

NIS Ceiling and Benefits Increase this Month

Effective January 7, the National Insurance wage ceiling will increase by \$500,000 to \$1.5 million.

The wage ceiling is the basis on which individual contribution to the National Insurance Scheme (NIS) is calculated. Labour and Social Security Minister, Hon. Derrick Kellier, first made the announcement during his 2012/13 Sectoral Debate presentation in Parliament on July 25 and issued another reminder on Wednesday as he addressed the first group of 172 workers to leave the island for Canada on the Overseas Employment Programme. The Minister stated that workers earning below \$1 million per year will not be affected by this increase. He noted, however, that those earning between \$1 million and \$1.5 million will see an increase in the amount they contribute. He also informed that those earning above \$1.5 million, will not experience any further deductions beyond that amount. The rate of contributions remains the same at two and a half per cent by the worker matched by a similar amount by the employer. "I want to reiterate it very loudly and clearly that the National Insurance is not a tax... It is a contribution towards your retirement benefits of all workers in Jamaica and everyone should ensure that their contributions to the Ministry are in good order, whether it be employer, employee, self-employed or otherwise..." Minister Kellier said. He encouraged the workers in the Overseas Employment Programme "to try and contribute something" to the NIS during those periods when they are in Jamaica so that their contribution record can be sound and up-to-date. The Minister also announced that effective January 10, benefits from the NIS will increase by 16T per cent. "This means that pensioners, who are in receipt of spouse's allowance, can receive up to a maximum of \$5,100 per week," he said. In July, Mr. Kellier informed the House that Cabinet had approved increases in all categories of pensions, grants and allowances payable under the NIS.