

PARLIAMENTARY SALARIES COMMITTEE REPORT NOVEMBER 2003

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CHAPTER 1

1. Introduction
2. Terms of Reference
3. Historical Overview of Parliament

1.0 INTRODUCTION

The Prime Minister, the Most Honourable P.J. Patterson, announced in Parliament on February 4, 2003, the establishment of a committee to review, among other things, the formula for awarding increases in compensation to Parliamentarians (Members of Parliament and Senators).

The five members of the Committee are
Hon. Oliver Clarke O.J., Chairman,
Bishop Charles Dufour,
Mr. Tony Lewars.
Hon. Corrine McLarty O.J., C.D. and
Mr. Las Perry

This committee was set up at a time when an increase in salaries in the Civil Service for the contract period April 1, 2001 to March 31, 2002, triggered a substantial increase in the salaries of Members of Parliament based on the existing salary determining formula of a \$52 per annum differential between the maximum salary of a Permanent Secretary and the salary of a Cabinet Minister. This increase generated discussion in the print and electronic media and expressions of disapproval by the Jamaican public.

The Prime Minister, in a Parliamentary response, froze the salaries and the allowances paid to MP's and Ministers at the current rates pending consideration of this report.

Acknowledgements

The Committee expresses its thanks to the many persons who took the time to meet with the committee so that the committee could benefit from their technical advice, suggestions thoughts and recommendations and to those persons who took the time to send, by other means of communication, their thoughts and recommendations.

We are particularly grateful to the Managing Director and staff of the Development Bank of Jamaica for accommodating the committee's many meetings and to Mrs. Maria Walters, Snr. Pay Planning Officer, who served as secretary to the committee.

2.0 THE TERMS OF REFERENCE

The terms of reference of the committee are to:

1. Examine the history of the adjustments in emoluments to Members of the Cabinet and Parliament since the Ashenheim Report of 1973 and the subsequent findings of such Review Groups as the Sasso (1981) and Fletcher (1989) Committees.
2. Examine and report on the factors, which have attributed to the delays, if any, in implementing the accepted formula and the resulting impact.
3. Report on how the most recent increases compare with other areas of public sector wage and salary settlements over the past ten years.
4. Consider whether the present formula and linkages should be maintained, modified or abandoned taking into account the decision to provide remuneration to the Public Sector, based on 80% of the market.
5. Recommend, having regard to (4) above, whether or not a new formula is required, and if so to make proposals as to the basis, mode and machinery of its application.
6. Consider the implications of the treatment of Parliamentarians as “self-employed” and to make Recommendations, as it may deem just and appropriate.
7. Examine the allowances presently paid to non-Ministerial members of the Senate and recommend such adjustments as appear necessary.
8. Examine the contributory pension scheme for Parliamentarians and to make recommendations on the provision of reasonable benefits for retired legislators.

3.0 HISTORICAL OVERVIEW OF PARLIAMENT

Parliament – Composition and History

Jamaica has a bi-cameral Parliamentary democracy. Parliament is constitutionally composed of a House of Representatives (Lower House) and a Senate (Upper House) and the Queen (represented by the Governor General).

The House of Representatives consists of sixty persons, elected at least once every five years by the people. The House of Representatives is the pillar on which democratic Government rests since universal adult suffrage in 1944. Two parties – the Peoples National Party and the Jamaica Labour Party, have dominated electoral politics in Jamaica.

The first Council (which was the name for Jamaica's seat of Government and which eventually evolved into Parliament) was opened in Port Royal in 1661. In 1664 the seat of Government was moved to Spanish Town and in that year a House of Assembly was set up with a wholly elected but not representative membership. In 1763, shortly after the sittings of the Council had been transferred to Kingston, Lieutenant-Governor Henry Moore built a new House of Assembly in Spanish Town and the sittings were returned to Spanish Town.

In 1872 the Government purchased Headquarters House from the military authorities and the Legislature moved for the final time from Spanish Town to Kingston. Jamaica held its first election under universal adult suffrage in 1944 and Gordon House was opened to a membership that was wholly elected and representative.

Jamaica joined nine other U.K. territories in the West Indies Federation in 1958 but withdrew after the Jamaican voters rejected membership by referendum in 1961. Jamaica gained independence in 1962 and remains a member of the Commonwealth.

Since 1944 there have been fourteen general elections. The number of elected MP's has increased from 32 in 1944 to 45 in 1962, to 53 in 1972 and to the existing 60 in 1976.

Our constitution of 1962 devotes the whole of Chapter Five to the establishment and operations of our current Parliament.

To vote in a general election one must be, subject to certain exceptions, at least 18 years of age, and either a citizen of Jamaica resident in Jamaica or a Commonwealth citizen resident in Jamaica for the twelve months immediately preceding the election.

The Senate consists of 21 eligible persons, appointed by the Governor General – 13 on the advice of the Prime Minister and 8 on the advice of the Leader of Opposition. The President and Deputy President of the Senate are to be chosen by the Senators when the Senate first meets after the dissolution of Parliament.

3.0 HISTORICAL OVERVIEW OF PARLIAMENT (Cont'd)

The President and Deputy President cannot hold the office of Minister or Parliamentary Secretary concurrently with the position of Senator.

The role of the Senate is to review legislation passed by the House of Representatives. The Senate has no power to delay money bills for longer than one month or bills other than money bills, longer than seven months, against the wishes of the House.

A person is qualified to be elected to the House of Representatives or appointed a Senator at 21 years of age and is either, a citizen of Jamaica, resident in Jamaica, or a Commonwealth citizen resident in Jamaica, for at least 12 months preceding the election. A Senator cannot be a member of the House of Representatives concurrently.

Following an election, the person who in the judgement of the Governor General is best able to command the confidence of the majority of the members of the House of Representatives is appointed Prime Minister. The Prime Minister selects from his elected supporters in the House of Representatives and up to a maximum of four of his supporters from the Senate, a list of Ministers for the Governor General's appointment.

The Speaker and the Deputy Speaker of the House are chosen when the House of Representatives first meets after the dissolution of Parliament. The Speaker and the Deputy Speaker cannot hold the office of Minister or Parliamentary Secretary concurrently.

The life of Parliament is five years, which is divided into sessions. Each session normally, though not certain, is of one year's duration and coincides with the government's financial year. Parliament terminates at the end of the Parliamentary year by a prorogation. The effect of a prorogation is at once to end with immediate effect all business (with certain exceptions) until Parliament is again assembled in the next Parliamentary year. This means that a bill not completed in one session must be reintroduced in the next, unless it is abandoned.

The functions of Parliament are to enact laws for the peace, order and good Governance of the country, and to evaluate proposals for new and amended legislation. It is the highest law making body in the land.

The Cabinet, which is the principal instrument of policy, now consists of the Prime Minister and 16 other Ministers, including two from the Senate. There are also eleven Ministers of State, four from the Senate, and a Parliamentary Secretary who is also from the Senate. The Constitution states that the Cabinet shall consist of "*the Prime Minister and such number of Ministers (not being less than eleven)*" and "*Not less than two nor more than four of the Ministers (of the Cabinet) shall be persons who are members of the Senate.*" Appendix 15 shows the current names and portfolio responsibility of each Minister.

3.0 HISTORICAL OVERVIEW OF PARLIAMENT (Cont'd)

The Constitution states that Parliamentary Secretaries may be appointed from the Members of any of the two Houses to assist Ministers in the discharge of their functions. The committee could find no reference to the position of Minister of State in the Constitution.

The administration of existing law is the responsibility of the Civil Service under the direction of Ministers.

Constituency

There are 60 constituencies in Jamaica ranging in size from 288 hectares to 45,642 hectares.

The number of electors is on average 21,693 per constituency but numbers currently range from 15,438 to 32,190.

Appendix 13 provides an analysis by constituency of the number of electors, the physical size, and the electoral density of each constituency. The law sets a limit on the number of electors in a constituency. The upper limit is currently 33,501 and the lower limit is 14,889 (The Constitution Chapter 5: part 4)

Parliamentary Committees

Parliament currently has 12 committees. Some are joint committees (i.e. drawn from both houses) and some are not. There are two committees that are not yet fully constituted; these are the Internal and External Affairs committee and the Appropriations Committee. The Terms of Reference and the composition of all committees are set out in Appendix 6.

In the period from October 2002 to September 10th 2003, the Committees have sat as listed below:

3.0 HISTORICAL OVERVIEW OF PARLIAMENT (Cont'd)

Name of Committees	Number of Meetings from October 2002 to September 10, 2003
<i>House of Representatives</i>	
Public Accounts	13
Tax Measures	5
Human Resources and Social Development	5
Privileges	4
The Defence Act	4
Standing Finance	4
Economy and Production	4
Standing Orders	2
House	1
<i>Senate</i>	
Standing Orders	3
Senate	2
<i>Joint Select Committees</i>	
The Municipalities Act	3
The Corruption Prevention (Amendment) Act	1
The Fingerprint Act	2
Private Bills	2

Source: Houses of Parliament

Overview of Government

The governments of modern democracies most frequently are organised around the principle of the separation of powers.

This form of government identifies three functions of government – the Legislature (the two houses of parliament), the Executive (the Cabinet and the Civil Service) and the Judiciary (the courts). Each of these functions should in theory be separate and confined to performing its own function. Usually the members of one branch cannot become a member of another.

Parliament (the legislature) is the highest legislative authority in Jamaica. It is the institution responsible for making and repealing Jamaican laws.

The executive made up of the Cabinet Ministers, and the Civil Service, has responsibility for developing, and administering policy.

3.0 HISTORICAL OVERVIEW OF PARLIAMENT (Cont'd)

The judiciary is made up of the judges and the courts, interpret and apply the laws. The Governor General is the ceremonial Head of State.

In Jamaica the party with the majority in the House of Representatives forms the executive arm of government. But as members of the cabinet are selected from members of the two houses of parliament there can be no strict application of the principles of separation of powers.

The development of political parties - so strong in Jamaica, which are not recognised in the constitution, enables the cabinet to effectively control Parliament. Party discipline is almost absolute in Jamaica's parliament and the executive can be unconcerned about the possibility of losing a parliamentary vote. With the very rare exception, MP's normally vote along party lines. This is in contrast to other democracies where party discipline is not so strong.

CHAPTER 2

4. What Caused the Salary Increases
5. Previous Reports
6. Modus Operandi of the Committee

4.0 WHAT CAUSED THE PAST SALARY INCREASES

In the early 1980's the World Bank, as a condition of a loan to the Government of Jamaica, and a part of the Administrative Reform Programme stipulated that the salaries and allowances of senior, professional, technical and executive managers should be brought to 85% of that paid to the Statutory Bodies and Public Companies within five years. This was done in an effort to arrest the exodus of qualified personnel from the Civil Service to the Statutory Bodies, Public Companies and the Private Sector and due to migration.

Subsequently during the 1992/94 wage and fringe benefits negotiations with the Jamaica Civil Service Association (JCSA), it was agreed that:

“The civil service is to be redeveloped /restructured over the period 1992 – 1995 to bring the emoluments and conditions of service of civil servants to within 20% of that obtaining in Statutory Bodies and the Private Sector. This re-development/restructuring will be implemented with effect from September 1, 1993.”

During the 1996/1998 negotiations, the Government agreed with the JCSA to retain the firm Coopers & Lybrand (Consultants) to:

“Conduct a study of the emoluments and conditions of service of civil servants vis a vis Statutory Bodies, Public Sector Companies and the Private Sector with a view to:

- (i) Determining market pay rates for comparable positions:*
- (ii) Recommending a Time Table for civil service pay rates to move to within 20% of market in the context of a restructured civil service.”*

The Consultants found, among other things that the pay for the jobs at the lower levels of the hierarchy were close to or above market rates in some instances, and the pay for the jobs in the middle and the top were below market rates ranging from 30% to 70%. The 70% differential was found mostly at the top of the hierarchy at the level to which the Ministers are pegged.

After arriving at the agreement in respect of market rates in 1993, the Government finally agreed with the JCSA to implement the market adjustment in 4 tranches as below:

October 1, 2002	20% of the total of 80% of market
April 1, 2003	20% of the remainder
April 1, 2004	30% of the remainder
April 1, 2005	30% of the remainder

This would mean that a Permanent Secretary, for example would receive increases as follows; 1st tranche – 5.2%, 2nd tranche - 6.5%, 3rd tranche – 4.0% 4th tranche – 4.0%. These represent proposed increases for the Permanent Secretary only.

Prior to the implementation of the market rates however, a new classification, job standard and pay plan for the Science and Technology categories, was implemented retroactively to January 2001. This new system was designed to allow Scientists and Technologists who enter the public service to have a clearly defined path in their field so

4.0 WHAT CAUSED THE PAST SALARY INCREASES (Cont'd)

that there would be no need to surrender their specialist interest to administration/management in order to advance. Additionally consequent on adjustments made to the Principals in Tertiary Institutions an adjustment had to be made to the salary of Education Officers.

Following the implementation of the new classification system and the adjustment to the salary of Education Officers certain pay anomalies were discovered. Persons occupying posts with direct supervisory responsibility were receiving salaries below the persons they supervised. In order to address these anomalies, adjustments in pay were made for the Executive Management Group and other related groups with effect from April 1, 2001. This had a direct impact on pay of the Ministers and other MP's because of the historical link where Ministers are paid \$52 per annum higher than the Permanent Secretary (See the Ashenheim report 1972 and the Sasso report 1981). Therefore the consequential increases were passed on to the pay of the Minister and the MP. See Appendix 1, which details the salary of Parliamentarians for the period 2000 to 2002.

5.0 PREVIOUS REPORTS

The committee, reviewed the previous reports and, among other things, looked at whether or not the job of a Parliamentarian was a full-time occupation or a part-time one, a possible job description for an MP, what resources would be needed for the MP to operate a constituency in an effective manner and the MP's ability to earn a secondary income.

Setting Parliamentary remuneration inevitably engenders public debate. Successive governments have appointed committees to examine and make Recommendations about the system for determining remuneration to Parliamentarians. For example: -

1972 The first such committee was appointed under the chairmanship of Hon. Leslie Ashenheim. See Appendix 24

1981 Another committee was appointed under the chairmanship of Mr. Ronald Sasso. See Appendix 25

1989 The Fletcher task force appointed under the chairmanship of Mr. Douglas Fletcher. See Appendix 26

The full reports of these committees can also be found at the following website www.Parliamentarysalaries.org

Given the extensive historical information in these three reports the committee does not feel it necessary to restate the historical aspects of the current system of Parliamentary pay and allowances, except to state the following:

5.0 PREVIOUS REPORTS (Cont'd)

The Ashenheim committee in 1972 stated that

“we have found the problem of determining the amount of salary which should be paid to Ministers and other office holders to be one of considerable difficulty” “the office of Prime Minister is, by any standard, one which transcends in difficulty, complexity and responsibility that of the highest paid executives in the private sector, and the other offices under consideration are in varying degrees no less arduous and demanding of time and talent than senior and highly rewarded positions in industry and commerce.”

Consequently the Ashenheim committee recommended that

“There be substantial increases in salaries and allowances payable to Parliamentarians ranging from 67% to 144% “; and that

Drastic improvement to Parliament is urgent and necessary and submitted a list of certain minimum requirements in addition to a “dignified, comfortable and well-equipped legislative chamber”.

The Sasso committee found that because of the long and irregular intervals between the revision of salaries for Parliamentarians, their salaries and allowances were out of line with private and public sector incomes and bore no relationship to the real living cost and the type of expenditure normal to the offices held by Parliamentarians. They also recommended substantial increases and that machinery be promptly put in place to conduct pay reviews on a more structured basis.

Both the Ashenheim and Sasso reports recommended a substantial increase in salary and at the minimum “drastic improvements” to the physical home of the country’s Parliament. It is of concern that whilst the recommendations for increased pay were implemented not much was ever done in respect of the physical structure of Parliament.

Two other reports that proved helpful to the analysis of the Parliamentary environment are the Stone Report (1991) and the Matalon Report. Copies of these reports can be obtained at Gordon House

6.0 COMMITTEE’S MODUS OPERANDI

Following the terms of reference, the committee looked at all payments and benefits made to Parliamentarians. Amongst these were salary, Parliamentary allowances, health benefits, insurance benefits, transportation arrangements, pension plans, and non-cash benefits.

Even though the committee received good levels of support from many ministries and Parliament itself it was a difficult task to assemble all the components of compensation and benefits and the operational limitations on Parliament itself.

This difficulty is indicative of the absence of any one body being responsible for all the issues that deal with the welfare and effectiveness of the Legislature.

6.0 COMMITTEE'S MODUS OPERANDI (Cont'd)

The committee had extensive consultation with a variety of interested parties including Parliamentarians, Senior Civil Servants, the Trade Unions, the Private Sector, the youth arms of the Peoples' National Party and the Jamaica Labour Party and the Confederation of Trade Unions. The Committee also held a broad-based meeting in Montego Bay of civic, religious, and business leaders. Appendix 20 lists all the individuals and groups that the committee met with in seeking to understand and take into account the various opinions of members of the society.

Members of the public were invited, through newspaper advertisements to send written submissions to the secretary of the committee at the Ministry of Finance and Planning or by email. A questionnaire, developed by the committee, was circulated to all Parliamentarians soliciting their views on the conditions of service, working hours and salaries and allowances of Parliamentarians (Appendix 16). The committee also visited Parliament for a first hand look at the physical conditions under which Parliamentarians work.

Additionally the committee sought and reviewed information on how increases to Parliamentarians are applied in other Countries with a Parliamentary system of Government. Specifically the committee reviewed information from Canada, Britain, New Zealand, and Trinidad and Tobago. The salaries and allowances of the Parliamentarians of all the Commonwealth countries were examined even though some were not current (www.cpahq.org).

Trinidad and Tobago

Trinidad and Tobago has a Salaries Review Commission that is constitutionally established. It comprises a Chairman and four members, all of who are appointed by the President after consultation with the Prime Minister and Leader of the Opposition. They, from time to time, review the salary and other conditions of service of the President, members of Parliament including Ministers of Government and Parliamentary Secretaries and the holders of such other offices as may be prescribed. Their report is submitted to the President who forwards a copy to the Prime Minister for presentation to Cabinet and for laying on the table of each House. The general provisions of the Trinidad & Tobago's Services Commissions set out in the Constitution govern the Salaries Review Commission.

Canada

Prior to 2001, within two months of a general election the Governor in Council was required to appoint a commission to review MP's allowances and benefits. The commission would then table a report before Parliament within six months of being appointed. A Bill would then be presented proposing amendments to the Parliament of Canada Act, the Salaries and/or Members of Parliament Retiring Allowances Act for implementation of the commission's Recommendations. In 2001 this situation was changed and the Commission recommended that the Prime Ministers' salary be that of

6.0 COMMITTEE'S MODUS OPERANDI (Cont'd)

the Chief Justice of the Supreme Court of Canada as adjusted from time to time. The Prime Minister's salary is used as a base to establish salaries for MPs and those performing additional responsibilities such as Ministers of Government.

