



REDUCTION OF GCT on Electricity Bills

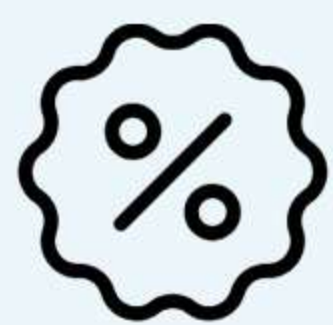
Effective May 1, 2025



Starting May 2025, there will be a lower General Consumption Tax (GCT) on electricity charges for residential customers. This and other changes were recently announced by the Government of Jamaica, and will result in savings for some residential customers of JPS.

GCT of 7% will now be applied to the electricity bills of both post-paid and prepaid residential customers, effective May 1, 2025. This new, lower GCT rate replaces the 15% that was previously applied to usage over 150 kWh on post-paid bills.

IMPORTANT POINTS TO NOTE:



The **new 7% GCT** rate will apply to **all energy charges**.



Previously, **the old 15% GCT applied only to usage over 150 kWh** on post-paid accounts.



With the change in policy, **customers who did not pay GCT before because their usage was less than 150 kWh, will begin to pay GCT on electricity charges**. However, these customers will benefit from a special Government Tax Rebate and a Government Tax Subsidy.



Another important change is that **Prepaid Customers will now see GCT in a separate line on their receipts or vouchers** when they buy their electricity top up.



Below are answers to some frequently asked questions on the new GCT rate:

Q1:

What is changing with GCT on electricity bills, and how will it work?

ANSWER:

The Government of Jamaica has announced a reduction in the General Consumption Tax (GCT) on the electricity bills of residential customers. The GCT applied to residential electricity bills will be reduced from 15% to 7%.

In addition, residential customers who use 250 kWh or less in a billing period will receive:

- **A 3% Government Tax Subsidy**, and
- **A 7% Government Tax Rebate**

Q2:

When will the GCT reduction and associated benefits take effect?

ANSWER:

The new GCT rate and the associated rebate and subsidy will be applied to electricity used as of May 1, 2025. This will appear on bills of post-paid customers issued in the month of June 2025.

Prepaid customers will begin to see the GCT on their top-up purchases, as of May 1.

Q3:

Will GCT still be applied to non-energy charges like disconnection and late payment fees?

ANSWER:

Yes. The new 7% GCT rate will apply to all charges on the bill.

Below are answers to some frequently asked questions on the new GCT rate:

Q4:
Will the new GCT rate result in lower light bills?

ANSWER:

Very likely. Let's look at some examples:

EXAMPLE #1: Usage of 350 kWh

With the old GCT rate of 15% applied to usage over 150 kWh, this customer's bill would have been \$22,066.62. If everything else remains the same, with the new lower 7% GCT, this customer would now pay \$21,665.47, which represents savings of \$401.15.

ITEM	Kwh	BILL BEFORE TAX	GCT	TOTAL
Current	350	\$20,248.10	\$1,818.52	\$22,066.62
New	350	\$20,248.10	\$1,417.37	\$21,665.47
VARIANCE				-\$401.15

EXAMPLE #2: Usage of 500 kWh

With the old GCT rate of 15% applied to usage over 150 kWh, this customer's bill would have been \$32,523.06. If everything else remains the same, with new the lower 7% GCT, this customer would pay \$31,394.51, which represents savings of \$1,128.55.

ITEM	Kwh	BILL BEFORE TAX	GCT	TOTAL
Current	500	\$ 29,340.66	\$ 3,182.40	\$ 32,523.06
New	500	\$ 29,340.66	\$ 2,053.85	\$ 31,394.51
VARIANCE				-\$1,128.55

Below are answers to some frequently asked questions on the new GCT rate:

Q5:

Will any group of customers be exempt from paying GCT?

ANSWER:

No. GCT is applicable to all customer categories.

Q6:

Will the 7% rebate and 3% subsidy be applied to usage that is more than 250 kWh?

ANSWER:

No. These benefits apply only if the total monthly consumption is 250 kWh or less. If usage exceeds 250 kWh, the customer does not qualify for either the subsidy or the rebate that month.

Q7:

How long will the rebate and subsidy be in effect?

ANSWER:

These measures are expected to remain in effect for the foreseeable future, subject to policy changes by the Government of Jamaica.

Q8:

How will customers know if they qualify for the 7% rebate and 3% subsidy?

ANSWER:

Residential customers who use between 0 - 250 kWh in a billing period will qualify, and the charges automatically applied to their bills.

Below are answers to some frequently asked questions on the new GCT rate:

Q9:

How will customers see the rebate and subsidy reflected on their bills?

