

PUBLIC SERVICE MINISTRY

CIRCULAR NO. X of 2008

REFERENCE NO. PS: 18/ix

FROM: Permanent Secretary,
Public Service Ministry

SUBJECT:

TO: All Permanent Secretaries,
Heads of Departments and
Regional Executive Officers

Tax free Temporary Cost of Living Adjustment
(TCLA) – May to December 2008; and Increase in
Salaries and Wages

DATE: 2008-12-24

On 9th May 2008, approval was granted vide Circular No. 5/2008 for payment of a 5 percent across the board increase on the salaries and wages of all public servants with effect from 1st January 2008 calculated on salaries applicable at 31st December 2007.

On 9th May 2008, approval was also granted vide Circular No. 8/2008 for a tax free payment of four thousand dollars (\$4,000) per month to be paid to all those employees who are employed in the traditional public service, whose basic salary did not exceed \$50,000 per month after the 5 percent increase for 2008 was added to their existing salary. The Circular also stipulated the conditions applicable to eligibility for this payment and the period over which the payment would be made (May to December 2008), and indicated that a review will be undertaken in December 2008.

Approval is now granted for the monthly salaries of all recipients of this payment to be grossed up to incorporate the monthly \$4,000 payment (which was tax free in the months of May to December 2008) with effect from 1st January 2009, in such a manner as to ensure that the net pay was being received in December 2008 is preserved.

Approval is also now granted for those traditional public servants who did not receive the TCLA, by virtue of their monthly salary being above \$50,000, to be paid a 10 percent increase on their salaries and wages with effect from 1st May 2008 calculated on their salaries applicable at 31st December 2007. In other words, those employees in agencies where TCLA was paid to employees earning less than \$50,000 but who did not receive TCLA because they were earning more than \$50,000, will benefit from a 5 percent salary increase from 1st January 2008 and this increase will be adjusted upwards to 10 percent with effect from 1st May 2008.

Please bring the contents of this Circular to the attention of all Accounting and Personnel staff in your organizations for appropriate actions to be taken by them.

Kindly contact my office for any clarifications that might be required.

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N.K. Gopaul
Permanent Secretary,
Public Service Ministry.

[../..../Database Reports/Definition Reports/2008/2008 Salary increase.xls](#)