United Kingdom

A Review Body on Senior Salaries reviews the pay and allowances of Parliamentarians in the United Kingdom every three years. In-between reviews there are annual increases, which are equal to the average percentage movement of the midpoint of the nine senior civil service pay bands below the Permanent Secretary. The Review Body was first appointed in 1971. The terms of reference were revised in 1993 and states:

“The Review Body on Senior Salaries provides independent advice to the Prime Minister, the Lord Chancellor and the Secretary of State for Defence on the remuneration of holders of judicial office; senior civil servants; senior officers of the armed forces; and other such public appointments as may from time to time be specified.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers allowances; and on the pay and pensions of Ministers and others whose pay is determined by Ministerial and Other Salaries Act 1975...” (See www.parliament.uk and www.cabinetoffice.gov.uk)

New Zealand

Under the present system decisions on MPs and Ministers salaries allowances and other entitlements are divided between the Higher Salaries Commission (HSC), the Speaker of the House with advice from the Parliamentary Services Commission and the Minister responsible for Ministerial Services.

The HSC determines the salaries, superannuation subsidy and allowances for MPs and Ministers. The Speaker sets certain entitlements for MPs while the Minister responsible for Ministerial Services sets other entitlements. Both can create new entitlements.

(www.oag.govt.nz/HomePageFolders/Publications/AccAllowances/MP_Allces_II.doc)

The University of the West Indies

The University of the West Indies, the Mona School of Business's Research and Policy Group hosted a Parliamentary Salaries Review Symposium which saw speakers from the University, Mr. Robert Buddan, Professor Edwin Jones, Professor Gordon Draper and Ms Ginnette Bougie from the office of the Privy Council in Canada and the British High Commissioner making presentations in respect of Parliamentary Salaries and the conditions of service of Parliamentarians.

Job Description

The committee wanted to review the job description of a MP. However, the committee was unable to locate one. In the results of a questionnaire sent out to the Parliamentarians 48% of the respondents had never been provided with a job description and 52% stated that they had been.

In looking at the report of the Review Body on Senior Salaries which is the committee that looks at and recommends increases in salaries for Parliamentarians in the United

6.0 COMMITTEE'S MODUS OPERANDI (Cont'd)

Kingdom the following job summary that details three components to a MP's job was proposed.

The first component is that of the MPs Parliamentary responsibilities to assist in the passage of legislation and to hold the Executive to account. The second component is the MPs constituency duties. Here, the MP is responsible for promoting or defending the interests of the constituency as a whole and assisting individual constituents who are in difficulty. Thirdly the MP is required to support the party to which he belongs and for which he was elected.

Public Response

Only five written submissions and eight emails were received from the public. The committee was disappointed at the apparent lack of interest from the Public in this important matter. Whenever there are increases this matter attracts such wide interest.

A website www.parliamentarysalaries.org detailing the current salary and allowances paid to Parliamentarians was set up in order to assist in the public debate on the matter.

In a Poll, run by The Gleaner in May 2003, 97% of all persons thought that the MP should have a constituency office that is accessible to the public and 86% thought that the state should pay the cost of this Constituency office. Only 14% of all persons supported the then recent increase to Members of Parliament: 44 % of all persons thought that an MP should earn more than the Town Clerk at KSAC. The Town Clerk is paid an average salary of \$1.9M - just under the current earnings of an MP (\$2.2million). Only 22% of all persons said that they thought the MPs salaries were between \$2.2M to \$3.0M.

CHAPTER 3

7.0 Current Review Process

8.0 Findings

- i. Status of employment
- ii. Timing of the increases
- iii. Terms and Conditions of Service
- iv. Health
- v. Life Insurance
- vi. Declaration
- vii. Other Benefits
- viii. Constituency Expenses
- ix. Social and Economic Support Programme
- x. Working Conditions
- xi. Orientation
- xii. Security

7.0 CURRENT REVIEW PROCESS

When there is to be an increase in Parliamentary pay triggered by increases in the Civil Service, the Ministry with responsibility for the Public Service prepares the calculations (based on the existing link between a Minister's pay and that of the Permanent Secretary) and sends these to Cabinet. Cabinet may approve implementation.

This was to be the procedure to be used to set the salaries of Parliamentarians up to April 1, 2005. (See table of the former proposed increases for Parliamentarians, based on the 80% of Market payable to Civil Servants Appendix 4).

In respect to various allowances, the Ministry with responsibility for the Public Service proposes increases on old or the introduction of new allowances, on an ad-hoc basis, and they are then sent to Cabinet for approval. If approved by Cabinet, they are then implemented. These allowances have evolved over time in response to the demands of the job.

The current amounts paid for salaries and cash and non-cash allowances are detailed at Appendix 2. In order to simplify the presentation of Parliamentarian's remuneration the committee has split the payments made to Parliamentarians into three:

1. Parliamentary Compensation
2. Expense Reimbursements – Parliament
3. Expense Reimbursements – Constituency

In looking at how the remuneration for Parliamentarians should be set and what should be taken into account the committee feels that a process rather than a formula is appropriate for establishing remuneration. (See Recommendation 3)

8.0 FINDINGS

i. Status of Employment

a) Part Time Job

The majority of the individuals/groups that met with the committee concluded that the Job of an MP, if performed properly, is a full-time one.

This committee circulated a questionnaire to the Parliamentarians and the responses showed that on average Parliamentarians say they devote an average of 30 hours per week between Parliamentary and constituency duties. (See Appendix 16)

The Committee feels that the job of a MP should be regarded as a professional occupation.

There is a logical conflict however between regarding the job of MP as full-time but at the same time allowing this full-time worker the opportunity of earning a secondary income (or incomes) arising from spending time on other duties. Over a short period of

8.0 FINDINGS (Cont'd)

time it is necessary for Parliamentarians to recognise this conflict and develop guidelines to restrict both the time available for, and the scope of secondary employment. Particularly when the voter does not know the nature of this secondary employment.

The Code of Conduct for Ministers (Appendix 17) implies that fulltime attention to their Ministerial duties is required.

There are important differences from more traditional employment in terms of both the unusual demands of the job and the fact that MPs do not work in an employment structure. Neither do Parliamentarians have the complete autonomy of the self-employed although they do have constitutional autonomy and independence in exercising their judgement in matters of policy and law making.

The job combines the elements of public office, public service and professional occupation. It is this complexity that should inform the salaries allowances and entitlements they receive.

There should be some principles in dealing with the determination of compensation. Accordingly the committee suggests eight guidelines in dealing with the future compensation of Parliamentarians.

1. Service in the Legislature of one's country is service of the highest order and persons and persons should be attracted primarily by a desire to serve.
2. Pay should not be so low as to deter those persons with other interests and those wanting to make it a career or so high that it becomes the primary attraction of the job.
3. The basic Parliamentary salary should be the same for all MPs. Those persons with additional responsibilities should receive a position premium.
4. A clear distinction should be made between salary and reimbursements, either for Parliamentary work or for Constituency activity.
5. Parliamentary pay should be set with reference to compensation within the public service.
6. Compensation levels should be independently reviewed and adjusted at defined intervals.
7. Adequate allowances must be provided to facilitate good constituency and Parliamentary performances.

b) Self-Employed Status

The committee understands that when the National Insurance Act was introduced Parliamentarians were, for purposes of the Act, declared self-employed. The effect of this is that MPs now do not pay the normal NIS contributions; rather they pay a stamp

8.0 FINDINGS (Cont'd)

duty of \$20 per week. Additionally they pay the self-employed's contribution to National Housing Trust.

If a MP's status were "employed" then he would earn \$3,115 per annum more than he does now or 1.9% more. There is little difference financially, caused by the classification of MP's as self-employed (see Appendix 7).

The Committee noted that the Corruption Prevention Act of 2000 refers to Parliamentarians as public servants but the Constitution prohibits referring to them as public officers. In attempting to resolve this issue the committee sought and received legal opinion. This opinion seems to recommend certain legislative changes, which requires further study. Accordingly, we have forwarded the advice to the Prime Minister for his consideration and action. The committee regrets that it does not feel able to make any recommendation on this Term of Reference.

ii. Timing of the Remuneration Increases

The committee has been advised that the past delays in payment of salary increases were due to government's cash flow problems. However, this committee feels that the increasing hesitation by politicians to face public outcry resulting from wage increases has played a factor in the delay. The loudest outcries appear to have occurred where there have been large retroactive payments. (See Recommendation 1)

iii. Terms and Conditions of Service

a) Salary

The Standing Finance Committee of the House of Representatives examined the Ashenheim report (1972) and that committee decided that Cabinet Ministers should be paid \$1 per **month** above the salary of a Permanent Secretary. Following on the Recommendation of the Sasso Committee (1981) a Standing Committee of the House of Representatives decided that Cabinet Ministers should at all times receive a salary of \$1 per **week** more than the Permanent Secretary. The current situation is that a Cabinet Minister is paid \$1 per week more than a Permanent Secretary and other Cabinet Ministers, Ministers of State; Members of Parliament etc. are paid various percentages above or below the Cabinet Minister. The current relationship is:

Prime Minister	+33.3% of the Cabinet Minister
Deputy Prime Minister	+16.65% of the Cabinet Minister
Minister of Finance	+8% of the Cabinet Minister
Cabinet Minister	\$52 p.a. above the maximum of the Permanent Secretary's Scale
Minister of State, Speaker of the House Leader of the Opposition	- 12.5% of the Cabinet Minister
Parliamentary Secretary	

Deputy Speaker of the House	-25% of the Cabinet Minister
Other MPs	-37.5% of the Cabinet Minister

The Committee finds that there is no persuasive reason for the salary of a Cabinet Minister to be based exclusively on that of the Permanent Secretary.

Indeed there are obvious disadvantages. Parliamentarians should not be seen to be setting their own salaries when they deliberate on the salaries of civil servants.

The potential conflict of interest of this regime lends itself to criticism that is difficult to explain or defend.

The committee recognises however that while there is a difference in the role of the Permanent Secretary and the Minister, both positions relate to each other. The salaries of the Parliamentarian should be set with reference to the framework of public sector compensation but not, in our opinion, by a rigid and inflexible formula.

This committee has recommended that a clear distinction be made between the three components of cost that the state bears in relation to Parliamentarians. These are:

- 1) **Parliamentary Compensation** (i.e. personal compensation for doing the work of a Parliamentarian, whether as an MP or as a Senator),
- 2) **Expense Reimbursements - Parliament** Parliamentary expense reimbursements (i.e. reimbursement of expenses incurred in doing the work of a Parliamentarian, whether as an MP or as a Senator) (See Appendix 2 and Recommendations 5)

And

- 3) **Expense Reimbursements - Constituency** Constituency expense payments (i.e. reimbursement of expenses to MP's incurred in operating a constituency). (See Appendix 2 and 3 and Recommendations 5 & 12)

b) Subsistence

The subsistence allowance paid to Parliamentarians is made to cover the costs (accommodation, food etc.) for attending Parliament and committee meetings. The allowance is now \$300 per sitting and is commuted using the formulas below.

A Cabinet Minister is paid a fixed \$78,000 per annum for subsistence based on 52 five-day sittings. This is deemed to include committee sittings.

A MP is paid for \$43,200 per annum for subsistence based on 36 four-day sittings (See Recommendation 10). This is deemed to include committee sittings (Appendix 2)

8.0 FINDINGS (Cont'd)

The \$300 payment is withheld from a MP only if he is absent from Parliament without the permission of the Speaker of the House. This is rarely the case.

c) Duty Concession

All Parliamentarians are entitled to a 20% Duty Concession for the purchase of a motor vehicle with a maximum CIF value of US\$25,000. This concession is also given to bona fide travelling officers in the civil service, councillors, custodes, retired Prime Ministers and Governors General, certain statutory bodies including the University of the West Indies and farmers (but this is restricted to an agricultural vehicle).

A Parliamentarian, like other beneficiaries, will only pay duty at the rate of 20% of the value of the car and will be exempt from GCT. Please see Appendix 12, which details the calculation of duty payable.

MP's are now entitled to access this benefit once every term whilst Senators can access the benefit once every five years. Once the concession has been used then the motor vehicle cannot be sold for three years without payment of full duty. If the vehicle is sold in under three years the full duty becomes payable immediately. (See Recommendation 17)

Once a general election has been announced, the political parties may import cars on a duty free basis and there is no minimum period before which the car can be sold. The Committee is aware of cases in which Parliamentarians have received discretionary waivers of import duties relating to vehicles costing in excess of US\$25,000.00

d) Housing

Currently, the Prime Minister is entitled to a fully maintained house. He is not entitled to a Housing Allowance if he elects not to live in the house provided. (See Appendix 2)

Cabinet Ministers, Ministers of State and Parliamentary Secretaries are entitled to be provided with a house. For this provision they pay rental in the range of \$30 per month to \$15,000 per month. . The rental rates charged to Parliamentarians by the state seem low and the variation inequitable.

Cabinet Ministers, Ministers of State and Parliamentary Secretaries who live in houses not provided for by the government, are paid a housing allowance of \$18,000 per month

The committee looked at the rental costs for several houses comparable to that which the Government provides. The current rental rates ranged from \$60,000 per month to \$150,000 per month.

8.0 FINDINGS (Cont'd)

e) Household Staff

The Committee notes that a maximum of two domestic members of staff are paid for by the government on behalf of each cabinet minister and minister of state. Additionally the Prime Minister's official residence is fully staffed.

The Committee recognises that at these senior levels, especially that of the Prime Minister, a certain amount of entertainment is inherent in the job, and does not consider the provision of domestic staff strictly as part of the compensation package. (See presentation in Appendix 2 & 3).

f) MP's Pension

The current arrangements for pensions are detailed at Appendix 8.

The pension scheme for MP's is unfunded (i.e. the government takes the MP's pension contribution into general revenues and pays pension obligations from general revenues.) A MP now contributes 6% of his gross salary, not including housing allowance towards his pension (contribution from an MP now \$132,399 per annum), and qualifies generally for a pension on retirement after the age of 55, and after completing two Parliamentary terms or serving Parliament for an aggregate of nine years service. If qualified a Parliamentarian also may be paid his pension at age 50 if he is ill and has ceased to be a legislator.

Pension is calculated using the total of housing and basic salary. A parliamentarian receives a pension equal to 2/3 of his highest Parliamentarian salary earned plus housing allowance, where applicable. He may however elect to receive a reduced pension (for 12 and a half years) equal to 3/4 of the normal annual retiring allowance of the MP plus a gratuity of 3 1/8 of the normal annual retiring allowance. This gratuity is not taxed.

After twelve and a half years, a reduced pension reverts automatically to full pension, if the pensioner is still alive.

If a Parliamentarian retires and was in receipt of a pension and subsequently returned to office then the pension would cease. Upon his retiring again his pension is recalculated and the gratuity previously paid is deducted from any new lump sum payable

g) The Prime Minister's Pension

The Prime Minister's pension is equivalent to the salary of the current Prime Minister from time to time. The Prime Minister receives his pension from the time he ceases to be Prime Minister. If a former Prime Minister re-enters the Lower House and the salary he receives is lower than the salary of the current Prime Minister then the difference between his substantive salary and the salary of the Prime Minister is paid as an allowance.

8.0 FINDINGS (Cont'd)

A former Prime Minister is also entitled to the following allowances:

- House Allowance equal to that payable to a Cabinet Minister
- Secretarial Allowance for an Executive Secretary
- A chauffeurs allowance equivalent to that payable to a retired Governor General

- Household Helper with pay equivalent to twice the minimum pay of the equivalent grade in the Civil Service

- A Gardener at the level of the minimum pay of the equivalent grade in the Civil Service.

The allowances are not paid to a former Prime Minister who is still in the House.

The widow(er) of the retired MP receives a widow(er)'s pension of 2/3 of the full retiring pension that would have been paid to the deceased MP. Where a serving legislator dies with at least four years service the widow/er is entitled from the legislators' death to two-thirds of the retiring allowance, which would have been payable if the legislator had been eligible for a retiring allowance.

The Prime Ministers' widow is entitled to an allowance for four personal staff: A Social Secretary at the level of a senior secretary, a gardener, a chauffeur and a helper at the same level as the retired Prime Minister

A MP or Cabinet Minister who retired as at October 1, 2002, for example, would receive a full pension or a reduced pension and gratuity as set out in Appendix 21.

No pension entitlement exists for Senators except those with Ministerial appointment and the President of the Senate.

The committee believes that the Parliamentary pension scheme is a generous one. The Ashenheim committee found that it would take an employer contribution of upwards of 35% to fund this scheme. This committee has not received separate actuarial advice concerning the level of Government contribution required to fund this scheme.

The large tax-free gratuity payment is very generous (e.g. A MP going on pension and opting for a reduced pension would now receive a tax-free lump sum of \$4.5 million) when compared to private sector pension schemes.

This large payment economically obliges pensioners to take the lump-sum option and this in turn places an increased and earlier financial burden on the state rather than funding

8.0 FINDINGS (Cont'd)

the pension payments in the normal manner. The civil service pension is different than the Parliamentarian's pension.

In the civil service the pension that an officer receives is dependent on the salary he was in receipt of at the date of his retirement and the number of years that the officer was permanently employed. An officer has to have been in a pensionable post to which they have been permanently appointed for a minimum of ten years before being qualified for a pension. Civil Servants are also required to pay 4% of their gross pay per annum to a family benefit scheme.

The pension formula is:

(The number of months worked times salary at retirement) divided by 540

When a retired civil servant dies then the pension ceases. The widow(or) of the retired civil servant receives a pension based on that officer's contribution to the family benefit scheme. The widow(or)'s pension is calculated as follows:

1% of the deceased officer's salary at the time of retirement times the number of years that the officer contributed to the family benefit scheme. Plus

1% of the deceased officer's pension times the number of years that the officer received a pension.

It is unclear as to whether or not the country has the ability to continue to pay for the current pension scheme for Parliamentarians and civil servants. Appendix 22 shows a comparison between Parliamentarians and Civil Servants pension.

At current levels of pay, based on the details in the Ashenheim report, the government is incurring an additional and unrecorded expense of \$772,327pa (35% of \$2,206,651) and for Ministers of \$1,311,324 pa (35% of \$3,746,641) for un-funded employer's pension contributions.

A funded scheme is the most practical alternative for the future (See Recommendation 24 - 26) with some transitional arrangement for existing MP's.

iv. Health

During the seminar on Parliamentary compensation put on by the Mona School of Business at the University of the West Indies (Mona) Dr. Gordon Draper made the observation (against a Trinidadian experience) that due to the tremendous pressures of the job of a MP, they are prone to suffer from stress related illnesses.

