$200,000.00

Value of Accommodation \$90,000.00

Taxable benefit $\$200,000.00 \times 30\% = \$60,000.00$

NB. The \$60,000.00 is a taxable benefit and should be added to the salary solely for the purpose of computing PAYE and all other statutory deductions. *(Please note that the amount added MUST be taken back out as a deduction in order to have the effect of the benefit being taxed instead of extra pay being taxed.)*

Salespersons' Travelling Allowance

Salespersons who are paid as commissioned sales agents may get a determined tax-free allowance. The following procedure should be followed:

- The salesperson should complete the **PO1** (PAYE Application for the Determination of Exemptions & Expenses) and **Schedule 3** (Employee Expense Claim Form) and take them to Tax Administration Jamaica

(TAJ), along with his last pay slip showing clearly his basic pay, commission received *and any* allowances received.

- At the time of application, the Commissioner General will give a determined rate based on projected expenses, to be applied to the income of the salesperson ***in addition to the tax free threshold***. The determined rate will be communicated to the employer and employee and it is to be applied to the commission income of the employee by the employer before any tax is computed.
- The salesperson is required to submit his final return on the ***S04 Form*** on or before March 15 of the year following his year end. The salesperson's P24 and the Schedule 3 should accompany his return each year. This may result in a refund or an additional assessment based on the employee's actual income and expenditure.

N.B. *Application for salespersons' tax free allowance is to be done annually no later than September 30 as the determined rate is applicable/valid for only the calendar year. (The forms mentioned above may be formed on TAJ's website www.jamaicatax.gov.jm)*

Travelling for Other Employees Who Use Their Own Vehicles for Employers' Business

Where an employee who are required to travel on the job using his personal vehicle for the business of the employer, an application may be made by the employer to TAJ for approval to pay a tax free allowance for wear and tear, and travelling in respect of the motor vehicle.

The employer must prove to the Commissioner General that the employee is using his own vehicle to perform official duties. The employer's application to the Commissioner General should state:

- The position of the employee(s)
- The salary attached to the position and commission, if any
- The scope and frequency of travel (areas travelled)
- Purpose of travel
- Proposed travelling allowance to be paid
- Proposed mileage rate, if any
- The name and TRN of the employee(s)

Travelling allowance paid without approval or in excess of the sum approved is taxable.

Subsistence Allowance

This is money paid to an employee travelling on the employer's business to cover the cost of meals and other incidentals. This payment may be done as a reimbursement of the actual expenditure incurred or based on a scale rate. The Commissioner General must approve any scale rate being paid for it to be tax-free.

The general rule is that the employee is to be restored to his original financial position prior to incurring the expense.

Meal Allowance

Lunch vouchers issued to employees that are quantifiable and traceable to a specific employee are taxable emoluments. However where the employer operates a canteen, or a subsidized lunch programme and the amounts are not quantifiable and traceable to a particular employee then this amount is not taxable.

Supper allowance given to non-shift employees for work done outside of normal working hours (beyond 7 pm) and who are not in receipt of overtime pay, duty allowance or honorarium is not taxable up to a maximum of \$780 with effect from April 1 2019 and \$820 with effect from April 1, 2020.

A meal allowance can be approved for employees working on shifts that run from 2:00pm to 10:00pm, 10:00pm – 6:00 am, 3:00pm – 11:00pm or 11:00pm to 7:00 am. The maximum tax free amount payable is \$780 with effect from April 1, 2019 and \$820 with effect from April 1, 2020.

Entertainment

The amounts paid with respect to this item should be considered as an emolument to the employee and all relevant taxes withheld, unless it falls under the definition of business entertainment as set out in Section 13(8) of The Income Tax Act.

Business entertainment as defined by The Income Tax Act:

(a) 'means entertainment (including hospitality of any kind) provided by a person, or by a member of his staff, in connection with a trade, business, profession, employment or vocation carried on by that person, but does not include anything provided by him for members of his staff unless its provision for them is incidental to its provision also for others;

(b) any reference to expenses incurred in providing business entertainment includes a reference to expenses incurred in providing anything incidental thereto, and any reference to the members of a person's staff includes references to persons employed by that person, and, in the case of a company, directors of the company or persons engaged in the management thereof whether or not employees of the company.'

Tips, Prizes, Incentive Schemes, Cash Vouchers Awards etc.

Employees are taxable on these receipts. Awards may be made in cash or kind. Cash award vouchers that can be exchanged for cash are to be treated as emoluments and taxed accordingly.

