

BONDING POLICY FOR THE GOVERNMENT OF JAMAICA

1. This policy supersedes **all** other bonding policies and is applicable to Jamaicans who receive assistance from/through Government for training at tertiary/polytechnic/other training institutions, to pursue undergraduate, postgraduate/post-experience training whether local or overseas. These persons constituting Public Officers, employees of Public Bodies and private persons are required to sign Loan Agreements which oblige them to give service on completion of the award. In this regard, **persons are bonded to work in the Civil Service in particular, Public Bodies in general or to accept employment elsewhere in Jamaica as specified in the particular letter of award. It is normal for the entity/agency/country sponsoring the award to stipulate where the bond is to be served. Where the sponsor is silent, then the decision regarding where the bond is served rests with the office with responsibility for administering this policy.**

2. The assistance is provided through various awards and to potential awardees as detailed below:
 - a. Fellowships Public Officers and Private Citizens
 - b. Scholarships Public Officers and Private Citizens
 - c. Study Leave Public Officers
 - d. Pre-qualification training Public Officers and Private Citizens

3. The policy provides guidance in the following areas:
 - a. Coverage of the bond
 - b. Period of Obligatory Service
 - c. Guarantors
 - d. Forfeiture

4. COVERAGE OF THE BOND

Once an individual who receives an award begins the course of training, the cost of training is regarded as a loan and the individual as a borrower. This loan is to be discharged, in the first instance, through serving of a bond. The amount for which the borrower will be bonded covers the actual cost to Government of the training and includes the following (where applicable):

- a) Return economy passage from Jamaica to the country of study
- b) Salary payable (excluding salary earned for vacation leave) which must be calculated in accordance with the terms of Staff Order 7.8.2 or any salary or portion thereof paid by Government during the course of study to the borrower if he is employed in a Public Body or in the Private Sector
- c) Tuition and other approved fees
- d) Mid-course passage in respect of long term scholars overseas i.e. attending courses three years or more in duration
- e) Maintenance/subsistence, travelling allowance at the approved rates
- f) Allowance for materials
- g) Transportation allowance for baggage and personal effects in respect of long-term scholars overseas
- h) Financial assistance for study purposes
- i) Any additional amounts advanced

Where an award is fully or partially funded by a donor country or organization, the bonding amount will be determined by the relevant elements outlined above.

3. PERIOD OF OBLIGATORY SERVICE

5.1 Determining Factor

The determining factor for the period of service will be the cost of the training and will be in accordance with the bonding ranges and the terms outlined in Sections 5.2 to 5.8 of this policy:

5.2 Bonding Ranges and Period

Below \$300,000.00	No bond
\$300,000.00 - \$499,999.00	2 years service
\$500,000.00 - \$999,999.00	3 years service
\$1,000,000.00 - \$1,999,999.00	4 years service
\$2,000,000.00 and over	5 years service

5.3 (i) Treatment of internship and related training

Internship and job-related training are regarded as service under the bond. This period of service is to be credited only if the officer serves an additional period of not less than one year after the internship/training period.

5.3 (ii) Those persons who resume duties in the summer, while on the course of training, and who subsequently forfeit or are separated from the service, will have these periods credited as service towards the bond.

5.4 Service period for short courses/training programmes

For the purposes of this bonding policy, training programmes are defined as those courses/seminars/workshops that involve learning or professional development for periods up to twelve (12) weeks in duration. Persons proceeding on such programmes that cost

\$300,000.00 and above will serve a bond period of two (2) years. However, persons with more than ten years service who are selected to participate in such programme will be dealt with on a case by case basis, by the designated authority.

5.5 Temporary and Contract Officers

i. Temporary Officers

For the purposes of this bonding policy, temporary officers are defined as persons who are not permanently appointed in the public service but who have been employed for a period of not less than two (2) years. Where the need arises for critical positions to be filled, such persons may be required to undertake courses to fill permanent positions, at the expense of the employing Ministry/Department/Agency, and will be bonded in accordance with the service period for short courses as stipulated in 5.4 of this Policy.

ii. Contract Officers

Persons who are employed on fixed term contracts in posts on the Civil Service or other Agency approved establishments and who are governed by the same terms and conditions of employment as the other employees in the Ministry, Department or Agency are eligible for awards and are subject to this policy for bonding purposes. For eligibility for awards, the contract should be for at least three (3) years and the contract officer should have served at least two (2) years.

iii. Temporary and Contract officers are to be bonded in accordance with 5.2 or 5.4 as the case may be.

- iv. In the event that a contract will expire before the period of service under the bond, or in the case where the officer does not opt to renew his contract, the outstanding amount will be pro-rated and recovered from the gratuity that is due to the officer.
- v. **Consultants**
Persons contracted as consultants/advisors are not eligible for training awards.

5.6 **Service period for Part-Time study courses**

Where persons are pursuing government funded courses on a part-time basis and outside of normal working hours, such persons will be bonded in accordance with the cost of the training.

5.7 **Other considerations**

Concurrent service – bonds can be served concurrently and no Borrower should serve more than five years at a time

Suspensions – bonds can be suspended to allow a Borrower to pursue additional studies. The bonding period will be continued when the Borrower assumes/resumes duties.