The committee notes the comments but makes no recommendation in relation to this health related matter.

8.0 FINDINGS (Cont'd)

There are three Health Insurance Schemes operating in the Civil Service. The details of these schemes are set out in Appendix 9. Parliamentarians participate in all three depending on their status.

1. Government Executive Board Health Scheme

Blue Cross of Jamaica manages this Scheme. This plan provides coverage for Cabinet Ministers, Ministers of State, Parliamentary Secretaries, High Court Judges, Permanent Secretaries, Director General, and other Heads of Department. The plan's benefits, (family coverage) are detailed at Appendix 9.

The Government subscribes 70% of the premiums for both family and individual cover. For this plan neither the levels of benefit nor the premiums have been revised since August 1996. Both are currently being reviewed for the next contract anniversary date: August 01, 2003.

The full premium for the plan is: Family - \$32,304 per annum: Individual - \$17,160 per annum.

2. Government Employees Administrative Services Only Plan (GEASO)

This is a scheme administered by Blue Cross on behalf of the Government. Eligibility is extended to various categories of workers in the civil service, the security forces, teachers, health-sector employees, the Fire services and non-Ministerial Members of Parliament. The Plan's benefits, (family coverage) are detailed at Appendix 14. The government subscribes 80% of the premium. The Plan's benefits and premiums were last adjusted on February 1, 2000 and August 1, 1998 respectively.

The full premium for the plan is: Family - \$27,252 per annum Individual - \$11,760 per annum.

3. Government Pensioners Administrative Services Only Plan (GPASO)

This is a scheme administered by Blue Cross on behalf of the Government. Eligibility is extended to retirees drawn from the categories of persons covered under the previous plans. Parliamentarians who are in receipt of a pension are eligible for coverage. The Plan's benefits and premiums were last adjusted on December 1, 2002 and December 1, 2000 respectively. The Plan's benefits, (family coverage) are detailed at Appendix 14. The government subscribes 90% of the premium.

The full premium for the plan is: Family - \$40,800 per annum: Individual - \$22,800 per annum.

The Committee noted that former pensionable parliamentarians, who are not yet eligible to receive a pension, as they have not reached the age of 55, are not currently able to join any of the Government's Medical Schemes. (See Recommendation 27)

8.0 FINDINGS (Cont'd)

v. Life Insurance

The government does not provide normal life insurance coverage currently for any Parliamentarian. Generally in the civil service,

- A If an officer dies from injuries attributable to the performance of their duty \$4M is payable to that officer's estate.
- B If an officer dies while in service then that officer's estate is entitled to a payment of \$100,000 or one year's salary whichever is greater.

In the case of a MP

- A where that MP dies in service and has had at least four years' service and leaves a widow then that widow would be paid, an allowance equal to two-thirds of the full retiring allowance that the Parliamentarian would have received.
- B If there is no widow and the Parliamentarian had less than four years' service then an award of no more than the Parliamentarian's pension contributions are made to his legal representative.
- C If there is no widow and the Parliamentarian had four years or more service then an award of one year's salary plus his pension contributions is made to his legal representative.

There are no comparable provisions for Senators except Senators with Ministerial appointment and the President of the Senate.

vi. Declaration

Each MP is required to declare, in parliament, conflict of interest if a company in which they have an interest is doing business with the government. Since the start of the Parliamentary year to October 23, 2003 there have been four such declarations, two from the Senate and two from the House of Representatives. Each MP is also required to file a report with the Integrity Commission of all their income and assets. The Parliament (Integrity of Members) Act July 1973 states "Every person who is or was at any time after the 26th July, 1973, a Parliamentarian shall furnish to the Commission, a statutory declaration, subject to subsection (2), of his assets and liabilities, and his income in the form set out as Form A in the Second Schedule, at such times as may be required by or pursuant to this Act." This report is confidential and cannot be accessed by the public. A copy of the pro forma report is attached at appendix 23

vii. Other Benefits

The committee is not aware of the frequency with which public or private sector firms give concessions or benefits to Parliamentarians. For example, the committee understands

8.0 FINDINGS (Cont'd)

that as a corporate decision, Air Jamaica gives each Parliamentarian free air travel between Montego Bay and Kingston and 4 first class tickets p.a. to any Air Jamaica destination with the exception of London. There is no legal restriction to this type of benefit. It has proven helpful especially to those Parliamentarians who reside outside of Kingston. Currently it is not required that benefits of this nature from Private or Parastatal companies be disclosed. (See Recommendation 16)

The Parliamentary survey that was carried out revealed that 40% of the respondents believed that an MP should declare both source and amount of other income earned and 50% thought that a Minister should declare both source and amount of other income earned. (Appendix 16) The integrity of the public servant, such as a Parliamentarian, is enhanced when the electorate knows the source and amount of all non-parliamentary earnings, benefits and concessions.

viii. Constituency Expenses

The committee finds that there is no clear distinction in the public's mind between the salary and allowances of Members of Parliament and their Constituency expenses. This leads to a "muddying of the waters" in understanding exactly how much an MP is paid and for what. The current situation in respect of **Expense Reimbursements - Constituency** and the committee's proposed recommendations are detailed in the Table.

Constituency Expenses Status

Current Situation	Committee Proposal - See Appendix 3
Parliament pays the salary of a Secretary and a Driver (2 persons)	Parliament pays the salary of a Secretary, Driver, and Administrator. (3 persons)
Parliament pays an allowance, at the annual rate, of \$246,000 to a Rural MP (or \$306,000 to an Urban MP), for the expenses of operating a Constituency Office.	Parliament pays a monthly Constituency Allowance, at the annual rate, of \$500,000 to each MP to run a constituency office. This would contribute towards all operating costs (e.g. stationery, utilities, & rental.) other than those specified elsewhere in this table. This is only payable when the MP operates a qualified constituency office.
	Parliament should provide constituency offices. This will take some years to implement due to the cost involved. When implemented the Constituency Allowance should be reduced by the component representing rent.
	Parliament should equip, at its cost, each constituency office with basic necessities: desks, chairs, filing cabinet, computer, fax, printer, and laws of Jamaica on CD, internet access.

8.0 FINDINGS (Cont'd)

ix. Social and Economic Support Programme

According to Ministry Paper 39/99, the Social and Economic Support Programme came into effect on October 24, 1990. The original rationale for the programme as stated in the Ministry Paper is:

“The SESP Programme is designed to cushion the effects of economic and social adjustment on the most vulnerable. Specifically its objectives are:

- *To enable the vulnerable in Society to take advantage of educational opportunities in order to become viable citizens.*
- *To reduce the number of citizens living below the poverty line through economic endeavours and social benefits.*
- *To foster community development to improve the quality of life of citizens. “*

The SESP was originally established as a supplementary mechanism to assist the poor to cushion the effect of economic adjustment, natural and manmade disasters. It is unclear whether the current usage of the SESP funds is entirely in conformity with the original stated intent.

The SESP now functions as a part of the social safety net and provides the Member of Parliament with a way to respond quickly to the needs of his constituents. The SESP is a fund that is available to elected members of Parliament to deal with the development of the constituency. A portion of the fund is divided among the Parliamentarians equalling approximately \$3.5M per annum per MP.

A portion of the fund is available to Non Governmental Organisations and the SESP office administers the remainder.

The SESP supports projects that are geared towards micro-enterprise, community development, improvements in infrastructure, construction and improvement of community centres, repair of housing for the aged and poor, financial assistance to students and other forms of assistance through cash grants to various beneficiaries. The activities of the SESP are implemented through other Public Agencies such as the Social Development Commission, the Ministry of Labour and Social Security and Non-Governmental Organisations.

Seventy six percent of the MPs who responded to the questionnaire identified using SESP funds to assist with school fees, 73% identified Financial Assistance, 53% identified employment and 50% identified funeral grants as the main forms of help/assistance given by them to their constituents.

Selection of SESP beneficiaries or projects is carried out by the member of Parliament. Individuals also have the option of making a request for assistance directly to the SESP office in the Cabinet Office as the fund is now administered by that office.

8.0 FINDINGS (Cont'd)

For the fiscal year 2002/03 \$430M was provided in the Budget for the Social and Economic Support Programme (SESP). A total of \$428M was actually disbursed. Of the \$428M, \$349M (approximately 80%) of the total amount disbursed was divided among the members of Parliament on a fairly equal basis.

The remaining 20% was not MP or constituency specific but disbursed by the SESP office on a discretionary basis.

There are five categories that fall under this discretionary amount. These are NGO's, OPM Reserve, Special Reserve, Special Reserve II and Quick Response. These discretionary categories are set aside to deal with inevitable emergencies natural or manmade.

The committee felt concern over the transparency of the fund's management and the inadequate public information available to encourage the best of applications from NGOs and other potential users of the non-constituency allocations.

There is an overlap with the provisions of other Government agencies. However, a study of the SESP confirms that its comparative advantage is that it allows MP's to respond quickly to the needs of their constituents.

Constituency allocations for SESP funds should be made on a quarterly basis to preclude outgoing MP's spending the full year's allocation immediately before a general election at which they might not be re-elected.

This fund has not been audited by the Auditor General as a fund but the allocations through the various ministries are audited.

The pressure being placed on MPs to give grants for emergency expenses in their constituency appears enormous and growing. The committee is concerned about the apparent failure of other government welfare agencies to deal with these needs. MP's in a modern state should not be the frontline major discretionary grant givers in their constituencies.

The committee welcomes the Cabinet Secretary's confirmation that the SESP is being redirected to its original purpose and that an annual report will be tabled by the Prime Minister in Parliament.

It may be appropriate for Parliament to restate the purpose of the SESP fund, as there is doubt that its original stated and approved objective of poverty alleviation is being realised by its current usage.

8.0 FINDINGS (Cont'd)

x. Working Conditions

Gordon House

The committee wanted to have an appreciation of the conditions under which Parliamentarians work. The committee visited the Houses of Parliament and spoke with the Clerk to the Houses, several sitting and past MP's and some of the members of staff. The committee concluded that priority must be given to the building of a new Parliament.

In respect of the current situation at Parliament the committee found inter alia:

- Gordon House was never built to become the permanent home of the Houses of Parliament nor was it completed according to the architect's original design. It was built as the Council Chamber & Municipal Offices of the Kingston and St. Andrew Corporation. See picture at Appendix 14, which shows the architect's impression (not what was built) of what the proposed building should have looked like.
- The space allocation at Gordon House is quite inadequate for the Staff and the Members.
- The research facilities are virtually non-existent with the small library over-flowing its confines. There are only two officers to provide research services to the 81 members of both Houses.
- There are only two conference rooms, one for the Government members and one for the Opposition.
- There is one telephone in the Government's conference room and recently the addition of one computer with Internet access.
- MP's have no private space to see or phone facilities to communicate with their constituents.
- The Prime Minister, the Leader of Government's Business in the House and the Leader of the Opposition all have offices that are extremely small and do not appear to be adequate.
- There is no accommodation given in respect of access and equipment for persons with a physical disability.

Ninety six percent of the respondents to the questionnaire circulated by this committee were not satisfied with the adequacy of the physical space and equipment allocated for their use in Gordon House. When asked to give suggestions about any physical improvements that should be made to Gordon House to make the work of a Parliamentarian more productive, 41% supported a new building.

8.0 FINDINGS (Cont'd)

In 1972 the Ashenheim committee noted, *“Inherent in the consideration of the remuneration of Parliamentarians is a review of the conditions under which they work. ...The conditions (in the Parliament building at Gordon House) is in many respects deplorable, due we are told that it was conceived and constructed some twelve years ago as a temporary home for the Legislature.”* The committee goes on to state, *“With the exception of the actual Chamber, the rest of the accommodation falls far short of a tolerable standard. There is no office accommodation for the Leader of the Opposition and the offices provided for the Prime Minister, the Speaker, the Leader of the House and the President of the Senate are small and have no separate accommodation for a Secretary. There are no conference rooms for the use of Ministers and Members other than one room for all Government members and another room for all Opposition Members. There are no committee rooms for use by the Select Committees, there is no accommodation for secretarial assistance to MPs and Senators, and the accommodation for the Clerk of the Parliament and his staff, including the Marshall and Orderlies, leaves much to be desired.... No provision is made for Members who may be taken ill, and the visitors’ accommodation is far too restricted....It is not too much to say that if such accommodation were provided by a private company for the lowest class of its workers it would have the Trade Unions threatening the most drastic action in default of immediate improvement.”*

Not much has changed since this report was done in 1972, over thirty years ago. The Leader of the Opposition now has an office and the Speaker of the House has a separate room for a secretary. However neither of these ‘improvements’ is adequate.

Parliament has outgrown Gordon House and the current facilities do not lend themselves to the efficient operation of the country’s Legislature. The ideal solution is the construction of a new Parliament building.

The committee however explored other, maybe less costly ways to address the situation in the short term. These options are unlikely to do anything other than delay the need to build a new parliament.

The Urban Development Corporation was asked to give the committee a budget estimate of a proposal to extend the existing Parliament building over the car park. This would allow for the erection of a three-storied building, stepped back from the existing building but built onto the northern and eastern boundaries. A link-way at the first and second levels of the new building would connect the new building to the existing building. The estimated construction cost is \$65 million (prices are at the 2nd quarter rates for 2003/04).

This includes

- 1) Substructure & Superstructure
- 2) Internal & External Finishes
- 3) Internal Partitions

8.0 FINDINGS (Cont'd)

- 4) External works to car park
- 5) Electrical & Mechanical works including air conditioning
- 6) This does not include fees and furniture.

The UDC officers reported that their tour revealed the following:

- 1) The adequacy of the buildings and facilities to their required function is woefully lacking.
- 2) The lack of meeting rooms, gathering areas, small cramped spaces for support staff and the press are clearly evident
- 3) The dysfunctional layout of the facilities is also easily apparent.

The officers proposed an alternate solution. The Government could look at acquiring and developing the entire area around the existing building or more favourably build a new Parliament.

In their response to the question “Do you have any suggestions about the physical improvements that should be made to Gordon House or any equipment that would make the work of an MP more productive”? Forty one percent 41% of the respondents to the committee’s questionnaire identified the need for a new building

This committee once again restates its support for the construction of a new Parliament and that any extension should be a temporary fall back position.

Hansard

Hansard, which is the verbatim report of all of Parliament’s proceedings, is currently in arrears as detailed below:

HOUSE OF REPRESENTATIVES			
Year	Period	Volume	Remarks
1987	April –	Vol. 13	With the
1987	August	No 1	Printers
1991	September –	Vol. 13	With the
1991	December	No. 2	Printers
1993	January –	Vol. 16	With the
1994	April	No.3	Printers
1997	May –	Vol. 17	With the
2000	August	No.1	Printers
2001	October –	Vol. 19	With the
2001	December	No.2	Printers
2001	April –	Vol. 20	With the
	August	No. 1	Printers
	March – July	Vol.23	With the
	January –	No. 1	Printers

	March January – March March – July September – December	Vol. 25. No. 3 Vol. 26 No. 1 Vol. 27 No.1 Vol. 27 No. 2	With the Printers With the Printers With the Printers With the Printers
SENATE			
Year	Period	Volume	Remarks
1991	January –	Vol. 17	With the
1994	December	Vol.20	Printers
1995	January –	Vol. 21	With the
1997	December	– Part II	Printers
1999	January –	Vol. 23	Not yet at
2000	December	Vol. 25	Printers
	January –	Vol. 26	Not yet at
	December		Printers
	January –		Not yet at
	December		Printers
	January –		Not yet at
	December		Printers

The Hansard record for 1977 has been lost by fire. The notes for a period during 1985 – 1986 have not been translated as the steno writers who recorded the notes are no longer at Parliament and the other officers have not been able to deal with these in addition to their own notes.

Hansard for 2001 – 2003 is not yet with the Printers.

The Clerk to the Houses advises that the backlog is being dealt with by trying to deal with the most current years first and subsequently move to the past years.

This situation is quite unacceptable. The committee was advised that Parliamentarians do not respond as quickly as they should when asked to confirm the Hansard record.

Hansard should be available on a timely basis not only to Parliamentarians but also to the public. The Committee suggests that Hansard be made available on the needed Parliament website and for sale to the public on CD.

8.0 FINDINGS (Cont'd)

xi. Orientation

For newly elected Parliamentarians, orientation is left primarily to the Party rather than to Parliament. This results in Members/Candidates who are not aware of their entitlements. This contributes to a certain amount of confusion as the new MP spends the first couple of months discovering the parameters of this new job. In the response to the question posed in the questionnaire “did you receive any orientation exposure when you were first elected to Parliament” 48% of the respondents said no, while 52% said yes.

There ought to be an extensive orientation programme carried out at the Houses of Parliament. This programme should deal *inter alia*, with, the Standing Orders of Parliament, the rules of debate, how to access relevant officers in the various Ministries that deal with issues that impact on a constituency directly, compensation, obligations under the Integrity Act, conflict of interest, the legislative slate for the upcoming year, how to use Hansard library and the research facilities, how to hire staff, and the reports that are required, and how to formulate the Transparency and Accountability reports

xii. Security

The committee met with the responsible members of the Jamaica Constabulary Force and found that the Police have concerns for the security for our nation’s Parliament and for those Parliamentarian’s that are provided with security.

The committee reaffirms the need to build a new building to improve security.

However, if Parliament is to remain at its current location on a temporary basis we strongly recommend that the following be adopted:

- 1 The premises adjoining the back of Gordon House be purchased and incorporated as a part of the property of Gordon House.
- 2 A perimeter wall be built at the back of Gordon House encompassing those lands detailed above.
- 3 Parliamentarians’ abide by the guidance of the Police in terms of road parking.

CHAPTER 4

8. Summary of Recommendations
9. Preamble to the Recommendations
10. Recommendations
11. Concluding Remarks

9.0 SUMMARY OF RECOMMENDATIONS

The committee has developed forty recommendations, which are summarised below:

TERM OF REFERENCE 1

No recommendation.

TERM OF REFERENCE 2

No recommendation.