Credit Cards

- Under Section 5(1)(c)(vii) of The Income Tax Act, any payments made in respect of credit cards should be considered emoluments to the employee unless it can be proven that the credit card was used for the purpose of acquiring income for the business.
- Where the employer provides the employee with a credit card and it is used solely for the purpose of business entertainment, then it is not an emolument and all expenditure should be treated as allowable for the business for tax purposes.
- Where the employer provides the credit card and the employee uses the card for both business and personal reasons, then the amounts that are personal will be considered as emoluments and subject to the relevant taxes.
- Where the employee has a personal credit card and the employer pays all the expenses related to the card and these expenses are of a personal nature then the amounts paid will be taxable as emoluments for tax purposes.

Telephone Expenses

- Under Section 5(1)(c)(vi) of The Income Tax Act, where it is necessary for the employer to place in the employee's residence a telephone due to the nature of his job, then the employer **shall not** treat the payment for the rental and all official calls made as emoluments.
- Any other form of non-official telephone expense, which is incurred as such, will be considered as emoluments. These expenses will include all cellular telephone bills paid by the employer on behalf of the employee where the calls made on the said telephone are private in nature.

- In the event where calls of a business nature made on a private telephone are paid by the employer, then this is not an emolument but can be claimed by the business as an expense wholly and exclusively incurred to earn the income.

Concessionary Loans

Where an employee of a specified institution receives a loan from his employer at a concessionary rate of interest that is lower than the determined rate (as prescribed by the Minister), he is in receipt of a taxable benefit. That benefit is the cash equivalent of the difference between the interest payable on the loan(s) at a determined rate (up to a maximum of 9%) and the interest payable at the concessionary rate.

Specified Financial Institutions for this purpose are as follows:

- Bank of Jamaica
- Merchant Banks
- Development Banks
- Insurance Companies
- Building Societies licensed under The Building Societies Act
- Trust Companies
- Any other institution licensed under the Banking Act or Financial Institutions Act, as the case may be. (***These Acts have been repealed and replaced by the Banking Services Act (BSA) with effect from September 30, 2015***)

Only loan(s) with outstanding balances which in the aggregate ***do not exceed of \$4,500,000***, if used for the following purposes will be exempt:

- Purchasing house for owner occupation
- Purchasing a motor vehicle for private use
- Purchasing land
- Education
- Training
- Emergency needs (compassionate loan)
- Furnishing of residence for owner occupation.

Gratuity under Approved Tourism Activities Scheme

Effective January 1, 2013, employees within the tourism sector no longer benefit from tax-free gratuity. See historical background under “Exemptions to PAYE”, item 16.

SPECIAL CASES

Pensioners

If a pension is paid to an employee, the normal threshold should be applied. In order for the pensioner to get the additional \$80,000 pension exemption and the age exemption (for individuals 65 years of age and over) of \$80,000, this person will have to apply in writing, to **Tax Administration Jamaica** for the approval.

Retirement on pension shall not be treated as a cessation of employment for the purposes of the Income Tax (Employments) Regulations if the same person pays the emoluments both before and after retirement.

Pension income of British Subjects living in Jamaica is taxable in Jamaica. Under the double taxation treaty with Britain, the pensioner may apply to The Inland Revenue Department in Britain for the relevant form (**Form X**). This form should be completed and sent to Tax Administration Jamaica, which will forward same to the British authorities indicating that Jamaica will collect the tax and therefore the pension will be exempted in Britain and taxed only in Jamaica.

The social security payments received in Jamaica from Canada under the **Pension Act** should not be taxed in Jamaica as long as they are not subjected to tax in Canada, but other pensions, workplace related pensions are taxable.

In the case of The United States of America (USA), social security payments and other public payments paid to a resident of Jamaica is not taxable in Jamaica, but may be taxed in the USA.

Disabled Persons

The **emoluments** payable to an individual who is certified by the Minister responsible for social security, on the advice of The Chief Medical Officer, to be a person who is disabled are not taxable. (See Item 17 under Exemptions to PAYE above for further details)

Employees Who Cease Employment Within the Year

Upon the termination of the employment of a person from whom tax was deducted, the employer is required to prepare a P45 in triplicate for that person. One copy is to be sent to Tax Administration Jamaica (TAJ) and the other two given to the person.