5.8 **Other Obligations**

Borrowers whose obligation is to serve in the country are obliged to advise the relevant Government entity of their place of employment. Should the Borrower change jobs during the period of the bond, the relevant government entity must also be advised of the change. The employer of a Borrower who is serving a bond is to inform the relevant

Government entity should the Borrower's employment be terminated by either party. The relevant Government entity has the responsibility to inform the borrower's employer of this obligation once the loan agreement has been executed.

6. **GUARANTORS**

6.1 **Number of Guarantors**

For amounts between \$300,000.00 and \$500,000.00, one (1) guarantor will be required. For amounts between \$501,000.00 to \$1,000,000.00, two (2) guarantors will be required. For amounts over \$1,000,000.00, three (3) guarantors will be required.

6.2 **Covenant**

Should the Borrower forfeit the agreement and fail to repay the loan, the Guarantor(s) will be required to repay all monies outstanding after reasonable attempts have been made by the Government and the Guarantor(s) to locate the Borrower.

Where there are two or more guarantors, they shall be jointly and severally responsible for the repayment of the said loan in the event of forfeiture by the Borrower

The Guarantor(s) will indemnify the Government against all legal and administrative costs that may be incurred by reason of any default on the part of the Borrower.

The Guarantor(s) will be released from his/her obligations under this agreement when the contractual service period expires, if the Borrower pays the bond, or if the Borrower dies.

6.3 Guarantor(s) cannot:

- Sign for more than one person at a time
- Be currently serving a bond
- Be currently the recipient of an award

6.4 Age of Guarantors

Guarantor(s) must not be less than Eighteen years (18) nor more than Sixty years (60). However, at the discretion of the Bonding Officer, an upper age limit of Sixty- five years (65) may be accepted.

6.5 Identification/Documentation

Guarantor(s) must be financially able to co-sign the Loan Agreement and must submit the following as evidence:

- Employed Persons:

Job Letter

- Employed & Self Employed Persons:

Bank or Credit Union Statement or Certificate of Deposits,

Land or Motor Vehicle Title or Insurance Policy or similar documents

Taxpayer Registration Number (TRN).

Two of the following forms of identification: Passport, Voter's or Workplace identification, Driver's License or a recent photograph signed by a Justice of the Peace.

6.6 **Death of Guarantor**

In the event that a Guarantor dies before the loan agreement has been discharged, the Borrower has an obligation to inform the relevant Government entity and arrange for the replacement of said Guarantor. Where there is more than one Guarantor, the remaining Guarantor(s) shall guarantee the loan.

7. **FORFEITURE OF AGREEMENT**

- 7.1 As the bond is an agreement for service, persons who fail to comply are deemed to have forfeited the agreement and are required to repay amounts in full or in part with interest as applicable. The interest rate on defaulted agreements shall be calculated annually and applied to the balance at simple interest.
- 7.2 Failure to serve can also result in legal action to recover costs
- 7.3 If a Borrower defaults and repays a portion of any outstanding monies, and within six months of the last payment opts to and is able to serve the remaining period specified under the Loan Agreement, the Borrower will not be entitled to a refund of any monies paid. The Borrower, however, will not be required to pay any further sums if he serves for the remaining period outstanding.
- 7.4 Borrowers who repay in order to obtain copies of transcripts are not entitled to a refund under any circumstances.

- 7.5 Where a Borrower intends to remain overseas or marries an individual who is obligated to serve in a country other than Jamaica, the Borrower has an obligation to inform the Government of Jamaica. The said Borrower will be required to repay any monies expended, if said Borrower opts to remain in that country.
- 7.6 Where Borrowers who have forfeited have sums owing to them for vacation, recreational or recalled leave, or for retroactive payments due at the time of separation from the service, such monies or portion thereof as relevant shall be withheld and remitted to the Accountant General to offset repayment on the bond.

8. **TERMINATION WITH CAUSE**

- 8.1 Where the Borrower is terminated for cause, the loan agreement will be deemed to be forfeited and the Borrower will be required to repay the residual portion of the loan and interest. The residual portion of the loan is defined as that portion of the service bond that will remain un-served at the date of termination.
- 8.2 If a Borrower fails to complete a course of training for reasons which cannot be justified, the Borrower and/or Guarantors will be liable to repay any sums advanced.

Contract Officers

- 8.3 In the event that an individual's contract is not renewed, by mutual consent or with cause, the officer shall be required to repay the residual portion of the loan and interest. Both

parties will be required to enter into an agreement for the discharge of the sum owing.

9. **INTEREST RATES**

9.1 Interest rate on loans will be calculated on the average commercial lending rate or 25% whichever is less at the time of signing the loan agreement. The interest rate applicable at the time of signing the agreement will apply at the time of repayment at simple interest.

9.2 Interest rates applicable to loans in foreign currency should be at the prevailing US\$ lending rate in Jamaica at the time of signing the loan agreement.

10. **DISCHARGE OF THE LOAN**

The Loan will have been deemed to be discharged when:

- The Borrower completes the period of obligatory service
- The Borrower or Guarantor(s) completes repayment of a forfeited agreement
- The Borrower is terminated on the basis of reorganization or redundancy
- The Borrower dies
- Subject to special consideration, the Borrower is unable to secure employment within one year of completion of the course of study

11. This policy will come into effect January 01, 2009.