TERM OF REFERENCE 3

1. Increases to Parliamentarians' compensation should not be applied retroactively

TERM OF REFERENCE 4

2. Discontinue the link between Salaries of Permanent Secretaries and Cabinet Ministers

TERM OF REFERENCE 5

3. The Establishment of a Permanent Salaries Committee to examine and recommend periodic increases to the compensation of Parliamentarians.
4. The emoluments of Parliamentarians should be considered as having three separate components. Parliamentary Compensation, and Parliamentary Expense Reimbursements and Constituency Expense Reimbursements.
5. Payments that are intended to be reimbursements or in-lieu-of; be determined on a more systematic basis.
6. No increase in the base pay of MPs.
7. Each Parliamentarian should be required to table in Parliament an annual report within the first three months of the calendar year – a Parliamentarian Accountability Report. Additionally MPs should be required to table in Parliament annually a Parliamentarian Transparency Report.
8. The implementation of Accountability and Transparency payments to MPs and Senators.
9. The payment of a taxable allowance to the Leaders of Business, (Government and Opposition) in both Houses of Parliament.
10. The payment of a subsistence allowance and a Parliamentary Mileage Allowance to be made to an MP from an out-of-town constituency.
11. The state to provide a constituency office for each MP.
12. An increase in the allowance paid to MPs to operate their constituency office.
13. The existing pay relationship between the Prime Minister, Cabinet Ministers and Members of Parliament should be changed over time to more adequately reflect the additional responsibility of each position.
14. The Leader of the Opposition should be paid the same compensation as a Cabinet Minister and to be paid an additional allowance to run the Office of the Leader of the Opposition.
15. The Speaker of the House to be paid the same compensation as a Cabinet Minister
16. MPs to be obliged to publicly declare the source of all income and benefits earned by them and their major assets.

9.0 SUMMARY OF RECOMMENDATIONS (Cont'd)

17. The duty concession on motor vehicles purchased by Parliamentarians should be discontinued and replaced with an allowance of the same monetary value, paid in equal instalments over five years.
18. Parliamentarians compensation should be subject to taxation in an identical manner to the private citizen
19. All salary and allowances be paid directly to Parliamentarians less any authorised deductions.

TERM OF REFERENCE 6

20. The Committee makes no recommendation on the issue of Parliamentarians being regarded as “self-employed”
21. There should be an annual leave provision for Ministers of three weeks every year.

TERM OF REFERENCE 7

22. Senators to be paid a taxable honorarium set at approximately twice the amount of the highest board fees paid in the public service from time to time.
23. No change in the emoluments paid to Minister who is drawn from the Senate.

TERM OF REFERENCE 8

24. The existing un-funded pension scheme applicable to MPs should be discontinued.
25. Under the old pension scheme if a Parliamentarian wishes to link his broken service for pension purposes he should be allowed to do so.
26. Parliamentary pensioners receive the same minimum pension that pensioners from the civil service receive from time to time.
27. A planned and extensive orientation programme should be designed and implemented for new members of Parliament this is to include a Handbook containing all the terms and conditions of their office.

OTHER ISSUES

28. Parliamentarians should receive the same entitlement for death benefits as are applicable for the Civil Service from time to time.
29. MPs who have left Parliament are entitled to a pension, but are not yet in receipt of that pension, should be allowed to access the Health Scheme that covers Parliamentary pensioners.
30. A pool of at least eight research assistants to be employed to Parliament.
31. The development and implementation of an intern programme for Parliament.
32. The construction of a new Parliament Building and the establishment of a Parliamentary Commission to lobby for the new building. Additionally, Parliament is to give consideration to any improvements that can be made to Gordon House to accommodate access by the physically challenged.
33. A Management Committee of Parliament should be established to make strong representation to the Ministry of Finance for budgetary support.

9.0 SUMMARY OF RECOMMENDATIONS (Cont'd)

34. The Parliamentary Salaries Committee should review the existing laws dealing with pensions and other terms and conditions of service for Parliamentarians, Governors General and National Heroes to ensure that the provisions are kept current.
35. Hansard should be brought up to date as quickly as possible.
36. A Parliamentary website for the Houses of Parliament should be developed and maintained.
37. Some of the incremental costs of implementing the recommendations in this report might come from utilising some of the funds currently allocated to the SESP.
38. The Auditor General to carry out a specific audit of the SESP funds.
39. Parliament to install a number of Internet booths and additional telephone lines for the use of Parliamentarians. Ministers to be allowed to use their office ICAS code in making official overseas calls from outside their offices.
40. A code of conduct to be developed and implemented for MPs similar to the one that exists for Ministers.

10.0 PREAMBLE TO THE RECOMMENDATIONS

In defining the issues and arriving at recommendations, this committee has considered the balance of power/influence between the Parliament and the Executive and believes that this balance is currently skewed in favour of the Executive (certainly in relation to human and financial resources).

For example, the budgetary support and the Human resources that are given to the Legislature pales in comparison to that of the Executive.

Parliament's budget for the financial year 2003/2004 is \$352 million see details in Appendix 5. Of this amount, only \$2.6 million is allocated for the purchase of equipment, which includes computers and the necessary accessories. The staffing of Parliament is long overdue for review. There are no research assistants even though Parliamentarians may request help from the Librarian or her Assistant.

The staff complement at Parliament appears to be inadequate to ensure that the Parliament is run at a sustained level of efficiency.

The total number of established staff is 47. The current complement is:

1 Clerk to the Houses	2 Accounting Technicians
1 Deputy Clerk to the Houses	2 Accounting Clerks
1 Committee Coordinator	5 Secretaries
1 Assistant Clerk	4 Clerical Officers
4 Committee Clerks	1 Telephone Operator
2 Hansard Editors	5 Orderlies
3 Proof Readers	1 Driver
9 Stenotype Writers	3 Attendants
1 Library Assistant	1 Watchman

The imbalance between the Executive and the Legislature is apparent when one considers the priority given to the provision of new buildings for the Ministry of Finance and Planning and the new Office of the Prime Minister and Cabinet. Even though badly needed, there has been no approval for the construction of a new Parliament building or even an extension to the building currently in use.

Ministers of Government have the human and administrative resources of a Ministry at their disposal. Little or no provision is made for either administrative support or human resources for a "back-bench" MP or Opposition Members (other than the Leader of the Opposition who only gets 2 members of staff), who wish to do research so as to contribute more meaningfully to a particular debate in Parliament.

Non-ministerial MPs currently do not appear to be encouraged to participate in Parliamentary debate other than to vote in support of their political parties.

10.0 PREAMBLE TO THE RECOMMENDATIONS (Cont'd)

This Committee heard in many of the meetings, expressions of concern about the reputation of Parliamentarians and consequently their ability to credibly champion the cause of national issues such as the provision of a new Parliament building or better working conditions for themselves.

Although issues such as this are strictly beyond the committee's Terms of Reference, we believe they are fundamental national issues and should be subject to national debate.

The perceived reputation of a MP appears to serve as a deterrent to some individuals who have a genuine wish to serve the country but who do not wish to be involved with the dirt it is believed surrounds politics.

There needs to be recognition, nationally and especially at the level of Parliament, of the unique role and responsibility that Parliament has for developing and maintaining its own standards and policing itself.

Parliament needs to set and articulate nationally, high standards of general behaviour for Parliamentarians (Recommendation 40). This standard should not only be applied when a Parliamentarian is in the Chamber of the House but also generally in the execution of his duties and in his normal day to day life.

The Committee commends the cleaning up of the electoral process (which has already begun).

11.0. RECOMMENDATIONS

The committee makes the following Recommendations, which are grouped under the relevant Term of Reference (page 6) to which they relate

For convenience and transparency the current salary and benefits of Parliamentarians are available on the committee's website www.parliamentarysalaries.org. This website will be updated to include this report as soon as possible after it is tabled in Parliament.

TERM OF REFERENCE 1

There is no Recommendation made in relation to this Term of Reference but the required examination is dealt with in the Background section of the report.

TERM OF REFERENCE 2

There is no Recommendation made in relation to this term of reference. The Table in Appendix 16 shows the changes to Parliamentarians compensation over the period 1989-2002.

11.0 RECOMMENDATIONS (Cont'd)

TERM OF REFERENCE 3

Recommendation 1

It is recommended that **increases in Parliamentary compensation should not be applied retroactively** but be implemented when authorised.

TERM OF REFERENCE 4

Recommendation 2

The practice of linking the salaries of the Parliamentarians and the Permanent Secretaries should be discontinued.

The committee is of the view that Parliamentarians operate in the Public Service and as such their remuneration should be set within the framework of Public Service compensation.

TERM OF REFERENCE 4

Recommendation 3

A Permanent Salaries Committee (PSC) should be set up to examine and recommend periodic increases to the salary and allowances (both parliamentary and constituency) of Parliamentarians (both MP's and Senators) on a defined basis. Parliament should decide if the Recommendations of the PSC would be advisory or binding.

It is suggested that:

- The committee might comprise of five persons (whose membership would be subject to change), to be appointed by the Governor General.
- Three members of the committee to be proposed by the Prime Minister and the Leader of the Opposition one of who must be from the Public Sector.
- At least one member of the committee is to be picked by the Prime Minister from a list of names supplied by the Unions and at least one member of the committee is to be picked by the Prime Minister from a similar list supplied by the Private Sector Organisation of Jamaica.

The PSC would require a secretariat. It is suggested that the secretariat for the current Permanent Salaries Review Board, that considers increases for public sector workers, be considered as the secretariat.

The PSC would review the salaries of MP's and Senators at regular intervals, say every 2 years. The PSC should determine the period between reviews. The first such review might be done to set compensation for the period starting April 1 2005.

It is recommended that the PSC engage a consulting firm with the relevant experience (e.g. the Hay Group Management Consultants Ltd.) to carry out a Job Evaluation of Parliamentarians.

The PSC may wish to establish a formula for making annual incremental adjustments to reflect changes in the cost of living in the interval between reviews.

This committee suggests that this formula might be:

11.0 RECOMMENDATIONS (Cont'd)

- Tied to the rate of growth of the economy or
- Equal to half the inflation rate of the country subject to a cap of the average inflation rate of our major trading partners. See Recommendation 6 and Table 3d.

Recommendation 4

The committee recommends that the compensation of Parliamentarians be considered in future as having **three** separate components

1. **Parliamentary Compensation** (i.e. payments to compensate the Parliamentarian for his work. This would include salary and housing allowance where applicable, and the recommended Accountability and Transparency payments). (Appendix 2 & 3)

To facilitate better understanding the committee favours splitting, for presentation purposes, Ministerial compensation, to show the amount that is paid to the Minister/PM *as an MP* and what position premium is paid for the additional responsibilities of the Ministerial/PM function. This split, which is not traditionally shown in Jamaica, is reflected in Appendices 2 & 3.

2. **Expense Reimbursements - Parliament** (i.e. reimbursements to Parliamentarians for the cost of travelling to Parliament, maintaining a car, and staying in Kingston for Parliamentary sittings and committee meetings).
3. **Expense Reimbursements - Constituency.** (i.e. reimbursements to Parliamentarians for the cost of operating a constituency office and travelling within the constituency).

Recommendation 5

For simplification, the committee recommends that payments that are intended to be reimbursements or in-lieu-of be determined on a more systematic basis.

- 1 **Parliamentary Compensation –**
 - a. The current Housing allowance of \$216,000 p.a. be increased to \$600,000 per annum to be more reflective of market conditions. (Appendix 3)
 - b. For those Ministers who live in government houses the housing unit of the Ministry of Housing should develop a standard rental charge to be paid by them.
 - c. The other allowances in this category are the utility allowance and the provision of household staff. The household staff members are paid directly by the state.
- 2 **Expense Reimbursements - Parliament** - The current travelling allowance should be continued. A new and additional taxable Parliamentary **Motor Car Allowance** is to be

11.0 RECOMMENDATIONS (Cont'd)

introduced to compensate for the discontinuation of the 20% duty concession on motorcar imports. (See Recommendation 17 and Appendices 2 and 3).

There would be four allowances under the heading **Expense Reimbursements - Parliament**, namely the Ministerial Utilities allowance, the car upkeep allowance, the Parliamentary Car Allowance and the Parliamentary Subsistence Allowance.

3 Expense Reimbursements - Constituency. There would be only two paid allowances under this heading. The Constituency Travel Allowance and the general Constituency Allowance (see Recommendation 12).

Other expenses to cover authorised staff costs and costs of furniture and equipment for the constituency offices, should be paid directly by the state.

These payments are set out in Appendix 3

Recommendation 6

At this time this Committee does **not recommend an increase in the base pay** of MP's.

The committee however recommends that in 2004, **annual adjustments** should be made, on April 1st of each year, to coincide with the start of the financial year, to the MP's pay of an amount equal to half the inflation rate of this country, subject to a cap of the average inflation rate of our major trading partners: the United States, the United Kingdom, Canada, Germany, and Japan. The inflation rates could be those relating to the calendar year previously completed. Appendix 3D gives an indication of how the calculations would be done.

Elsewhere, the Committee makes recommendations for the payment of Accountability and Transparency payments, a realignment of the relationship between the Ministers' and the MP's pay as well as adjustments to Parliamentary Allowances and Constituency Allowances below. (See Appendix 3)

This recommendation is made with the full realisation that Parliamentary pay is not at the top of either the private or the public sectors (See Appendix 11). This committee does not feel that Parliamentarians are overpaid.

The PSC, on receiving the recommended evaluation report on Parliamentary pay may wish to try and reassess and position the job as it is not an easy task to compare the work and responsibility of a Parliamentarian.

The government will need to compare future increases payable to local government officers with the compensation levels recommended in this report as these pay scales are still linked to the salary of public officers.

11.0 RECOMMENDATIONS (Cont'd)

Recommendation 7

The committee recommends that each MP be required to Table in Parliament **two annual reports**, within the first three months of the calendar year.

The first report - **The Parliamentarian Accountability Report** - would provide an account of the MP's stewardship for the previous financial year and plans for the constituency for the next year.

The report should deal with the MP's performance at the constituency and Parliamentary level and account for all state funds spent at the discretion of the MP (such as SESP and the Local Development Fund), in relation to the previous calendar year and for the usage made of the constituency office, and the expenditure of the recommended annual Constituency Expenses of \$500,000.

Ministers should account for their Ministry's performance as well as covering their performance as an MP. It is suggested that a standard format for the ministerial report be developed by Parliament and that this be laid in the House as part of the Sectoral debates.

Senators should table a comparable report of their performance in the Senate.

The second report - **The Parliamentarian Transparency Report** - should declare the source and amount of all personal finance of MPs in accordance with Recommendation 16.

We are not recommending that this report be obligatory at this time for Senators however it should be considered in the future.

The exact format of these reports should be debated on and agreed in Parliament.

Parliament should decide on sanctions that would be applicable if the reports are not filed.

The PSC (Recommendation 3) should be the entity to monitor the submission of both these reports.

It is important to ensure that the purpose of these reports rather than the form remains the focus of the Parliamentarian.

Recommendation 8

The committee recommends the payment of **Accountability and Transparency Payments** to MP's and Senators. A part of the MP's/Senators pay should ideally be based on performance and transparency. It is extremely difficult to find objective ways to assess these activities.

For the period April 1, 2003 to March 31, 2004 and thereafter annually until otherwise determined by the PSC, we recommend that two taxable payments be made:

11.0 RECOMMENDATIONS (Cont'd)

Payment 1 - **The Accountability Payments** - A one-off payment made annually equivalent to 3% of taxable pay (basic salary plus position premium) to be made when the Accountability Report (as detailed in Recommendation 7) is tabled in Parliament. For an MP, using the current salary, this would be \$66,200 p.a. (Appendix 2)

Payment 2 - **The Transparency Payments** - A payment equivalent to 3% of Taxable pay to be made when the MP publicly declares all income except for Parliamentary pay and allowances (as detailed in Recommendation 16). For an MP this would be \$66,200 p.a. using the current salary. (Appendix 2)

These payments would be made in the first quarter of financial year 2004/2005 and be paid annually until changed by the PSC. They would not qualify as part of Pensionable salary. Payments to Senators should be based on the Honorarium earned during the previous financial year.

The committee further recommends that the PSC, in the future, consider making the majority of all further increases to emoluments through these, or other performance, accountability and transparency related, payments.

Recommendation 9

The positions of **Leader of Business (both Government and Opposition) in the House of Representatives and the Senate** should each be paid a taxable allowance of \$250,000 per annum. Additionally Chairmen of Committees should be paid an honorarium of \$5,000 per meeting attended.

These positions carry additional and important responsibilities and the holders should be paid additional remuneration. This allowance should be regularly reviewed by the PSC. Currently only the Leader of Business in the Lower House is paid an allowance of \$800 per annum.

Recommendation 10

A Member of Parliament and the Senator should be paid

1. An overnight **Subsistence Allowance** when 1) he/she represents an out-of-town constituency and 2) is required to attend Parliament (or its committees) and 3) has to stay overnight and 4) is not being accommodated in a Government house.

All four conditions must be met for payment.

The Subsistence Allowance should be changed from time to time using the average of a basket of Hotel rates in Kingston. The Parliamentary Salaries Committee or the Clerk should review this rate periodically.

The committee recommends that this allowance be set now at \$3,000 per night and paid for the nights before and after Parliament or a committee sits.

11.0 RECOMMENDATIONS (Cont'd)

2. The **Parliamentary Mileage allowance**. The Parliamentary Mileage allowance which reimburses Parliamentarians for travel to and from Parliament, should continue to be paid in accordance with the rates in force from time to time in the Civil Service, currently \$10.35 per km. The allowance is based on distance constituency/Parliament provided by the Electoral Office.

The committee supports the existing practice of such payments being estimated for the year and paid monthly with deductions only being made where the member does not attend or gets a waiver from the Speaker.

Recommendation 11

We recommend that, where possible, **the state provide a constituency office (as separate from an MP's political party office) for each Member of Parliament.**

If democracy is to prosper, it is essential for an MP to provide a point of contact in the constituency for all constituents. This office is not to be used as a Political Office for party purposes.

The constituency office must be located in an area of the constituency where all constituents - regardless of party affiliation - feel free to visit.

Members of Parliament should sign an agreement developed by Parliament concerning the proper use of the constituency office and state clearly hours at which the office will be open and other appropriate details of value to constituents.

Parliament should decide how MP's are to be sanctioned if they or any supporter contravenes this code of proper usage.

The Political Ombudsman could be the office that would rule on any challenges in respect of such agreement and in particular the location and use of the Constituency Office.

Each MP should be required to report on the activities carried out in this office as a part of the proposed annual Accountability Report.

The provision of these offices should be phased in over a 5 – 10 year period.

Recommendation 12

The committee recommends that the **allowance paid to MPs to operate their constituency offices** be increased and additional resources provided.

Constituency representation is an essential component of a functioning democracy.

11.0 RECOMMENDATIONS (Cont'd)

The committee recommends that: -

- 1 The state should pay, at civil service scales applicable from time to time, for three staff members for each constituency office - an Administrator, Secretary, and Driver (Secretary and Driver currently provided). These persons should be hired by the MP but paid for by Parliament.

- 2 Additionally, each MP should receive an allowance, paid monthly, of \$500,000 p.a. (to be reviewed by the PSC) to pay for the rental and operation (to include but not limited to utilities, stationery, etc.) of his constituency office. This payment should not be made in any month in which the MP has not opened a constituency office for at least 20 days for the month, or if the office is not in a location that allows access by all constituents regardless of party affiliation. The rental component of this allowance is to be paid to a third party.