If the employee leaves his employment within the year and secures no further employment in that year, then he may apply to the Commissioner General for a refund after the year end. This application must be done online; the applicant must be registered for online filing in order to carry out this process. The **P45 Form** must be uploaded for attachment to the application. TAJ's website is www.jamaicatax@taj.gov.jm.

If the employee finds other employment within the same year, immediately on commencing his next employment he shall deliver the two copies of the **P45 Form** to his new employer who will send a copy to TAJ. The employer should prepare a tax deduction card or such other form as may be authorized by the commissioner in accordance with the particulars given in the copies of the **P45 Form**, and record on the card the gross amount of emoluments, the cumulative taxable emoluments, the cumulative tax-free emoluments, any benefits, perquisites or facilities provided for the employee (whether in money or otherwise) and the corresponding cumulative tax as at the week or month shown in copies of the **P45 Form**.

Employees who do not take a **P45 Form** to the new employment should only be given the threshold for that week or month where applicable. **The accumulative year-to-date amount should not be applied.**

When an Employee Dies

The employer should try to get the name of the personal representative. If there are emoluments due, when this is paid to the representative, the tax is to be deducted at the rate applicable at the date of payment. A statement should be given to this person showing the total emoluments to date and statutory deductions made.

(P45 Form)

Directors

When remuneration is made to a director the payment should be recognized at the earliest of the following:

- When the actual payment is made.
- When the director becomes entitled to be paid, whether payment is made or not.

- When the payment is credited in the company's accounts or records, even if the director cannot draw on it straight away.

All payroll deductions should be computed at this time. However, if the payment is not expensed then there is no need to apply the statutory deductions.

Income in Relation to Expatriates

These are persons who are not normally domiciled or ordinarily resident in Jamaica, but have been assigned to work for a period in Jamaica.

If the period of stay in Jamaica exceeds 183 days then these persons are resident for income tax purposes and PAYE is assessable in the normal way. (See "Non-Residents and Income Tax Payable" for more details)

In the year the expatriate's term expires, if the employer has deducted too much income tax, then this employee may apply to Tax Administration Jamaica for a refund. The refund may be processed within 4 to 6 months. The employee is required to make an online application for the refund and upload and attach his P45 Form, the departure ticket and evidence of the termination of contract.

The Department will supply the expatriate with a certificate of tax deducted in Jamaica, should this be required for the individual to file returns in the country to which the expatriate is **ordinarily resident** (this is subject to any double taxation arrangement in existence).

Non-residents and Income Tax Payable

Non-residents are persons who spend less than 183 days of the year in Jamaica.

Non-resident employees are liable to PAYE Tax on any income for work performed in the Island of Jamaica.

Non-Residents who are not domiciled in Jamaica or are British Commonwealth citizens not ordinarily resident in Jamaica, are taxable in Jamaica only on income received in Jamaica, (but only from a Jamaican source). If the individual spends more than 3 months to under 6 months in Jamaica in any one (1) year, the individual is taxable on income for work done in Jamaica or elsewhere in relation to Jamaica, whether or not the income is received in Jamaica.

Jamaicans who are living temporarily abroad and maintain a home in Jamaica, are deemed resident in Jamaica for purposes of the Income Tax Act.

It should be noted that Jamaica has double taxation treaties with several countries, which should eliminate the possibility of the same income being taxed by more than one of the parties to a treaty.

Persons attached to Jamaican Consulates, Statutory Bodies and Executive Agencies who live abroad and receive emoluments from these Jamaican entities are taxable in Jamaica.

Termination and Redundancy Payments and Other Lump Sum Payments

When an individual's employment is terminated, the terms of payments as they relate to entitlement to tax free payment, are governed by the Income Tax (Termination of Employment Payments) Order 1971.

This guide does not seek to explain how the entitlement is computed; instead it stipulates how to calculate the amount that should **not** be taxed.

The Income Tax (Termination of Employment Payments) Order 1971 also outlines the conditions under which payments made in respect of termination is **not** subject to tax.

Payment in lieu of notice, sick pay and vacation pay should not be included as a part of the redundancy amount, but will form part of the redundancy package. Statutory deductions should therefore be applied to these payments in the normal way, as well as the portion of the redundancy payment that is not exempt.

Where a lump sum is paid to a person in respect of a terminal gratuity or severance or redundancy payment, or as compensation for wrongful dismissal or otherwise as compensation for loss of employment, the formula below is to be used to calculate the tax-free portion.

Formula to be used to calculate the tax-free portion:

$2 \frac{1}{4} \times \text{Average Salary for the last 3 Years} \times \text{number of Years of Service}$

33 $\frac{1}{3}$ Years

Example:

Paul Chen worked with Ubox Co Ltd for 10 years prior to his retirement. His salary for the last 3 years is shown below. His total redundancy entitlement is \$1,000,000. Compute the tax free portion of his redundancy payment and the income tax payable, if any.

Salary in Year 10 (June 2006 - May 2007) \$1,200,000

Salary in Year 9 (June 2005 - May 2006) \$1,000,000

Salary in Year 8 (June 2004 - May 2005) \$ 980,000

Total **\$3,180,000**

Average Salary for last 3 Years - $\frac{\$3,180,000}{3} = \$1,060,000$

Using the formula for the tax-free portion, the amount is:

$$\frac{2 \frac{1}{4} \times \$1,060,000 \times 10 \text{ Years' Service}}{33 \frac{1}{3}} = \$715,500$$

Total Redundancy payment \$1,000,000

Less tax free portion \$ 715,500

Taxable amount \$ 284,500

Tax payable 284,500 x 25% \$ 71,125

Payment to be made to employee: \$1,000,000 - \$71,125 less other relevant statutory deductions.

Treatment of Contributions to Superannuation Funds *Employed Persons*

In ascertaining the statutory income of an employee, Section 13 1(i) of the Income Tax Act allows for a maximum contribution of 10% of the employees remuneration and for the employer to contribute a maximum of 10% of that employee's remuneration. However where the employer contributes less, the employee may contribute the difference between the employer's actual contribution and the 10% as an additional contribution.

Sales Representatives (Deemed to be Self – Employed Persons)

Section 13(1)(u) governs contributions made by self-employed individuals to approved retirement schemes. This section allows sales representatives who are **deemed** to be self-employed to contribute not more than 20% of their chargeable income, and treat same as an allowable deduction prior to the calculation of tax. (This

contribution is calculated as follows: $20/120 \times \text{Net Income less NIS and ESOP and any other applicable exemptions}$)

Treatment of Loans to Employees (Study Leave)

Conditions for Treating Payment to an Employee during Study Leave as a Loan

The employee is not entitled to take or earn vacation leave during the period for which the payment is to be treated as a loan. Any emoluments paid during any period of this study leave are subject to taxes and contributions. Additionally:

- The employee is bonded to work for a specified period in the employer's service after the expiration of the leave.
- The loan or part thereof is to be repaid if the employee leaves the employment before the end of the specified period.
- There should be the usual procedures done for the loan to be legal, (i.e. registered and stamped)
- Any salary increase during the period of training should be provided for in the agreement or an annex to the loan. If this is not done, any sums paid over and above the loan specified should be treated as emoluments and therefore subject to taxes and contributions.
- The employee may claim a refund of the tax suffered on this loan on resuming his official duties.
- Where the employer granting the loan is subject to income tax, and the amounts paid to the employee is treated as emoluments (i.e. salary) and as a deductible expenses in determining taxable income, any sum determined to be a loan to the employee should not be allowed as a deductible expense, (if it is expensed then a refund cannot be made.)

Requirements to apply for refund on resumption of duties after study leave

- Original letter of award of study leave.
NB: *An amended Letter of Award must be included where applicable*
- Salary Particular (**all Government workers except Teachers**) indicating the payments made for each period of Study Leave.
- Certificates of pay (**P24**) for the calendar year of the period that is affected by the study leave
- Original Bond/Loan Agreement.
- Resumption letter endorsed by the employer.

- Completed returns (**IT05**) for years affected by the Study Leave. (*To be done online*)
- Proof of any other income earned during the year(s) of study leave.
- Document verifying bank account of person applying for the refund.

NB The loan agreement must be acceptable to the Commissioner General and meet all requirements of a legal document.

Payment in Week 53

If employees are paid weekly or fortnightly, and a payment falls when there is a 53rd week, this payment is to be treated as if it is been made on the previous January 1. (*Income Tax Act, Second Schedule, Part I, par. 17*) This means that no threshold is to be applied to this payment; however all applicable statutory deductions are to be withheld.

STATURORY DEDUCTIONS

Income Tax

The employer is required to apply the relevant rate(s) to statutory income* and make a deduction.

***Employee Share Ownership Plan (ESOP)**

Contribution to ESOP is allowed as a deduction in computing statutory income.