There will be the need for some short transitional arrangement to allow existing offices to be relocated to ensure they are located in areas that allows all constituents, regardless of party affiliation, to visit.

The rental component of this monthly payment should be removed once the state provides a constituency office. The MP is to include in the annual Accountability Report to Parliament (Recommendation 8) details as to how this \$500,000 was spent in the last year. This allowance and the furniture and office equipment should be subject to Audit.

The current situation in respect of other constituency reimbursables is detailed in Appendix 2.

- 3 Additionally the state should provide, with reasonable replacement conditions, the basic necessities for this constituency office (to include desks, chairs, a computer, fax, printer, laws of Jamaica on CD, and internet access) The contract for the supply of equipment and furniture should be awarded by the Government's contract committee and provisions made in the budget of Parliament to cover the expenditure. This Recommendation should be effected immediately.

Recommendation 13

The **existing relationship of compensation between the Prime Minister, Cabinet Ministers and the Member of Parliament** should be changed to more adequately reflect the additional responsibilities of each position.

11.0 RECOMMENDATIONS (Cont'd)

We recommend that the relationship be changed to:

Prime Minister - 3 times (i.e. the Prime Minister should receive a position premium, equivalent to twice an MP's pay for the additional responsibilities of being Prime Minister.)

Cabinet Minister - 2 times (i.e. a Minister should receive a position premium, equivalent to an MP's pay for the additional responsibilities of being a Minister).

Member of Parliament - 1 time

The committee suggests that this realignment be introduced in phases, at Parliament's discretion, over the next five years starting April 2004.

Recommendation 14

The Leader of the Opposition should be paid the same compensation package as a Cabinet Minister. This position is a constitutional one and carries much responsibility. The committee feels that equating this position with a Minister of State, as is currently the case, does not adequately recognise the important constitutional role that this position plays.

The committee recognises that under our parliamentary system it is difficult for the opposition to function, as there is not much financial support from the state. The Prime Minister and the Cabinet has at their disposal, the entire public service to call on for research and to complete position papers. The Office of the Leader of the Opposition whose office shadows that of the Prime Minister does not receive much assistance from the State nor does this office have access to the technical support of the public service in the way that the Prime Minister has. In this regard the committee recommends the following:

- 1) The Leader of the Opposition should retain his current entitlement to an executive and a special assistant.
- 2) As an MP the Leader of the Opposition should retain his constituency entitlement to a secretary, a driver and an administrator.
- 3) The Leader of the Opposition is entitled, by being at the same level as a Cabinet Minister, to two domestic members of staff.
- 4) In order to carry out the office of Leader of Opposition it is recommended that a Leader of the Opposition Allowance be made to contribute towards the cost of running this office. The amount recommended is, for convenience, set at \$500,000 p.a.
- 5) An Administrator at the same pay level as the Constituency Administrator should be assigned to this office.

11.0 RECOMMENDATIONS (Cont'd)

Recommendation 15

The Speaker of the House should be paid the same compensation package as a Cabinet Minister. This position is a constitutionally recognised one and carries much responsibility. Again equating it with that of a junior minister does not recognise the important constitutional role that this position carries.

Recommendation 16

It is important in a modern democracy to be aware of who is paying legislators. Most Parliaments are responding to public pressure by moving towards greater transparency. The committee recognises that this is a complex matter and as a result feels that in accordance with the need for greater transparency, MPs should be obliged **annually to publicly declare the source of all income, benefits earned by them and their major assets** (other than the home in which they reside).

The committee believes that the form in which this is accomplished is an issue that Parliament ought to consider/debate and then decide. The Committee puts forward two options

- 1 The current reports to the Integrity Commission be made public or
- 2 All MPs be required to file an annual report in Parliament of the source and nature of all non-parliamentary income, benefits and assets obtained by them that exceeds \$5,000.

This declaration should not be seen as a substitute for the existing requirement to declare conflicts of interest in Parliament.

The committee encourages Parliament to make this transparency issue the subject of public debate in Parliament as quickly as possible. The committee feels that improved transparency is of the utmost importance and that a decision on this matter should be taken quickly.

Irrespective of whether option one or two is chosen, the transparency report should include any free or subsidised services such as airline tickets or benefits granted by any private or parastatal company.

Consideration should be given for the separation of political donations viz a viz personal income and benefits. Greater transparency in respect of the funding of the political parties must be encouraged.

A debate about the need for state funding of the political process might be appropriate. Consideration of this issue however lies outside of our Terms of Reference.

Parliament should establish what sanctions they will apply to members that do not file their transparency reports. Perhaps cessation of salary and allowances might be appropriate after say three months delinquency.

11.0 RECOMMENDATIONS (Cont'd)

The committee does not feel that this transparency declaration should be obligatory for Senators at this time. Senators should be encouraged to voluntarily comply and so if they do become entitled to the annual Transparency Payment.

Recommendation 17

The duty concession on motor vehicles purchased by Parliamentarians should be discontinued.

Concessions hide the real level of compensation paid by the state to a Parliamentarian. This concession is a substantial benefit (if and when a car is purchased) and is currently not normally quantified in calculating the total emoluments of the Parliamentarian. It is therefore recommended that the value of the benefit should be quantified and paid - See Appendices 2 & 3.

The average value of each usage of the concession is estimated at \$1,498,894, in pre-tax income (the calculation is shown at Appendix 12). The committee recommends that the value of this benefit be paid in equal monthly instalments over 5 years (See Appendix 3).

To facilitate the purchase of a car by an MP or a Senator, Parliament should consider paying an amount from this allowance in an up front lump sum and spread the remainder over five years. This process could be repeated every five years to allow for replacement vehicles.

For example, if the 5-year allowance is \$1,498,894, an amount of say \$899,337 (three-fifths) could be paid up front and the remainder of \$599,557 would be split over five years as an annual Upkeep Allowance of \$119,911.

The committee recommends that this allowance becomes effective on April 1st 2004. Current Parliamentarians would continue to enjoy the existing duty concession regime up to that time. Any Parliamentarian that took advantage, in the current Parliamentary term, of the duty concession up to March 31, 2004 would not be eligible for the new car allowance until this Parliamentary term has expired.

The committee recommends that any other waiver of duties or taxes applicable to parliamentarians should be reported to Parliament.

Recommendation 18

The committee recommends that **Parliamentarians compensation be subject to taxation** in an identical manner to the private citizen.

11.0 RECOMMENDATIONS (Cont'd)

Recommendation 19

The committee recommends that all salary and allowances be paid directly to Parliamentarians less any authorised deductions.

TERM OF REFERENCE 6

Recommendation 20.

The committee, to its regret, makes no recommendation on this issue of Parliamentarians being regarded as “**self employed**”. The legal opinion received will be forwarded to the Prime Minister for his attention and action. It suggests that legislative changes might be required to alter this classification.

The classification as self-employed does not however have any significant effect on Parliamentarians after-tax earnings. (Appendix 7)

Recommendation 21

The committee recommends an **annual leave provision for Ministers of three weeks every year**. Ministers should obtain the Prime Minister’s permission before proceeding on leave. There will be no pay for leave not taken and leave may only be accumulated for two years.

TERM OF REFERENCE 7

Recommendation 22.

This committee recommends that Senators **be paid a taxable honorarium set at twice the amount of the highest board fees paid in the public service** (See Appendix 3) from time to time.

The highest of such board fees now paid are approximately \$6,000. Therefore the committee recommends the taxable honorarium for the Senate at \$12,000 per sitting of the Senate and committees.

In Appendix 2, a Senator’s estimated annual honorarium earnings have been rounded off for presentation purposes, to \$500,000 per annum assuming, (41 sittings of the Senate and Senate committees and Joint Select Committees).

Senators, if and when they purchase a motor vehicle, are also entitled to the 20% duty concession. However they may only access this concession once every five years. The committee recommends that this be discontinued but a taxable allowance, identical to that proposed for MPs, be paid to substitute for this benefit when a car is purchased (Appendix 2 & Recommendation 17). A similar transition arrangement should be permitted.

11.0 RECOMMENDATIONS (Cont'd)

Recommendation 23

The committee notes that a **Minister drawn from the Senate** is paid at the same level as a Minister drawn from the House of Representatives regardless of the fact that a Senator does not have a MP's constituency responsibilities. The committee notes this anomaly but does not recommend a change at this time.

TERM OF REFERENCE 8

Recommendation 24.

- a) The existing, unfunded **pension scheme** (Appendix 8) applicable to MP's should be discontinued for all **new entrants** to Parliament. A new separate, funded, contributory, defined contribution pension scheme should be established.
- b) To allow for **transition** the committee recommends that all current Parliamentarians should be allowed to opt, either to continue under the existing scheme for their full remaining Parliamentary career (regardless of length), or to join the new scheme. They should be given a maximum of 90 days after the rules of the new scheme are published to select their desired option.
- c) All new MP's, including those who had previously been in Parliament and are returning after some absence (excluding those taking the option to link service), would be obliged to join the new Pension arrangements.
- d) The suggested amount for the MP's obligatory contribution in the new scheme is 6% of pensionable compensation. Government's contribution should match this amount. Any lump sum payment, or widows or family pension should be, in conformity with private sector pension schemes, be actuarially calculated and lead to the appropriate actuarial reduction in the MP's pension and be subject to the same limits and tax regime as applicable to private sector pension schemes. The resumption of full pension entitlements after taking a lump sum and the expiration of 12.5 years should be discontinued.
- e) MP's (both existing and new) should be encouraged to make voluntary contributions to the new scheme to enhance their pensions.
- f) Consideration could be given by Government to fund the existing pension obligations of the existing scheme, in the new scheme progressively over a period of years. This would allow the new scheme to have a greater capital base but not affect existing pension obligations.
- g) The rules of the new scheme should allow for broken service to be taken into account.

11.0 RECOMMENDATIONS (Cont'd)

- h) The scheme should be portable
- i) The committee recommends no change to the present arrangements relating to the **Prime Minister's pension** except as below. The position of Prime Minister is a rare and special one and deserves to be treated as such.

A former Prime Minister is now entitled to receive a pension equivalent to the taxable salary (Column D Appendix 2 Table 2a) of the current Prime Minister from time to time, an allowance for housing equivalent to the Cabinet Minister's housing from time to time, plus four members of staff (Administrative Assistant, Secretary, helper and driver) paid for by the state. The Prime Minister's widow(or) is entitled to two-thirds of the Prime Ministers' pension plus the similar supporting staff. The former Prime Minister is not entitled to any lump sum payment.

- j) The committee recommends for the future that the Prime Minister be entitled to one additional member of staff at the level of a secretary, for the two years following his retirement and that his widow's (er's) entitlement to staff under the pension act only extend for one year after the death of the former Prime Minister.
- k) The committee also recommends that a future Prime Minister must have served for a minimum period of 2 years to qualify for the Prime Minister's pension

Recommendation 25

- a) The relevant legislation should be amended to state that a Parliamentarian who serves nine years between both houses should be eligible for a pension as long as he or she has spent a minimum of five years in the Lower House.
- b) If a former Parliamentarian (who once contributed to the existing pension scheme but did not qualify for a pension when he earlier left Parliament) qualified under a) above, wishes to link his broken service for pension purposes, he should be allowed to do so within 90 days of returning to Parliament. The Parliamentarian would repay the contributions that were paid when he left office plus interest at passbook savings interest rate for the intervening period.
- c) Any existing or former Parliamentarian who wishes to link his service should be allowed to do so under the same terms and conditions, provided that he acts within 90 days of the acceptance of this Recommendation.

The relevant legislation should be amended to reflect these changes.

Recommendation 26

The committee recommends that Parliamentary pensioners who opt for a full pension are to receive the same **minimum pension** that pensioners from the civil service receive from time to time. The minimum pension is now \$48,000 p.a.

11.0 RECOMMENDATIONS (Cont'd)

Recommendation 27

We recommend that the Leaders of the House and Senate have **a planned and extensive orientation programme** designed and implemented not only for new members of Parliament but also candidates prior to election.

This orientation should include but not be limited to Parliamentary procedures and rules, details of compensation, pension and allowances, committee participation, introduction to relevant Ministers, Ministries and Government Departments, the use of a constituency office, the operations of the SESP and other discretionary funds including details of balances due for remainder of Parliamentary year and introduction of managing staff, a tour of Gordon House, introduction to Gordon House staff, introduction to research facilities, access to Hansard, usage of Parliamentary internet facilities, outline of annual reports expected from Parliamentarians, as well as having the Planning Institute Of Jamaica (PIOJ) provide each MP with a briefing on their constituency with full details of all planned state and known private sector developments in constituency.

The committee met a number of new MP's who had received **minimal/inadequate orientation** when they first joined Parliament.

An adapted version of this orientation programme could also serve as an introduction to school children, youth and civic groups to the workings of the country's Parliamentary system. Much more promotion should be done to show the public how Parliament operates and its essential service to the country.

OTHER ISSUES

During the committee's deliberations several issues arose which indirectly impact on the terms and conditions of employment of Parliamentarians. In relation to these we recommend the following:

Recommendation 28.

Parliamentarians should receive **the same entitlement for death benefits as are applicable for the Civil Service from time to time.** (Page 28)

For example, if an officer dies from injuries attributable to the performance of their duty then \$4M is payable to that officer's estate. If an officer dies while in service then that officer's estate is entitled a payment of \$100,000 or one year's salary whichever is greater.

Recommendation 29.

MP's who have left parliament and are entitled to a pension, but are not eligible to draw the pension because of age, **should be allowed to access the Health Scheme** administered for the Government, which covers Parliamentary pensioners.

11.0 RECOMMENDATIONS (Cont'd)

Recommendation 30.

The research facilities at Gordon House are inadequate. There should be a pool of at least 8 research assistants available to all the Parliamentarians. (See Recommendation 35 and page 32)

Recommendation 31.

The committee recommends that **an intern programme** be established for Parliament. An option could be to approach the Universities in this regard. 2nd and 3rd year and Masters students could be employed as interns to carry out research for the Parliamentarians. These persons would supplement the corps of researchers to be permanently assigned to Parliament.

Recommendation 32.

- a. We recommend that **a new Parliament Building be constructed** to allow for Parliamentarians to perform their work efficiently. The committee is of the view that the Legislature cannot continue to carry out their work within the limited and inadequate space of the existing Parliament building.
- b. However failing the short-term construction of a new Parliament Building additional physical space could be found by:
 1. Expanding the existing building - perhaps by building over the parking lot of Gordon House, and adjoining premises.
 2. Acquiring the use of Headquarters House or other adjacent buildings.

We do not believe however that these short-term options are adequate.

The committee understands and appreciates that the financial resources to build a new Parliament building may not be available at this time. However, plans for funding this venture ought to begin immediately.

- c. It appears as though Parliamentarians have not been able to persuade the public that more funds are needed to expand/replace/operate Gordon House and to provide the Legislature with adequate space, research, communication and other necessary facilities.

We believe that a broad based **Parliamentary Commission** consisting of leading members of the public along with Parliamentarians, should be set up to review the physical structure of Parliament and to decide what space is needed for the proper functioning of a Legislature for the people of Jamaica.

The public needs to begin to appreciate that a Parliament building belongs to the people of a country and not to the political party in power.

11.0 RECOMMENDATIONS (Cont'd)

The Parliamentary Commission could also provide an oversight role for Parliamentarians and monitor the Transparency and Accountability reports.

Parliament should now give consideration to any improvements that can be made to Gordon House for access to the physical structure, equipment and information by the **physically challenged** Parliamentarians and members of the public.

Recommendation 33.

A **Management Committee of Parliament** consisting of say the Clerk, Deputy Clerk, and the leaders of business in both Houses and co-chaired by the Speaker of the House and the President of the Senate, should be established to review the budgetary needs of Parliament and to make strong representation to the Ministry of Finance for needed budgetary support. It may be possible to use an existing committee to perform this function.

Recommendation 34.

The PSC could also usefully review the laws dealing with pensions and other terms and conditions of service, where they exist, for Parliamentarians, Governors General and National Heroes, from time to time. This is to ensure that the laws are revised on a timely basis when needed.

Recommendation 35.

Hansard should be brought up to date as quickly as possible, say within the next 6 months. The printing of the backlog could be contracted out if existing contractors prove unable to perform quickly. Parliament should demand a date by which Hansard will be current and also published on Parliament's website. Additionally the committee recommends that the Hansard reports be placed on compact discs (CD's) for purchase by the public in addition to being placed on the Parliamentary website.

The committee was concerned when advised that there is no central Archive for Parliament. **Greater attention should be paid to the preservation of the records of the Legislature by the creation of a proper Archive.**

Recommendation 36.

A **Parliamentary website** for the Houses of Parliament should be developed and maintained. This website should include information on, Hansard, Parliament's agenda, Bills being debated, Ministry papers, Parliament's budget, terms and conditions relating to Parliamentarians compensation and allowances, address all Parliamentarians responsibilities, annual declarations of income, annual MP's reports, addresses all constituency offices, the name address, email and contact number for all Parliamentarians etc. Some useful guidelines for a new website can be obtained at <http://www.ipu.org/english/parlweb.htm>

11.0 RECOMMENDATIONS (Cont'd)

Recommendation 37

The committee recommends that some of the incremental costs of implementing the Recommendations in this report might be obtained by **utilising some of the funds currently allocated to the SESP fund.**

Recommendation 38

The committee recommends that **the Auditor General carry out a specific audit on the SESP funds**, rather than only on the implementing agencies.

Each MP should be obliged to account for all SESP funds spent at their discretion in their annual Accountability Report

Further the implementing agencies should be obliged to table in Parliament at least annually a report accounting for all amounts spent under the SESP and LDP programmes, analysing such expenditure by type of project and by constituency, show administrative costs, and justify expenditure not channelled through constituencies, and justify that expenditure was made in accordance with the stated objectives of the funds as stated in the originating Ministry Papers.

The committee recommends that a system be put in place to preclude an outgoing MP spending the full year's SESP allocation to his constituency prior to a general election.

Recommendation 39

It is recommended that Parliament install a number of **Internet booths and additional telephone lines** for the use of the Parliamentarians. Ministers' should be allowed to use the ICAS code attached to their private lines at their respective Ministries for official overseas calls from outside of their Ministry.

Recommendation 40

There is currently a Code of Conduct for Cabinet Ministers (Appendix 17). The Committee recommends that a Code of Conduct should also be developed by the Parliamentary Commission in conjunction with the Parliamentary Ombudsman and implemented for MPs.

12.0 CONCLUDING REMARKS

The committee has taken eight months to complete this report. In any report of this size and complexity some errors of fact or misinterpretation are inevitable. We have made every effort to avoid these and apologize if they do exist.

Considerable time was exhausted accumulating information and meeting with as many concerned persons as possible.

The absence of good documentation detailing existing compensation and benefits is disturbing. This issue should be rectified. In part, this report does so.