Other Statutory Deductions

The employer is obligated to deduct and pay over to Tax Administration Jamaica **all** statutory deductions. (***See rates in Appendix II and III.***)

The other statutory deductions are:

- National Insurance Scheme contribution's (NIS)
- National Housing Trust Contributions (NHT)
- Education Tax (Ed. Tax)

Human Employment Resource Training (HEART) contributions are due and payable by employers only and is computed based on a percentage (3%) of the gross taxable payroll.

EDUCATION TAX

This Guide does not provide details about the other statutory deductions (except for Ed. Tax), as they are administered by other entities. Kindly contact the relevant local offices for guidance.

Education Tax:

- Effective April 1, 2013, the employee's and employer's portion are to be computed at 2.25% and 3.5% respectively of the employee's statutory income. Statutory income is gross income less **NIS**, **Superannuation**, contribution to **ESOP** and any other applicable exemptions. Education Tax is payable by employees between the ages of 18 and 65.
- Amounts are due and payable to the Collector of Taxes, Tax Administration Jamaica. These payments should be made by the 14th of the month following the month of deduction; payments may be made in-line or on-line.

NB. *Government Ministries, Departments, Parish Councils, Kingston and St. Andrew Corporation and the University of the West Indies, are not required to pay employer's portion of education tax.*

PAYE AUDITS, INTEREST AND PENALTIES

PAYE Audit

- The employer may be audited at any time for the verification of the accuracy of the return.
- Where a PAYE audit results in additional tax, this additional tax is deemed to be an assessment. The auditor will convey the details of the assessment to the employer.
- The assessment will be issued to the employer on a certificate on behalf of the employees. The employer will have thirty **(30)** days from the date of the notice in which to object.
- This assessment is subject to interest and penalty (See section below on Interest and Penalty).

Interest & Penalty (PAYE Tax)

Interest:

- Under the Income Tax Act, Section 79(1) (b), interest is charged from the day after the date of collection, as defined in Section 78(4), until the date of payment on all outstanding amounts under this Act.
- The Commissioner General of TAJ is empowered to remit in whole or in part the interest, if the Commissioner General is satisfied and accept the supported reasonable explanation by the taxpayer.
- Interest rate is prescribed by the Minister, by order, subject to negative resolution in the House of Representatives. [Current (2019) rate: 16.62681% per annum]
- Only the Minister of Finance can remit PAYE taxes.

NB. *Interest is also calculated on penalty charges which is considered to be an increase of tax and as such it is part of the assessment.*

Penalty:

- Section 41(1) of the Income Tax Act stipulates that any person or someone acting on his behalf, required by this Act to deduct tax on the payment by him of any sum and pay or account for the same to the Commissioner General of Tax Administration Jamaica, shall make the said payment of tax, or render the said account, or do both, as his duty may require, within fourteen (14) days after the end of the calendar month in which the first mentioned payment was made, whether or not tax was in fact deducted from that payment.
- Section 41(2)(a) of the Income Tax Act states that where a person fails to pay or account for tax deducted at source by the due date (e.g. PAYE deductions), these deductions shall be increased at the rate of fifty-percent (50%) per annum from the day after the date on which payment should have been made.
- Where the tax ***was not deducted*** by the employer, he shall be treated as if the tax was increased at such rate, not exceeding fifty percent (50%) per annum calculated on a daily basis as the Commissioner General may direct. *Income Tax Act Section 41(2)(b)* (i.e. the Commissioner General may determine a rate between (0 – 50%).

Charges for Non-Compliance

Late Payment

Penalty and interest charges are calculated on defaults caused by late/short payment of the monthly PAYE obligations.

Statutory Deduction	Interest Rate	Penalty
PAYE	16.62681% *	50%
Ed Tax	16.62681%	Nil
NHT	20%	Nil
NIS	20%	Nil

***Interest is calculated on the principal plus the penalty**

Late Filing Penalty

Where Employers Annual Return (S02) is filed after the due date, it attracts a penalty of \$5,000 per month or part thereof for the period that the returns remain outstanding.

APPENDIX I

How to Calculate Statutory Deductions

Example # 1 - (Employee's Income is below the threshold)

John Smith is employed at AI Solutions Ltd. His gross salary was \$60,000.00 for the month of April 2017. He contributed 5% to an approved pension scheme.

Calculate all relevant statutory deductions and his net pay.

Gross Pay	\$60,000.00	
Pension Contribution (5% * 60,000)	(\$3,000.00)	\$3,000.00
NIS (2 ½%* \$60,000.00)	<u>(\$1,500.00)</u>	\$1,500.00
Statutory Income (60,000.00 - (3,000.00+1,500.00))	\$ 55,500.00	
Education Tax :2.25% of Statutory Income (2.25% * 55,500.00)		\$ 1,248.75
NHT : 2% of Gross Pay (2% * 60,000.00)		\$1,200.00
Less Income Tax Threshold	<u>(\$125,008.00)</u>	<i>(Threshold is greater than Statutory Income therefore restrict to statutory income.)</i>
Taxable Income	<u>0</u>	
Income Tax (25% of 0)		<u>0.00</u>
Total Deductions		<u>\$6,948.75</u>
Net Pay : Gross Pay – Total Deductions (60,000.00 – 6,948.75)		\$53,051.25

Example #2 - (Employee's Income is Above the Threshold)

Marcia Brown is employed to ABS Ltd. Her gross salary was \$200,000.00 for the month of April 2017. She contributed 10% to an approved pension scheme.

Calculate all relevant deductions and her net pay.

Gross Pay	\$200,000.00	
Pension Contribution (10% *200 ,000)	(\$20,000.00)	\$20,000.00
NIS (2 ½%* \$125,000.00) <i>(Income restricted to maximum assessable to NIS for the month)</i>	(\$3,125.00)	\$3,125.00
Statutory Income (200,000.00-(20,000.00+3,125.00))	\$ 176,875.00	
Education Tax :2.25% of Statutory Income (2.25% * \$176,875.00)		\$ 3,979.69
NHT : 2% of Gross Pay (2% *200,000.00)		\$4,000.00
Less Income Tax Threshold Taxable Income (176,875.25 – 125,008)	<u>(\$125,008.00)</u> <u>\$ 51,867.00</u>	
Income Tax (25% of 51,867.00) Total Deductions		<u>\$12,966.75</u> <u>\$44,071.44</u>
Net Pay : Gross Pay – Total Deductions (200,000.00 – 44,071.44)		\$155,928.56

Example # 3: - (Employee's Statutory Income exceeds \$6 million for the year)

Connie Benson is employed to ABS Ltd. Her gross salary was \$600,000.00 for the month of April 2017. She contributed 10% to an approved pension scheme.

Calculate all relevant deductions and her net pay.

Gross Pay	\$600,000.00	
Pension Contribution (10% * 600,000.00)	(\$60,000.00)	\$60,000.00
NIS (2 ½% * \$125,000.00) <i>(Income restricted to the maximum assessable to NIS for the month)</i>	(\$3,125.00)	\$3,125.00
Statutory Income (SI) (600,000.00 -(60,000.00+3,125.00))	\$ 536,875.00	
Education Tax :2.25% of SI (2.25% * \$536,875)		\$ 12,079.69
NHT : 2% of Gross Pay (2% * 600,000.00)		\$12,000.00
Income Tax Threshold (\$125,008.00)	(\$125,008.00)	
SI Taxable at 30%	<u>(36,875.00)</u>	
SI Taxable at 25%	<u>\$ 374,992.00</u>	\$93,748.00
SI Taxable at 30% (536,875 – 500,000)	\$36,875.00	<u>\$11,062.50</u>
Total Deductions		<u>\$192,015.19</u>
Net Pay : Gross Pay – Total Deductions (600,000.00 – 192,015.19)		\$407,984.81

APPENDIX II – Threshold, Rates and Exemptions

Income Tax (PAYE)			
Calculated on gross taxable wage less NIS, Pension, ESOP			
Year	Threshold (Nil Rate)	Tax Rates	Comments
	\$	%	
1986 - 1988	8,580.00	33 1/3	
1989- 1991	10,400.00	33 1/3	
1992	14,352.00	33 1/3	
1993	18,408.00	25	
1994	22,464.00	25	
1995	35,568.00	25	
1996	50,544.00	25	
1997 - 1998	80,496.00	25	
1999 – 2000	100,464.00	25	
2000 – 2004	120,432.00	25	
2005	144,768.00	25	
2006	193,440.00	25	
2007	193,440.00	25	
2008	193,440.00	25	
2009	270,504.00	25	
2010	441,168.00	25/ 27.5/ 35	
2011	441,168.00	25	
2012	441,168.00	25	
2013	207,312.00	25	
2014	507,312.00	25	
2015	557,232.00	25	
2016	796,536.00	25 & 30	<i>30% on Statutory Income in excess of \$6,000,000</i>
2017	1,375,140.00	25 & 30	
2018	1,500,096.00	25 & 30	

Increase in 2016/2017 Threshold Explained

Effective July 1, 2016, the Income Tax threshold was increased from \$592,800 to \$1,000,272 per annum.