The absence of a procedure to regularly review Parliamentary compensation and benefits invites problems. It encourages controversy when large adjustments are made at irregular intervals.

A pressing issue is the failure of the political process to produce an effective structure/procedure to rebuild public confidence in Parliamentarians and to create the public understanding that adequate resources must be expended to attract good legislators, give them the resources to operate effective constituency offices and to allow Parliament (perhaps the most important of the three arms of government) to function in adequate physical surroundings.

Much work needs to be done to improve the image of politics and politicians.

Parliament should consider this issue and develop a strategy to change the public's perception of politics quickly. While the committee accepts that politicians should be adequately compensated for the work they do at Parliament, they should remember, it is an honour to do public service, and they are expected to perform with the highest probity, decorum, integrity and transparency. If this is achieved then the public will more readily accept salary and benefit adjustments.

The committee met with politicians - both old and new members - of impressive ability as judged by any international comparison.

We hope our report will facilitate the process of rebuilding confidence in the political system by allowing Parliamentarians to function more effectively.

USEFUL LINKS

- 1 Inter-Parliamentary Union <http://www.ipu.org/>
- 3 URL's of worldwide Parliamentary websites
<http://www.ipu.org/english/parlweb.htm>
- 4 Guidelines to establish a website for Parliament
<http://www.ipu.org/english/parlweb.htm>
- 5 Commonwealth Parliamentary Association <http://www.cpahq.org/>
- 6 Comparison Commonwealth Parliamentary salaries 2000-2001
<http://www.cpahq.org/download/2000salarysurvey.pdf>

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Appendix 1

TABLE OF MOVEMENT IN BASIC SALARY OF PARLIAMENTARIANS 2000 - 2002

PARLIAMENTARIANS	W.E.F. 1/4/00	Salary Increase W.E.F. 1/4/01	Anomaly Adjustment W.E.F. 1/4/01	Current Market Adjustment October 1, 2002	% change 1/4/2000 to 1/10/2002
	\$ p.a.	\$ p.a.	\$ p.a.	\$ p.a.	%
PRIME MINISTER	2,411,171	2,563,353	4,064,024	4,706,344	95%
DEPUTY PRIME MINISTER	2,110,000	2,243,174	3,556,402	4,118,493	95%
MINISTER OF FINANCE	1,953,537	2,076,835	3,292,683	3,813,092	95%
CABINET MINISTER	1,808,830	1,922,995	3,048,780	3,530,641	95%
SPEAKER OF THE HOUSE	1,695,778	1,802,808	2,858,231	3,309,976	95%
MINISTER OF STATE	1,582,726	1,682,621	2,667,683	3,089,311	95%
LEADER OF THE OPPOSITION	1,582,726	1,682,621	2,667,683	3,089,311	95%
PARLIAMENTARY SECRETARY	1,356,623	1,442,246	2,286,585	2,647,981	95%
DEPUTY SPEAKER	1,356,623	1,442,246	2,286,585	2,647,981	95%
MEMBER OF PARLIAMENT	1,130,519	1,201,872	1,905,488	2,206,651	95%
SENATOR	1,000	1,000	1,000	1,000	0%

Source: Compensation Unit Ministry of Finance and Planning

NOTES TO APPENDIX 2

- 1 The traditional method of showing salaries is as in Column D. The committee shows the split in Columns B and C for clarity.
- 2 The "position premium" (Column C) is the amount by which that person's salary exceeds the salary of a MP.
- 3 Column D = the sum of Columns B & C
- 4 Ministers are entitled to have a house provided, OR a housing allowance if they decide to live in their own home.
The Prime Minister is expected to live in the provided house. He receives no housing allowance if he elects to live elsewhere.
- 5 Ministers who live in an official house, pay rent as determined by the Housing Unit at the Ministry of Housing. Currently this ranges between \$30 per month and \$15,000 per month.
- 6 F = Sum of Columns D & E
- 7 The \$180,000 allowance is to reimburse the cost of upkeep for the vehicle of an MP.
A Cabinet Minister, Minister of State and Parliamentary Secretary and the Speaker of the House can choose from a separate number of options
 - a) have a fully maintained official car (available for public and private use) and no allowance OR
 - b) a partially maintained official car and half allowance OR
 - c) use his own vehicle and get the full allowance of \$341,220 p.a.A Cabinet Minister, Minister of State, Parliamentary Secretary, Speaker of the House do not receive the upkeep allowance paid to other MPs
- 8 The Prime Minister is expected to use the official car. The value of this car has been estimated at the value of the car allowance. He does not get this allowance
- 9 A MP and a Senator are entitled to a duty concession to import a motor vehicle. The MP is now entitled once every term and the Senator once every five years.
Duty payable is 20% of the CIF value of a motor vehicle up to a maximum car value of US\$25,000.
Column I shows the estimated Cash Value of the Concession. Calculations are shown in Appendix 12. This allowance is not actually paid to the Parliamentarian.
- 10 An allowance of \$300 per day is paid, to cover costs of staying in Kingston, for each sitting of Parliament provided individual attends Parliament or obtains a waiver from the Speaker. and also for committee Meetings. This allowance is paid on a commuted basis (See page 22 of the report)
- 11 The respective Ministries pay for a helper and a gardener (Cabinet Ministers), OR a helper (Ministers of State) at civil service rates. These persons are employed by the Minister/Minister of State. For the Prime Minister the current cost of the Vale Royal staff are shown. All staff are paid for at approved Civil Service rates from time to time.
- 12 Column K = the sum of columns G to J.
- 13 a) Senators from rural areas are entitled to a mileage allowance set at rates applicable to Civil service, now, \$10.35 per km. The claimable distance is set by the Electoral Office.
This allowance is reflected at an arbitrary \$1,000 but will vary dependent on claims.
b) MP's from Rural constituencies may claim reimbursement of travel costs from their constituency to Parliamentary/committee sittings at a rate which is currently \$10.35/km.
This payment is commuted and the estimated value is paid on a monthly basis throughout the year.
- 14 Senators are not now in receipt of subsistence
- 15 A MP is regarded as self-employed and as such only pays \$20 per week for stamp duty for NIS
instead of 2.5% on salary, up to a maximum of \$520.83 per month. The taxation and payroll deductions applicable to an MP's pay are shown in Appendix 7
- 16 The job of an MP is currently regarded as part-time. An MP is entitled to earn a secondary income from non-Parliamentary sources.. This table does not show any secondary income.
- 17 The allowance for Senators is \$1,000 per sitting attended. An estimate of annual earnings is shown based on 36 sittings per annum.
- 18 If a Minister is provided with a House then the tax to be applied is calculated as if he earned an additional 15% on his taxable emoluments
- 19 Only one allowance (either Rural or Urban) is payable to an MP.
- 20 Staff members are employed by MP but paid by Parliament.
- 21 Allowance to pay all other expenses of constituency office (rent, utilities, other staff costs, etc). The full amount is paid directly to the MP
- 22 MP is given an allowance of 1,000 km per month for Urban MP's (and 2,000 km per month for Rural MP's) at the current rate of \$10.35 per km.
this allowance is for travel within the constituency.
- 23 S = Sum of columns M, O, Q, & R,
- 23 T = Sum of columns N, P, Q, & R,
- 24 Senators are paid a mileage allowance based on the rates for mileage in the civil service from time to time. This is paid on the advice of the Electoral Office in respect of distance from the capital of the respective Parish to Kingston
- 25 The Utilities Allowance pays for official calls from a Minister's home telephone. Cellular phone costs are paid by the respective Ministries.
- 26 Senators, who become Cabinet Ministers, Ministers of State or Parliamentary Secretaries are entitled to the same compensation as those from the House of Representatives, except that they would not be entitled to any Constituency expense reimbursements. They forgo any Senate entitlements of salary or benefits.
- 27 Only the Leader of Business in the Lower House gets this allowance
- 28 Committee Chairmen are now paid \$2,000 per meeting attended. The estimate is based on 10 committee meetings per annum for the Lower House and 5 for the Upper House.

31 No allowance has been shown in these tables for government contributions/funding of the Parliamentary pension scheme. Recommendation 24
32 The classification in the Tables of which amounts are taxable/non-taxable are indicative only and not intended to override existing taxation rules.

NOTES TO APPENDIX 3

- 1 Salaries are to be represented as shown in columns B and C
- 2 The "position premium" is the amount by which that position's salary exceeds the salary of a MP.
- 3 D = Sum of Columns B & C
- 4 Ministers are entitled to have a house provided, OR a housing allowance if they decide to live in their own home.
The former allowance had not been increased since 1995 and is not representative of rental in current times. It is recommended to increase this allowance to \$600,000 per annum. The Prime Minister is required to live in the provided house.
- 5 Ministers who live in an official house are to pay a standard rental as determined by the Housing Unit at the Ministry of Housing
- 6 H = Sum of Columns D, E, F, & G
- 7 This allowance represents the aggregate of the deemed value of the 20% duty concession in pre-tax earnings (\$399,705, See calculation in Appendix 12).
- 8 The Prime Minister is required to use the official car. The value of this car has been estimated at the value of the existing car allowance (\$341,220).
- 9 Ministers will continue to have the following options in respect of their Ministerial duties a) have a fully maintained official car (available for public and private use) and no allowance OR b) a partially maintained official car and half allowance OR c) use his own vehicle and get full allowance of \$341,220
- 10 A Subsistence Allowance of \$3,000 per night is recommended to be paid for the night before and the night after Parliamentary/committee sittings
The allowance will not be paid if the Parliamentarian does not attend Parliament. It is estimated for 41 sittings of Parliament/Committees in total
- 11 The respective Ministries pay for a helper and a gardener (Cabinet Ministers), OR a helper (Ministers of State) at civil service rates. These persons are employed by the Minister.
For the Prime Minister the cost of the Vale Royal staff is shown. All staff are paid for at approved Civil Service rates.
- 12 M = Total Columns I to L.
- 13 Senators from rural areas are entitled to a mileage allowance set at rates applicable to Civil service, now, \$10.35 per km..
This allowance is reflected at an arbitrary \$1,000 but will vary dependent on claims.
- 14 Senators from the rural areas are to be entitled to the Subsistence allowance
- 15 A legal opinion on the status of employment of a MP has been forwarded to the Prime Minister
- 16 The job of an MP is currently regarded as part-time. An MP is entitled to earn a secondary income.
- 17 The allowance for Senators is recommended to be \$14,000 per sitting attended. This was set at approximately 2 times the rate of the highest board member fees paid in the Government.
An estimate of annual earnings is made based on 36 sittings per annum.
- 18 If a Minister is provided with a House then he should pay tax on the same basis as a private citizen.
- 19 Only one allowance (either Rural or Urban) is payable to an MP.
- 20 Staff members are employed by the MP but paid by Parliament. Ministers' household staff are paid by their respective Ministries
- 21 Allowance to pay all expenses of constituency office (rent, utilities, other staff costs, etc). The rental component of this allowance is to be paid to a third party
- 22 MP is given an allowance of 1,000 km per month for Urban MP's and 2,000 km per month for Rural MP's at the current rate of \$10.35 per km
this allowance is for travel within the constituency.
- 23 U = total of columns O, P, R, S, & T
- 23 V = total of columns O, Q, R, S, & T
- 24 Senators will continue to receive the payment of mileage at rates in force for the civil service from time to time
- 25 It is recommended that each MP be provided with a Constituency Administrator paid at civil service rates at the level 4 Administrator (AM 4)
- 26 Both Government and Opposition Leaders of Business in both houses are to be paid this position premium per annum
- 27 All Committee Chairmen will receive \$5,000 per meeting attended. This is calculated at 10 meetings per annum for the Lower House and 5 meetings per annum for the Upper House
- 28 If a Parliamentarian submits an Accountability Report (See Recommendation 8) then this would be paid as a one-off annual payment.
Senators are not obliged to submit this report but will receive this Accountability Report payment if they elect so to do.
- 29 If a Parliamentarian submits a Transparency Report (See Recommendation 8) then this would be paid as a one-off annual payment.
Senators are not obliged to submit this report but will receive this Transparency Report payment if they elect so to do.
- 30 See Recommendation 12. Amount shown is a nominal estimate and is not intended to be a ceiling
- 31 No allowance has been shown in these tables for government contributions/funding of the Parliamentary pension scheme. Recommendation 22
- 32 The classification in the Tables of which amounts are taxable/non-taxable are indicative only and not intended to override existing taxation rules.
- 33 Please see Recommendation 14 of the Report

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Appendix 3d

**Illustrative table showing how annual adjustments
to salary could be calculated in the
years between formal reviews..
See Recommendation 4**

Formula proposed:-

- a 50% inflation of previous financial year
- b subject to a ceiling of average of trading partner inflation.

For 2001

Jamaica Inflation 2001	7.60%
1/2 Jamaica's Inflation 2001	3.80%

Inflation Rate of Jamaica's Major Trading Partners - 2001

US	3.20%
Canada	2.80%
UK	2.10%
Norway	3.40%
Barbados	2.90%
Guyana	3.50%
Euro Area	2.80%
Average	2.96%

Result Salaries would be adjusted by 2.96% effective April 1st 2002

APPENDIX 4

Former Proposed Increases to Parliamentarians 2002 - 2005 Based on the projections for 80% of Market for the Civil Service And the Current Relationship between Minister and Permanent Secretary

PARLIAMENTARIANS	Current Salary	Proposed Salary	Percentage Increase 1/4/03 2003 over 2002	Proposed Salary	Percentage Increase 1/4/04 2004 over 2003	Proposed Salary	Percentage Increase 1/4/05 2005 over 2004
	With effect from October 1, 2002	With effect from W.E.F. 1/4/03		With effect from W.E.F. 1/4/04		With effect from W.E.F. 1/4/05	
	\$ p.a.	\$ p.a.		\$ p.a.		\$ p.a.	
PRIME MINISTER	4,706,344	4,943,680	5%	5,249,918	6%	5,468,867	4%
DEPUTY PRIME MINISTER	4,118,493	4,326,183	5%	4,594,170	6%	4,785,772	4%
MINISTER OF FINANCE	3,813,092	4,005,382	5%	4,253,497	6%	4,430,890	4%
CABINET MINISTER	3,530,641	3,708,687	5%	3,938,423	6%	4,102,676	4%
SPEAKER OF THE HOUSE	3,309,976	3,476,894	5%	3,692,272	6%	3,846,259	4%
MINISTER OF STATE	3,089,311	3,245,101	5%	3,446,120	6%	3,589,842	4%
LEADER OF THE OPPOSITION	3,089,311	3,245,101	5%	3,446,120	6%	3,589,842	4%
PARLIAMENTARY SECRETARY	2,647,981	2,781,515	5%	2,953,817	6%	3,077,007	4%
DEPUTY SPEAKER	2,647,981	2,781,515	5%	2,953,817	6%	3,077,007	4%
MEMBER OF PARLIAMENT	2,206,651	2,317,929	5%	2,461,514	6%	2,564,173	4%

This is what would have happened if the freeze announced by the Prime Minister was not in place

Source: Compensation Unit Ministry of Finance and Planning

Source: Compensation Unit, Ministry of Finance and Planning

Appendix 7

CALCULATIONS ARISING FROM THE SELF-EMPLOYED ISSUE

SAMPLE OF CURRENT NET PAY						
	If Self Employed			If Employed		
		Member of Parliament Monthly Salary	Cabinet Minister Monthly Salary		Member of Parliament Monthly Salary	Cabinet Minister Monthly Salary
Basic Salary		\$183,888	\$294,220		\$183,888	\$294,220
Subsistence		\$3,600	\$6,500	Subsistence	\$3,600	\$6,500
Housing	1	\$0	\$18,000	Housing	\$0	\$18,000
Taxable Gross		<u>\$187,488</u>	<u>\$318,720</u>	Taxable Gross	<u>\$187,488</u>	<u>\$318,720</u>
Upkeep		\$15,000	\$28,435	Upkeep	\$15,000	\$28,435
Constituency Travel		\$20,700	\$20,700	Constituency Travel	\$20,700	\$20,700
Utilities		\$0	\$2,500	Utilities	\$0	\$2,500
Total Gross		<u>\$223,188</u>	<u>\$370,355</u>	Total	<u>\$223,188</u>	<u>\$370,355</u>
Pension 6%	4	\$11,033	\$17,653	Pension 6%	\$11,033	\$17,653
Income tax 25%	3	\$40,680	\$71,108	Income tax 25%	\$40,574	\$71,003
NHT 4%	2	\$7,356	\$9,367	NHT 2%	\$3,678	\$6,244
NIS \$10 per week	5	\$100	\$100	NIS 2.5% (5)*	\$1,000	\$1,000
Ed. Tax 2%	2	\$3,678	\$5,890	Ed. Tax 2%	\$3,447	\$5,881
Total Statutory Deductions		<u>\$62,847</u>	<u>\$104,117</u>		<u>\$59,732</u>	<u>\$101,781</u>
Net Pay		<u>\$160,341</u>	<u>\$266,238</u>	Net Pay	<u>\$163,456</u>	<u>\$268,574</u>
Difference if Self-Employed		<u>-\$3,115</u>	<u>-\$2,336</u>	Difference if Employed	<u>\$3,115</u>	<u>\$2,336</u>
Percentage difference		<u>-1.94%</u>	<u>-0.88%</u>		<u>1.91%</u>	<u>0.87%</u>

NOTES

- 1 There is no taxation for Housing where a house is provided rather than the allowance
- 2 NHT, & Education Tax, are calculated on the basic salary
- 3 Income Tax is calculated on basic salary less non-taxable ceiling
- 4 6% pension contribution is from basic salary alone
- 5 NIS is currently 2.5% of gross pay up to a ceiling of \$500,000 per annum with effect from October 1, 2003

Total Statutory Deductions**Net Pay****Difference if Self-Employed****Difference if Employed**

	Prime Minister Monthly Salary as Self-Employed	Prime Minister Monthly Salary as Employed
Basic Salary	\$392,195	\$392,195
Subsistence	\$6,500	\$6,500
Travelling	\$28,435	\$28,435
Constituency Travel	\$20,700	\$20,700
Total	\$447,830	\$447,830
Pension	\$23,532	\$23,532
Income tax	\$89,632	\$89,527
NHT	\$11,766	\$7,844
NIS	\$100	\$521
Ed. Tax	\$7,371	\$7,363
Total	\$132,401	\$128,786
Net Pay	\$315,430	\$319,044

Appendix 8

EXISTING PENSION ARRANGEMENTS

Contribution by MP	Qualification for Pension	Age for Pension
6% of taxable salary (excluding housing)	2 full terms or aggregate of 9 years OR Service as a legislator for at least 5 years and a Senator for at least 4 years OR Service as a legislator for a period which together with Federal service amount to not less than 9 years	55 years or 50 years and the MP is ill and has ceased to be a legislator

Source: Superannuation Unit Ministry of Finance and Planning

Award to
Widows

2/3 of the
retiring allowance
of the deceased.