This resulted in the effective rate of \$796,356, calculated as shown below:

January 1, 2016 – June 30, 2016 ($\$592,800 \div 12 \times 6$) \$296,400

July 1, 2016 – December 31, 2016 ($\$1,000,272 \div 12 \times 6$) \$500,136

Effective Rate **\$796,356**

Effective April 1, 2017 there was another increase from \$1,000,272 to \$1,500,096

per annum; resulting in the effective rate for that year being computed as follow:

January 1, 2017 – March 31, 2017 ($\$1,000,272 \div 12 \times 3$) \$250,068

April 1, 2017 – December 31, 2017 ($\$1,500,096 \div 12 \times 9$) \$1,125,072

Effective Rate **\$1,375,140**

Increase in Income Tax Rate for Individuals

Year of Assessment 2016

Effective July 1, 2016, the rate of tax applicable to **statutory income** earned in excess of \$6,000,000 is 30%.

For that year, the \$6,000,000 was in relation to income earned for the period July 1 to Dec 31.

For year of assessment 2017 and beyond the \$6,000,000 is in relation to income earned for the period

January 1 to December 31. Therefore, the tax rates for July 2016 and beyond are applied as follows:

- **Ascertain statutory income**
- **Statutory Income less \$6,000,000 x 30%**
- **\$6,000,000 less threshold x 25%**
- **Threshold x 0%**

See example #3 above.

Exemptions

Years	Pension	Age (65 yrs. and over)
	\$	\$
1986 - 1993	15,000.00	15,000.00
1994 - 2008	45,000.00	45,000.00
2009	62,500.00	62,500.00
2010 Onwards	80,000.00	80,000.00

APPENDIX III - Other Statutory Deductions

National Insurance

Calculated on Gross Pay

Effective April 1, 2019 – the contribution rate increased from 5% to 5.5% (Max payable is \$80,625 p.a.)

Effective January 7, 2013 – Wage ceiling \$1,500,000 p.a. (Max. payable \$37,500 p.a., \$3,125 p.m., \$721.15 p.w.)

Wage ceiling is \$1,000,000 p.a. effective August 2, 2010 (max. payable \$25,000 p.a., \$2,083.33 p. m or \$480.76 p. w.)

Wage ceiling is \$500,000 p.a., as of July 2003 (max. payable \$12,500 p.a., \$1041.66 p. m or \$240.38 p. w.)

Wage ceiling was \$250,000 p.a. as of 5 February 1996 (max. payable \$6,250 p.a., \$520.83 p.m. or \$120.19 p.w.)

Prior to 5 February 1996 wage ceiling was \$15,080 (Max. payable \$377.00 p.a., \$31.40 p.m. or \$7.25 p.w.)

Rate

Employer – **2 ½ %**

Employee – **2 ½ %**

Expatriate – **2 ½ %**

Self-Employed (not liable as an employed person)

Flat rate - **\$100 p.w.**, the yearly aggregate of which shall be taken into account when assessing liability to pay at **5%** of total yearly emoluments.

Voluntary Contributor - **\$100 p.w.**

Domestic worker - **\$50 p.w.**

JDF Office - **2.5% of earnings**

Penalties – 20% interest p.a.

Retirement age

Man Woman

65yrs 60 yrs.

(if retired from regular employment) or

70yrs 65 yrs.

(whichever occurs first)

EDCATION TAX

Calculated on gross wages **less** NIS, Pension and ESOP

Rates:

From April 1, 2013:

Employer - **3.5%**
Employee - **2.25%**
Self-employed - **2.25%**

Up to March 31, 2013:

Employer - **3%**
Employee - **2%**
Self-employed - **2%**

Domestic worker between ages 18 & retirement age – **20 cents per week**

The domestic worker's employer is also required to match the 20 cents weekly

Self-employed who works for less than minimum wage - **Nil**

Retirement age:

65yrs for employed persons.

No age limit for self- employed persons.

Employer's portion for Government Ministries, Departments, Parish Councils, Kingston & St. Andrew Corporation, University of the West Indies - **Nil**

**The National Housing Trust (Contributions)
Regulation, 1979**

Schedule

Specified Contributors	Rate payable by employee & self-employed person	Rate of contribution payable by employer
<p>1. Employed Persons –</p> <p>a. An employed person over the age of 18 years and under retirement age employed as a domestic worker.</p> <p>b. A citizen of Jamaica over the age of 18 years and under retirement age employed by Embassies, High Commissions, Consulates or United Nations Agencies situated in Jamaica.</p> <p>c. A person who is not a citizen of Jamaica over the age of 18 years and under retirement age resident in Jamaica and employed therein other than to Embassies, High Commissions, Consulates or United Nations Agencies.</p> <p>d. Any employed person over the age of 18 years and under retirement age other than those specified in sub-paragraphs (a), (b) and (c).</p> <p>e. A citizen of Jamaica over the age of 18 years and under retirement age employed by a Jamaican Embassy, Jamaican High Commission, Jamaican Consulate or a Jamaican company, resident abroad.</p>	<p>2% of his emoluments</p>	<p>Nil</p> <p>Nil</p> <p>3% of the emoluments of that employee</p> <p>3% of the emoluments of that person</p> <p>3% of the emoluments of that person</p>
<p>2. Self-Employed Persons –</p> <p>a. Earning in any week less than the minimum wage;</p> <p>b. Other than those specified under sub-paragraph (a)</p>	<p>Nil</p> <p>3% of his earnings</p>	

APPENDIX IV

Value of Benefits Where Motor Vehicles are Provided for the Private Use of Employees

Original Cost of Motor Vehicle (\$)	Age of Motor Vehicle			
	(a) Under 5 years		(b) 5 years or more	
	Usage During Year			
	Up to 50% Private Use (\$)	Over 50% Private Use (\$)	Up to 50% private Use (\$)	Over 50% Private Use (\$)
Up to 300,000	40,000.00	48,000.00	30,000.000	36,000.00
Over 300,000 - 700,000	50,000.00	60,000.00	40,000.00	48,000.00
Over 700,000- 1,000,000	75,000.00	80,000.00	60,000.00	65,000.00
Over 1,000,000 - 1,500,000	90,000.00	100,000.00	72,000.00	80,000.00
Over 1,500,000	120,000.00	140,000.00	98,000.00	100,000.00
Example: Original cost of motor vehicle over \$300,000 - \$700,000 under 5 years old and up to 50% private use.				
Taxable benefit on motor vehicle		\$50,000.00		
Tax thereon 25% per annum		\$12,500.00		

APPENDIX V

Employees Entitled to Relief In Respect of Allowances for the Provision of Uniform and Laundry

- Members of the Jamaica Constabulary Force, Island Special Constabulary Force and Jamaica Defense Force
- Members of the Jamaica Fire Brigade
- Persons registered under the Dental Act, medical Act, Opticians Act, Veterinary Act, Profession Supplementary to Medicine Act and Nurses and Midwives Act
- Porters employed in hospitals
- Correctional Officers
- Attorneys-at-law
- Resident Magistrates
- Judges
- Customs Officers
- Air Traffic Controllers
- Postal Workers employed in the delivery of mail
- Teachers required to wear protective clothing
- Drivers and Conductors of Public passenger Vehicles
- The staff on an airline company
- Port workers
- Attendants at petroleum filling stations
- Messengers
- Drivers
- Watchmen
- Private Security Guards
- Cleaners
- Gardeners
- Workers employed in the hospitality or manufacturing industry, restaurants, agriculture, mining, or in refrigerated facilities.
- Other employees approved by the Commissioner, having regard to paragraph (i) (B) of the proviso to section
- 5(1) (c) of the Act.

APPENDIX VI

Key Tax Dates to Remember

January 1 & December 31	The beginning and the ending of the tax year respectively.
March 15th	-The due date to file Income Tax return and make payment. -The due date to file Declaration of Estimated Income & Tax Payable.
14th of each Month	The due date for remitting statutory deductions (Income Tax, Education Tax, NIS, NHT and HEART) withheld the previous month to Tax Administration Jamaica.
March 31st	Due date for filing the Employer's Annual Return (S02).
September 30th	Last date for sending details of Income & Expenditure Statement & P01 Forms for salespersons seeking coding for a tax free allowance. (Date determined by the Commissioner).