OR

Where legislator who is serving has died
and did not qualify for a pension but has at least
4 years service in the Lower House
the widow/or is entitled to 2/3 of the
retiring allowance which would have
been payable if the legislator were
eligible for a retiring allowance.
This is paid after a legislator dies

APPENDIX 9

Notes

	Supplemental Family Premiums				Supplemental Individual Premiums			
	Government's Cost per Employee	Employee's Cost	Government Contribution	Employee Contribution	Government's Cost per Employee	Employee's Cost	Government's Contribution	Employees Contribution
	\$ p.a.	\$ p.a.			\$ p.a.	\$ p.a.		
Ministers, Judges, Permanent Secretaries, Department Heads	\$25,843	\$6,461	80%	20%	\$13,728	\$3,432	80%	20%
MP's and General Civil Service	\$21,802	\$5,450	80%	20%	\$9,408	\$2,352	80%	20%
Pensioners' Scheme	\$36,720	\$4,080	90%	10%	\$20,520	\$2,280	90%	10%

- 1 per visit
- 2 80% of the cost is paid by the Government - insured pays 20%
- 3 Covers optical, dental & prescription
- 4 Per visit. Scheme pays up to 50% of the doctor's charge not exceeding \$1,500
- 5 per Nurses shift
- 6 Per radiotherapy session
- 7 Life Time Maximum per person covered
- 8 Maximum per contract year - February 1 - January 31
- 9 Maximum per person/per contract year
- 10 Employees only - This does not include dependents
- 11 Unlimited - there is no limit to the amount to be expended on dental optical or prescriptions
- 12 up to a maximum of
- 13 Lifetime Maximum
- 14 US dollars
- 15 Condition for the \$100,000 US
- 16 Condition for the \$4M
- 17 The supplemental family plan covers spouse, and all children up to the age of 18
If a child is in a tertiary institution coverage can continue until the child is 20
- 18 The supplemental individual plan covers the officer alone.

Appendix 10

Comparative Schedule of Basic Salary 1990 - 2002
Selected Civil Service Positions

Year	Principal Nursing Officer	Matron Kgn. Public Hospital	Principal Kgn. College	Principal Mico	Commissioner of Police	Permanent Secretary	Prime Minister	Deputy PM	Minister of Finance	Cabinet Minister	Speaker of the House	Minister of State	Leader of the Opposition	Parliamentary Secretary	Deputy Speaker	Member of Parliament	Year
2002	1,628,758	1,243,277	1,119,147	2,199,914	2,586,378	3,746,589	4,706,344	4,118,493	4,029,092	3,746,641	3,309,976	3,089,311	3,089,311	2,647,961	2,647,961	2,206,651	2002
2001	1,581,318	1,207,065	1,086,550	2,135,838	2,511,048	3,559,259	4,064,024	3,556,402	3,508,683	3,559,311	2,858,231	2,667,683	2,667,683	2,286,585	2,286,585	1,905,488	2001
2000	1,425,991	1,079,973	881,766	1,104,885	2,414,469	2,055,685	2,411,171	2,110,000	2,169,537	2,055,737	1,695,778	1,582,726	1,582,726	1,356,623	1,356,623	1,130,519	2000
1999	1,331,209	998,496	847,852	1,062,389	1,331,717	1,976,620	2,318,436	2,028,849	2,094,403	1,976,672	1,630,558	1,521,854	1,521,854	1,304,446	1,304,446	1,087,039	1999
1998	1,141,138	784,533	815,242	1,021,528	1,208,011	1,900,596	2,229,268	1,950,818	2,022,158	1,900,648	1,567,846	1,463,323	1,463,323	1,254,277	1,254,277	1,045,231	1998
1997	784,329	530,865	769,097	963,706	1,071,122	1,793,016	2,103,088	1,840,399	1,919,927	1,793,068	1,479,103	1,380,497	1,380,497	1,183,283	1,183,283	986,069	1997
1996	636,631	473,987	668,693	860,451	956,357	1,600,907	1,877,764	1,643,220	1,737,369	1,600,959	1,320,633	1,232,591	1,232,591	1,056,507	1,056,507	880,422	1996
1995	553,592	374,693	558,405	683,844	831,611	1,392,093	1,632,848	1,428,895	1,538,937	1,392,145	1,148,383	1,071,824	1,071,824	918,707	918,707	765,589	1995
1994	485,607	328,678	310,502	402,789	729,483	1,084,054	1,271,481	112,665	1,246,157	1,084,106	894,233	834,618	834,618	715,387	715,387	596,150	1994
1993	422,267	285,807	213,466	315,665	614,887	856,960	1,105,705	967,595	991,845	857,012	777,643	725,800	725,800	622,115	622,115	518,429	1993
1992	367,189	248,528	164,205	252,532	424,060	483,785	644,955	564,396	618,544	483,837	453,597	423,357	362,878	362,878	326,590	302,398	1992
1991	154,646	127,993	93,316	143,883	249,409	300,372	400,466	350,445	396,424	300,424	262,871	262,871	225,318	225,318	202,787	187,765	1991
1990	116,346	97,868	55,053	66,996	220,703	247,117	313,497	274,338	253,995	247,169	221,070	205,782	176,385	176,385	158,748	146,988	1990
% change over the 12 year period 1990 - 2002	1300%	1170%	1933%	3184%	1072%	1416%	1401%	1401%	1486%	1416%	1397%	1401%	1651%	1401%	1568%	1401%	% change over the period 1990 - 2002
% change over the 10 year period 1992 - 200	344%	400%	582%	771%	510%	674%	630%	630%	551%	674%	630%	630%	751%	630%	711%	630%	% change over the period 1992 - 2002

Source: Compensation Unit Ministry of Finance and Planning

NOTES

This represents a comparison of basic salary only
Other allowances are paid to all categories with the exception of the Permanent Secretary

Appendix 11

Basic Pay Comparisons with Selected Public & Private Sector Positions

	Positions	Basic Salary \$ p.a.
	Principal Nursing Officer KPH	1,628,758
	Manager Financial Services Commission	1,807,000
	Deputy Director Jamaica Tourist Board	1,960,900
	Principal Mico	2,199,914
	MEMBER OF PARLIAMENT	2,206,651
**	Branch Manager	2,257,227
	Registrar of Companies	2,479,972
	Administrator General	2,550,000
	Commissioner of Police	2,586,378
	General Counsel Financial Services Commission	2,644,000
	Commissioner of Police	2,663,969
	Director Finance Airports Authority	2,892,000
	General Manager Development Bank of Jamaica	3,000,000
	Registrar General's Department CEO	3,000,000
	Snr. Deputy General Manager DBJ	3,300,000
	Snr. Director Financial Services Commission	3,351,000
	Snr. VP Airports Authority	3,500,000
	CABINET MINISTER	3,530,641
	CEO National Health Fund	3,600,000
	Deputy CEO NIBJ	3,612,000
	MINISTER OF FINANCE	3,813,092
**	Deputy Managing Director/Snr. Vice President (Service)	3,845,206
**	Snr. Manager (Manufacturing)	3,918,521
	Permanent Secretary	3,971,384
	CEO Financial Services Commission	4,000,000
	President Airports Authority	4,070,000
**	Human Resource Manager (Finance)	4,143,420
**	Sales & Marketing Manager (Manufacturing)	4,156,229
	CEO Jamaica Deposit Insurance	4,500,000
	PRIME MINISTER	4,706,344
	CEO NIBJ	4,810,000
	CEO Development Bank of Jamaica	5,000,000
**	Personnel & Industrial Relations Manager (Finance)	5,243,400
	CEO National Housing Trust	5,800,000
	Director Jamaica Tourist Board	6,500,000
	Governor Bank of Jamaica	7,941,589
***	Deputy Chief Executive Officer (Finance Sector)	8,500,000
	Snr. Vice President	8,750,000
**	Chief Executive Officer (Insurance Sector)	13,125,240

***NB These comparators are based strictly on basic pay**

Where there is a range of pay the average of that range is used

For the civil service positions the maximum of the pay range is used

NOTE

** Private Sector Comparisons based on KPMG Peat Marwick's 2002 Salary Survey

The Permanent Secretary's basic salary is higher than that of a Minister due to the fact that the Minister's salary was frozen

***Information received from certain private sector entities

Source:

Compensation Unit, Ministry of Finance and Planning
KPMG Peat Marwick 2002 Salary Survey

Appendix 12

CALCULATION OF THE VALUE OF THE DUTY CONCESSION

CIF Value of Car US\$25,000

Or J\$1,487,599 using an exchange rate of \$59.50

Calculation 1 More than 1500 cc but less than 2000 cc	
1 Custom Duty 40%	\$595,000
2 GCT 38.46%	\$800,930
3 Aggregate Duty 94%	<u>\$1,395,930</u>
4 Duty payable with 20% Concession 20% of CIF value of the car	<u>\$297,500</u>
5 Duty and GCT saved by 20% concession	<u>\$1,098,430</u>
6 After tax income equivalent to value of concession	<u>\$1,098,430</u>
7 Pre tax income equivalent to value of concession	<u>\$1,464,573</u>
8 After tax income p.a. equivalent to value of concession spread over 5 years	<u>\$219,686</u>
9 Pre tax income p.a. equivalent to value of concession spread over 5 years	<u>\$292,915</u>
CALCULATION 2 More than 2000 cc but less than 3000 cc	
1 Custom Duty 40%	\$595,000
2 GCT 57.69%	<u>\$1,201,394</u>
3 Aggregate Duty 121%	<u>\$1,796,394</u>
4 Duty payable with Concession 20% of CIF value of the car	<u>\$297,500</u>
5 Total post-tax value of the concession	<u>\$1,498,894</u>
6 After tax income equivalent to value of concession	<u>\$1,498,894</u>
7 Pre tax income equivalent to value of concession	<u>\$1,998,526</u>
8 After tax income p.a. equivalent to value of concession spread over 5 years	<u>\$299,779</u>
9 Pre tax income p.a. equivalent to value of concession spread over 5 years	<u>\$399,705</u>
CALCULATION 3 More than 3000 cc	
1 Custom Duty 40%	\$595,000
2 GCT 100%	<u>\$2,082,500</u>
3 Aggregate Duty 180%	<u>\$2,677,500</u>
4 Duty payable with Concession 20% of CIF value of the car	<u>\$297,500</u>
5 Total post-tax value of the concession	<u>\$2,380,000</u>
6 After tax income equivalent to value of concession	<u>\$2,380,000</u>
7 Pre tax income equivalent to value of concession	<u>\$3,173,333</u>
8 After tax income p.a. equivalent to value of concession spread over 5 years	<u>\$476,000</u>
9 Pre tax income p.a. equivalent to value of concession spread over 5 years	<u>\$634,667</u>

NOTES

- 1 Custom duty is calculated on the CIF value of the car in J\$.
- 2 GCT is calculated on the price of the car in J\$ plus the customs duty.
- 3 The aggregate duty is the GCT plus the customs duty.
- 4 The duty concession limits duty payable to 20% of CIF value. No GCT is payable.
- 5 This is the difference between 3 and 4.
- 6 As the duty saved is currently a non-taxable benefit, the amount saved is equivalent to a similar amount of after-tax income.
- 7 This is the amount of pre-tax income which is equivalent to the after-tax income in 6, assuming a personal tax rate of 25%.
- 8 6 divided by 5.
- 9 7 divided by 5
- 10 The mid-range vehicle, 2,001-2,999ccs, has been used to estimate the value of the cash value of the duty concession in Appx. 2 & 3

CONSTITUENCY - SORTED BY NUMBER ELECTORS

	PARISH	CONSTITUENCY	PARTY	NUMBER ELECTORS	HECTARES
			TOTAL>>>	1,301,593	996,285
			AVERAGE>	21,693	16,605
1	ST. CATHERINE	Southern	PNP	32,190	19,149
2	ST. JAMES	North Western	JLP	31,731	3,514
3	ST. ANN	North Eastern	JLP	31,632	16,521
4	ST. CATHERINE	South Western	JLP	30,627	19,706
5	WESTMORELAND	Central	PNP	28,295	21,814
6	ST. ANDREW	West Rural	JLP	28,170	15,977
7	ST. CATHERINE	Central	JLP	27,216	1,678
8	ST. THOMAS	Western	JLP	27,064	6,874
9	CLARENDON	South Eastern	JLP	26,212	35,233
10	ST. CATHERINE	South Eastern	PNP	26,073	1,517
11	MANCHESTER	Central	PNP	25,198	13,291
12	TRELAWNY	Northern	PNP	25,188	43,794
13	ST. ANDREW	East Rural	JLP	25,160	18,270
14	ST. MARY	Western	PNP	24,792	20,765
15	ST. ANDREW	Western	PNP	24,485	1,096
16	PORTLAND	Eastern	PNP	24,232	35,787
17	WESTMORELAND	Western	PNP	24,027	23,817
18	ST. CATHERINE	South Central	PNP	23,701	4,497
19	ST. ANN	North Western	JLP	23,594	16,702
20	ST. JAMES	West Central	JLP	23,516	7,009
21	ST. CATHERINE	North Western	PNP	23,247	18,991
22	ST. ANDREW	East Central	PNP	22,771	898
23	ST. ELIZABETH	North Eastern	PNP	22,491	33,015
24	ST. ANDREW	West Central	JLP	22,370	288
25	ST. THOMAS	Eastern	PNP	22,295	25,744
26	ST. ELIZABETH	South Eastern	PNP	21,495	22,496
27	MANCHESTER	Southern	PNP	21,397	15,179
28	ST. ELIZABETH	South Western	PNP	21,365	35,497
29	ST. CATHERINE	West Central	JLP	21,278	23,102
30	HANOVER	Western	PNP	21,188	20,338
31	WESTMORELAND	Eastern	PNP	21,020	27,009
32	CLARENDON	Central	JLP	20,890	5,550
33	MANCHESTER	North Eastern	JLP	20,681	13,267
34	ST. CATHERINE	East Central	PNP	20,415	14,341
35	CLARENDON	North Western	PNP	20,404	3,782
36	ST. ANDREW	South Western	PNP	20,102	619
37	ST. ANDREW	Eastern	JLP	19,893	1,834
38	ST. MARY	Central	PNP	19,214	16,576
39	MANCHESTER	North Western	PNP	19,091	21,917
40	ST. MARY	South Eastern	PNP	18,910	23,811
41	CLARENDON	South Western	PNP	18,892	24,663
42	ST. ANDREW	South Eastern	PNP	18,325	989
43	ST. ANDREW	North Western	JLP	18,316	856
44	ST. JAMES	East Central	JLP	18,191	19,240
45	ST. ANDREW	Southern	PNP	18,028	291

Appendix 3	ST. JAMES	Southern	PNP	18,006	29,379			
47	ST. ANN	South Eastern	PNP	17,996	39,313			
48	KINGSTON	East & Port Royal	PNP	17,976	1,423			
49	HANOVER	Eastern	JLP	17,821	24,763			
50	CLARENDON	Northern	PNP	17,569	15,744			
51	ST. ANN	South Western	JLP	17,311	29,997			
52	ST. ANDREW	North Central	JLP	17,288	1,067			
53	PORTLAND	Western	PNP	17,195	45,642			
54	CLARENDON	North Central	JLP	17,153	22,598			
55	KINGSTON	Central	PNP	17,128	333			
56	ST. ELIZABETH	North Western	JLP	16,918	30,113			
57	KINGSTON	Western	JLP	16,580	501			
58	ST. ANDREW	North Eastern	JLP	16,242	1,219			
59	ST. CATHERINE	North Eastern	JLP	15,600	13,220			
60	TRELAWNY	Southern	JLP	15,438	43,672			

45	ST. JAMES	North Western	JLP	8,679	3,514
46	ST. ANDREW	Eastern	JLP	4,531	1,834
47	ST. CATHERINE	Central	JLP	4,144	1,678
48	ST. CATHERINE	South Eastern	PNP	3,748	1,517
49	KINGSTON	East & Port Royal	PNP	3,515	1,423
50	ST. ANDREW	North Eastern	JLP	3,011	1,219
51	ST. ANDREW	Western	PNP	2,706	1,096
52	ST. ANDREW	North Central	JLP	2,635	1,067
53	ST. ANDREW	South Eastern	PNP	2,443	989
54	ST. ANDREW	East Central	PNP	2,218	898
55	ST. ANDREW	North Western	JLP	2,114	856
56	ST. ANDREW	South Western	PNP	1,530	619
57	KINGSTON	Western	JLP	1,237	501
58	KINGSTON	Central	PNP	823	333
59	ST. ANDREW	Southern	PNP	718	291
60	ST. ANDREW	West Central	JLP	712	291

PARLIAMENTARY CONSTITUENCIES - SORTED BY DENSITY OF ELECTORS

Appendix 13 C						
						DENSITY
	PARISH	CONSTITUENCY	PARTY	NUMBER ELECTORS	HECTARES	ELECTORS/ HECTARE
TOTAL>>>>				1,301,593	996,285	
AVERAGE>				21,693	16,605	
1	ST. ANDREW	West Central	JLP	22,370	288	77.60
2	ST. ANDREW	Southern	PNP	18,028	291	62.02
3	KINGSTON	Central	PNP	17,128	333	51.40
4	KINGSTON	Western	JLP	16,580	501	33.11
5	ST. ANDREW	South Western	PNP	20,102	619	32.45
6	ST. ANDREW	East Central	PNP	22,771	898	25.36
7	ST. ANDREW	Western	PNP	24,485	1,096	22.35
8	ST. ANDREW	North Western	JLP	18,316	856	21.40
9	ST. ANDREW	South Eastern	PNP	18,325	989	18.53
10	ST. CATHERINE	South Eastern	PNP	26,073	1,517	17.18
11	ST. CATHERINE	Central	JLP	27,216	1,678	16.22
12	ST. ANDREW	North Central	JLP	17,288	1,067	16.21
13	ST. ANDREW	North Eastern	JLP	16,242	1,219	13.32
14	KINGSTON	East & Port Royal	PNP	17,976	1,423	12.63
15	ST. ANDREW	Eastern	JLP	19,893	1,834	10.84
16	ST. JAMES	North Western	JLP	31,731	3,514	9.03
17	CLARENDON	North Western	PNP	20,404	3,782	5.40
18	ST. CATHERINE	South Central	PNP	23,701	4,497	5.27
19	ST. THOMAS	Western	JLP	27,064	6,874	3.94
20	CLARENDON	Central	JLP	20,890	5,550	3.76
21	ST. JAMES	West Central	JLP	23,516	7,009	3.36
22	ST. ANN	North Eastern	JLP	31,632	16,521	1.91
23	MANCHESTER	Central	PNP	25,198	13,291	1.90
24	ST. ANDREW	West Rural	JLP	28,170	15,977	1.76
1	ST. CATHERINE	Southern	PNP	32,190	19,149	1.68
2	MANCHESTER	North Eastern	JLP	20,681	13,267	1.56
3	ST. CATHERINE	South Western	JLP	30,627	19,706	1.55
4	ST. CATHERINE	East Central	PNP	20,415	14,341	1.42
5	ST. ANN	North Western	JLP	23,594	16,702	1.41
6	MANCHESTER	Southern	PNP	21,397	15,179	1.41
7	ST. ANDREW	East Rural	JLP	25,160	18,270	1.38
8	WESTMORELAND	Central	PNP	28,295	21,814	1.30
9	ST. CATHERINE	North Western	PNP	23,247	18,991	1.22
10	ST. MARY	Western	PNP	24,792	20,765	1.19
11	ST. CATHERINE	North Eastern	JLP	15,600	13,220	1.18
12	ST. MARY	Central	PNP	19,214	16,576	1.16
13	CLARENDON	Northern	PNP	17,569	15,744	1.12
14	HANOVER	Western	PNP	21,188	20,338	1.04
15	WESTMORELAND	Western	PNP	24,027	23,817	1.01
16	ST. ELIZABETH	South Eastern	PNP	21,495	22,496	0.96
17	ST. JAMES	East Central	JLP	18,191	19,240	0.95
18	ST. CATHERINE	West Central	JLP	21,278	23,102	0.92
19	MANCHESTER	North Western	PNP	19,091	21,917	0.87
20	ST. THOMAS	Eastern	PNP	22,295	25,744	0.87
21	ST. MARY	South Eastern	PNP	18,910	23,811	0.79
22	WESTMORELAND	Eastern	PNP	21,020	27,009	0.78
23	CLARENDON	South Western	PNP	18,892	24,663	0.77

PARLIAMENTARY CONSTITUENCIES - SORTED BY DENSITY OF ELECTORS

24	CLARENDON	North Central	JLP	17,153	22,598	0.76
25	CLARENDON	South Eastern	JLP	26,212	35,233	0.74
26	HANOVER	Eastern	JLP	17,821	24,763	0.72
27	ST. ELIZABETH	North Eastern	PNP	22,491	33,015	0.68
28	PORTLAND	Eastern	PNP	24,232	35,787	0.68
29	ST. JAMES	Southern	PNP	18,006	29,379	0.61
30	ST. ELIZABETH	South Western	PNP	21,365	35,497	0.60
31	ST. ANN	South Western	JLP	17,311	29,997	0.58
32	TRELAWNY	Northern	PNP	25,188	43,794	0.58
33	ST. ELIZABETH	North Western	JLP	16,918	30,113	0.56
34	ST. ANN	South Eastern	PNP	17,996	39,313	0.46
35	PORTLAND	Western	PNP	17,195	45,642	0.38
36	TRELAWNY	Southern	JLP	15,438	43,672	0.35

Appendix 16

RESULTS OF QUESTIONNAIRE

The committee sent out 81 questionnaires to all Parliamentarians and 30 were returned

Question 1

How many HOURS do you spend (on average) doing Parliamentary duties including Committee sittings and Cabinet meetings, each week (Please exclude travel time)?

	Parliament	Committees	Constituency
1 – 5 Hours	31%	52%	31%
6 – 10	38%	10%	41%
11 – 15	14 %	10%	17%
over 15	10%	-	7%
No Response	7%	28%	4%

Question 2

What Parliamentary Committee do you serve on?

1 –3	56%
4 – 6	20%
over 6	
No response	24%

Question 3

Have you ever been provided with a Job Description?

Yes	52%
No	48%

Question 4

Did you receive any orientation exposure when you were first elected to Parliament

Yes	52%
NO	48%

Question 5

Is the job of an MP full time?

Yes	81%
No	19%

Question 6

If it is should an MP be prevented from earning other income

Yes	4%
No	96%

Question 7

Should an MP be required to publicly declare the sources and /or amount of other income earned?

None	26%
Source only	30%
Source & Amount	40%
No response	4%

Question 8

Should a Minister be required to publicly declare the sources and /or amount of other income earned?

None	20%
Source only	26%
Source & Amount	50%
No response	4%

Question 9

Are you satisfied with the adequacy of the physical space and equipment allocated for your use in Gordon House?

Yes	4%
No	96%

If not please state what physical space and equipment you feel is necessary for the conduct of your Parliamentary duties at Gordon House

Proper Chamber	24%
Offices equipped with Computers	83%
Research Assistants	41%
Proper Library	21%
Proper Entertainment facilities	28%
Better bathroom facilities	17%
More parking	10%

Other things identified were availability of Hansard, email accounts and copy of the Laws of Jamaica on CD Computerisation of Hansard writers, Computerisation of the accounts division and a new building.

Question 10

Do you have any suggestions about any physical improvements that should be made to Gordon House or any equipment that would make the work of MP's more productive?

Proper Chamber	7%
New Building	41%
Offices equipped with Computers and Conference Rooms	11%
Proper Library	4%

Other items identified were Research Assistants, the timely provision of Hansard, improvements in Security, free postage and an extension of the current building.

Question 11

Are the library and research facilities at Gordon House adequate to support your parliamentary work?

Yes	0%
No	100%

Question 12

What other help or assistance do you think Parliamentarians need to make them more productive

MP To be brought into the decision making process	43%
Training in use of computers	5%
Increased Salary and allowances	2%
Increased Constituency Allowance And Personnel (Administrator)	35%
Office and equipment	15%

Question 13

How many hours on average do you spend doing constituency work/work for your constituents (Please exclude travel time)

0 – 24 hours	7%
25 – 45 hours	14%
46- 66 hours	37%
67-87 hours	40%
over 87	2%

Question 14**What percentage of this work is carried out in your constituency**

0 – 30%	0%
31 – 50%	4%
51%- 80%	74%
over 80%	22%

Question 15**If you are not a Minister how many hours do you spend on each week on your other vocation**

0 – 20 hours	70%
21 – 30 hours	30%

Question 16**On average how many persons do you meet/talk with in respect of your constituency work**

0 – 50	6%
51 – 100	27%
101 – 150	32%
151 – 200	31%
over 200	2%
varies	2%

Question 17**What are the main forms of help/assistance required from you by your constituents?**

Assisting with School fees	76%
Financial Assistance	73%
Paying medical bills	
Hire purchase bills	
Personal bills	
Bank loan payments	
Employment	53%
Funerals	50%
Housing	43%
Agriculture	26%
Farm tools	
Seeds	
Chemicals	
Assistance with self-help projects	13%

Other items identified were skills training, personal counselling, the provision of electricity, telephones and water road repairs and crisis and indigent assistance

Question 18

How many days per week is your constituency office open

1-2 days	0%
3 – 4 days	2%
5 – 7 days	98%

Question 19

What are the normal hours of opening for this office

8:30 – 4:30	16%
8:30 – 3:00	6%
9:00 – 5:00	8%
9:00 – 4:00	70%

Question 20

How many persons do you employ/pay to carry out your constituency duties and what are their job titles?

Secretary	100%
Driver	100%
Cleaner	100%
Administrative Assistant/ Office Manager/Manager	85%
Organiser/Social Worker	90%
Telephone Operator	10%

Question 21

What does it now cost you annually to staff and operate your constituency office in addition to any support from the government (shown below)?

\$100,000 –\$500,000	23%
\$500,001 – \$1,000,000	30%
\$1,000,001 – \$1,500,000	12%
\$1,500,001 – \$2,000,000	19%
over \$2,000,000	8%
no response	8%

Question 22

What size would a constituency office have to be to give adequate support to an MP?

Number of Staff

1 – 3	15%
4 – 6	61%
7 – 9	8%
10 and over	8%
no response	8%

Annual cost

\$100,000 – \$500,000	0%
\$500,001 – \$1,000,000	38%
\$1,000,001 – \$ 1,500,000	23%
\$1,500,001 – \$2,000,000	12%
over \$2,000,000	19%
no response	8%

Question 23

How much do you spend monthly on constituency activities NOT related to 21 above? If possible, identify major cost elements.

\$10,000 – \$50,000	38%
\$50,000 – \$100,000	19%
\$100,000 - \$150,000	23%
\$150,000 – \$200,000	0%
\$200,000 – \$250,000	4%
\$250,000 – \$300,000	4%
over \$300,000	4%

Question24

How do you finance this expenditure?

Personal Income including Salary	38%
Fund Raising/Donations/Solicitation	8%
SESP	4%
Salary & Fundraising	46%
No response	4%

Question 25

Which do you regard as having greater priority?

Constituency Allowances	77%
No response	15%
Salary	8%

Question 26

Do you consider your current compensation to be adequate

Yes	0%
No	73%
No response	27%

Question 27

What do you consider reasonable?

1,000,000 – 3,000,000	25%
3,000,001 – 4,000,000	20%
4,000,001 – 5,000,000	15%
over 5,000,001	10%
Improved Constituency	5%
No response	25%

Question 28

What is the basis for your above answer

The scope of duties and responsibilities	90%
To properly carry out function of MP	52%
MP's are not easily employed after serving	23%
To erase corruption	7%
Improved Office facilities	5%

Question 29

If MP was paid for the job full-time should other income be restricted

Yes	25%
No	70%
No response	5%

Question 30

Would you prefer if the duty concession now available be discontinued and your travel allowance be increased to compensate

Ye	30%
No	70%

Question 31**Do you believe that Parliamentary Salaries should continue to be directly connected to the pay of Permanent Secretaries**

Yes	80%
No	20%

Question 32**If not do you have any suggestion as to how Parliamentary salaries should be fixed**

Based on a terms of Reference	20
Outgoing Parliamentarians should set the Salary before a general election	50%
An Independent Commission	30%

Question 33**If Prime Minister earns \$100 per annum how much should a Minister and an MP earn**

Minister	
\$0 –\$50	0%
\$51 – \$60	0%
\$61 – \$80	20%
\$81 - \$95	80%

MP	
\$0 –\$50	0%
\$51 – \$60	10%
\$61 – \$80	73%
\$81 - \$95	17%

Question 34**Please give us your views on the adequacy of the following allowances that you receive**

	Good	Adequate	Inadequate
Overnight allowance for staying in Kingston			
travel Allowance to/from Constituency		20%	80%
Constituency Secretary		53%	47%
Constituency Driver		63%	37%
Constituency Allowance			100%
House Allowance			100%
Utilities Allowance		33%	67%
Senators Allowance			100%

Question 35

Do you regard the existing pension scheme to be adequate

Yes	95%
No	5%

Question 36

Do you use email for	
Government Business	10%
Parliamentary Business	5%
Constituency Use	25%
Personal Use	35%
All	50%
None	15%

Appendix 18

Committee Costs

Committee Members Fees	-	\$0
Transportation of Members to Meetings from out- of- town	-	\$88,000
Meeting Expenses	-	\$41,200
Stationery	-	\$3,000
Research, Administrative and Secretarial Services	-	\$0
KPMG Peat Marwick Salaries Survey & Report		\$97,000
Parliamentary Salaries Website	-	<u>\$80,500</u>
Total expenses incurred by Committee		<u>\$309,700</u>

Meetings were held primarily at the Development Bank of Jamaica
The Committee extends its appreciation to the Managing Director and the
Staff of the Development Bank of Jamaica for their kind accommodation.
Secretarial Services were provided by the Ministry of Finance and Planning

Appendix 19

Estimated Costs of Recommendations						
Nos.	Item	Recommendation	\$ p.a.		\$ p.a. Cost change	Notes
			Existing Costs	Proposed Recommendation Costs		
Recurrent						
66	Salary		\$ 176,506,693	\$ 176,506,693	\$ -	
2	Leader of Opposition & Speaker paid as Cabinet Minister	14, 15	\$ 6,485,687	\$ 7,712,586	\$ 1,226,899	
29	Housing	5	\$ 6,264,000	\$ 17,400,000	\$ 11,136,000	1
81	Accountability Payments	7, 8	\$ -	\$ 6,562,188	\$ 6,562,188	2
60	Transparency Payments	7, 8	\$ -	\$ 5,171,988	\$ 5,171,988	2
21	Senators' Honorarium (Senate & Committees)	22	\$ 861,000	\$ 12,915,000	\$ 12,054,000	3
48	Subsistence Allowance	10	\$ 4,056,000	\$ 11,808,000	\$ 7,752,000	3
15	Utility allowance		\$ 480,000	\$ 480,000	\$ -	
29	Ministerial Motor Car Allowance		\$ 9,895,380	\$ 9,895,380	\$ -	
34	Parliamentary travel Allowance		\$ 6,120,000	\$ 6,120,000	\$ -	
81	Traveling/Motor Car Allowance (Duty Concession)	17	\$ 32,376,105	\$ 32,376,105	\$ -	4
4	Position Premiums (Leaders of Business)	9	\$ 800	\$ 1,000,000	\$ 999,200	
1	Leader of the Opposition Office Allowance	14	\$ -	\$ 500,000	\$ 500,000	
1	Administrator - Leader of the Opposition Office	14	\$ -	\$ 771,000	\$ 771,000	
15	Committee Chairmen	9	\$ -	\$ 750,000	\$ 750,000	5
47	Constituency Offices Rural	12	\$ 11,562,000	\$ 23,500,000	\$ 11,938,000	
13	Constituency Offices Urban	12	\$ 3,978,000	\$ 6,500,000	\$ 2,522,000	
60	Constituency Administrator	12	\$ -	\$ 46,260,000	\$ 46,260,000	
60	Constituency Secretary		\$ 20,790,000	\$ 20,790,000	\$ -	
13	Constituency Travel (urban)		\$ 1,614,600	\$ 1,614,600	\$ -	
47	Constituency Travel (rural)		\$ 11,674,800	\$ 11,674,800	\$ -	
60	Chauffeur/Driver		\$ 22,637,760	\$ 22,637,760	\$ -	
	Pension - Government estimated cost of contribution	24	\$ 60,387,485	\$ 11,053,157		6
8	Researchers (Civil Service Rates)	30	\$ -	\$ 8,904,000	\$ 8,904,000	7
1	Secretary (Retired Prime Minister)	24	\$ -	\$ 346,500	\$ 346,500	
Gross Total Recurrent			\$ 375,690,310	\$ 443,249,757	\$ 116,893,775	
Less Savings on Pension					\$ (49,334,329)	
Total Recurrent					\$ 67,559,446	
Capital - No estimates available						
60	Provision of Constituency Offices	11		No estimate made		
	Provision of Furniture & Equipment for Constituency Offices	12		No estimate made		
	Contracting out the back log of Hansard	35		No estimate made		
1	Creation of Parliamentary Website	36		No estimate made		
6	Installation of Internet Booths	39		No estimate made		
1	New Parliament Building			No estimate made		

Recurrent Costs Notes

- 1 Assumes all 29 Ministerial positions are in receipt of the allowance .
- 2 Assumes all MP's and Senators will submit Accountability Report and All MPs will submit the Transparency Report
- 3 Assumes 41 sittings inclusive of Senate/House of Representatives and Committee meetings
- 4 Assumes all Parliamentarians will access this benefit
- 5 Assumes a maximum of 10 committee meetings per Chairman
- 6 Existing estimate made at 33% of the Existing Wage Bill and Recommendation costed at 6% of the Existing Wage Bill
- 7 Salary costed at the Scientific Officer Group level 7 in the Civil Service
- 8 Costing does excludes changes to tax collections by Government arising from salary and allowance changes.
- 9 Costing excludes various payroll related contributions made by Government.

Appendix 20

LIST OF PERSONS THE COMMITTEE MET WITH

1. Mrs. Shirley Lewis
Clerk to the Houses
2. Mr. Alvin Chung
Secretary of the Integrity Commission
3. Patricia Richardson
Deputy Financial Secretary, Public Service
Establishment Division Ministry of Finance
and Planning
4. Rose Henry
Deputy Financial Secretary Public
Expenditure Division Ministry of Finance and
Planning
5. Ms. Shirley Tyndall
Financial Secretary
6. Dr. Carlton Davis
Cabinet Secretary
7. Mrs. Beverley
Director, Ministry of Justice
8. Mr. D. Townsend.
Director, Compensation Unit Ministry of
Finance and Planning
9. Mr. A. Irons
Retired Permanent Secretary
10. Mr. L. Thomas
Deputy Commissioner in Charge of Crime
11. Mrs. Daisy Coke
Government's Actuary
12. The Government Pensioners
Association led by Mr. G. Clinton
13. Group of Retired Parliamentarians
led by Mr. D. McKenley
14. Group of PNP MP's
15. Group of JLP MP's
16. Group of PNP Senators
17. The Leader of the Opposition
18. The Prime Minister
19. Mr. A Brown
PNPYO
20. Dr. Ronald Robinson
G2k
21. The Private Sector Organisation
of Jamaica
22. The Jamaica Employer's Federation
23. The Speaker of the House
24. The President of the Senate
25. The Jamaica Civil Service Association
26. The Jamaica Confederation of Trade Unions
27. Community, Business, Civic and Religious Leaders
from Montego Bay, Trelawny, Lucea, Westmoreland
and St. Ann
28. Dr. Trevor Munroe
29. Dr. D K Duncan
30. Deacon Ronald Thwaites
31. Dr. Lloyd Barnett
32. Dr. Omar Davies
33. Dr. Horace Chang
34. Mr. Bruce Golding
35. Mr. Kingsley Thomas

Appendix 24

**Illustrative examples
Retiring Allowances (Legislative Service) Act
based on current salary and housing allowance**

Position	Pensionable Emoluments (PE) \$p.a.	Retiring Allowance (RA) $\frac{2}{3}$ * PE \$p.a.	Reduced Retiring Allowance $\frac{3}{4}$ * RA \$p.a.	Gratuity $3 \frac{1}{8}$ * RA \$
Member of Parliament	2,206,651	1,471,100	1,103,325	4,597,189
Cabinet Minister	3,746,641	2,497,760	1,873,320	7,805,502
Prime Minister	4,706,344	4,706,344	N/A	N/A

Note: The Prime Minister's pension is equivalent to the salary of the current Prime Minister
He also receives a Housing Allowance equal to the Cabinet Minister from time to time

If the Member dies whilst in Receipt of Retirement Allowance

Widow MP Widow's Pension = $\frac{2}{3}$ *Retiring Allowance
 $\frac{2}{3}$ * \$1,471,100 = 980,733

Widow Cabinet Minister Widow's Pension = $\frac{2}{3}$ *Retiring Allowance
 $\frac{2}{3}$ * \$2,497,760 = \$1,665,174

Widow Prime Minister Widow's Pension = $\frac{2}{3}$ *Retiring Allowance
3,137,563

PE = Pensionable Emoluments