ANSWER:

The bill will reflect the items in separate lines as follows:

- GCT @7% on Electricity Charges
- GOJ Tax Rebate: -7%
- GOJ Tax Subsidy: -3%

METER READING INFORMATION		INVOICE DATE	26-Mar-2025
BILLING PERIOD (33 Days)	READING TYPE	DATE READ	PREVIOUS
21-Feb-2025 - 26-Mar-2025	Actual	26-Mar-2025	5011.07
			5260.02
			248.95
CHARGES			
LAST - ENERGY			
CURRENT CHARGES			
TOTAL CHARGES			
DEPOSIT			
EXCHANGE RATE DETAILS			
Base Exchange Rate			155.00
Billing Exchange Rate			157.33
VARIABLE & MISC. CHARGES			
Fuel Charge (\$26.284 per kWh)			
IPP Variable Charge (\$12.960 per kWh)			
FX Adjustment @ 1.204%			
Subtotal - VARIABLE & MISC. CHARGES			
TOTAL TAXABLE CHARGES			
GCT @7% on Taxable Charges			
OTHER			
GOJ Tax Rebate -7%			
GOJ Tax Subsidy -3%			
Early Payment Incentive			
Subtotal - OTHER			
Total: \$14,123.79			

Q10:

Are the rebate and subsidy taxable?

ANSWER:

No. These are not taxed.

Q11:

What if a customer uses exactly 250 kWh—do they qualify for the rebate and subsidy?

ANSWER:

Yes. Customers who use up to and including 250 kWh in a month will qualify.

Q12:

What if my bill was incorrect (high /low)—will the rebate and subsidy be adjusted?

ANSWER:

Yes. The subsidy and rebate charges will be recalculated +/- based on the new bill.

Below are answers to some frequently asked questions on the new GCT rate:

Q13:

Will the GCT rate be the same for prepaid and post-paid customers?

ANSWER:

Yes. Both post-paid and prepaid customers will be charged same the GCT rate.

Q14:

Will prepaid customers also benefit from the 7% rebate and 3% subsidy?

ANSWER:

No. This applies only to post-paid residential customers.

Q15:

When will the GCT be applied to prepaid accounts?

ANSWER:

The new 7% GCT will be applied to all prepaid top-ups of residential electricity, effective May 1, 2025.

Q16:

Will prepaid vouchers show the GCT and energy credit breakdown?

ANSWER:

Yes. The vouchers will clearly display how much was applied to GCT and how much to electricity credit. See an example here:



Below are answers to some frequently asked questions on the new GCT rate:

Q17:

Will prepaid statements show the GCT amount separately from the credit amount?

ANSWER:

Yes. The annual statements will include a summary showing the total GCT charged, separately from the energy credit.

Sample Bill of Customer using less than 250kWh:

DATE READ	PREVIOUS	CURRENT	ENERGY USED (kWh)
10-Mar-2025	12887.25	13133.58	246.33

CURRENT CHARGES	TOTAL CHARGES	DEPOSIT
\$13,962.69	\$13,962.69	\$1,500.00

EXCHANGE RATE DETAILS	
Base Exchange Rate	155.00
Billing Exchange Rate	157.33

HOW YOUR BILL IS CALCULATED		TOTAL
BALANCE BROUGHT FORWARD		\$0.00
ENERGY		
Energy 1st (\$8.310 for up to 100 kWh)	\$831.00	
Energy Next (\$23.860 for after 100 kWh)	\$3,491.43	
Customer Charge	\$603.54	
Subtotal - ENERGY		\$4,925.97
VARIABLE & MISC. CHARGES		
Fuel Charge (\$26.284 per KWH)	\$6,474.54	
IPP Variable Charge (\$12.960 per KWH)	\$3,192.44	
FX Adjustment @ 1.204%	\$59.31	
Subtotal - VARIABLE & MISC. CHARGES		\$9,726.29
TOTAL TAXABLE CHARGES		\$14,652.26
GCT @7% on Taxable Charges		\$1,025.66
OTHER		
Early Payment Incentive	-\$250.00	
GOJ Tax Rebate -7%	-\$1,025.66	
GOJ Tax Subsidy -3%	-\$439.57	
Subtotal - OTHER		-\$1,715.23
Total: \$13,962.69		

Sample Bill of Customer who benefits from Net Billing, but who also has additional charges including Late Payment Fee, Disconnection Fee, etc.

CURRENT CHARGES	TOTAL CHARGES	DEPOSIT
\$17,107.15	\$41,898.43	\$1,500.00

EXCHANGE RATE DETAILS	
Base Exchange Rate	155.00
Billing Exchange Rate	153.31

HOW YOUR BILL IS CALCULATED		TOTAL
BALANCE BROUGHT FORWARD		\$24,791.28
ENERGY		
Energy 1st (\$7.930 for up to 100 kWh)	\$793.00	
Energy Next (\$22.760 for after 100 kWh)	\$3,368.48	
Customer Charge	\$575.72	
Subtotal - ENERGY		\$4,737.20
VARIABLE & MISCELLANEOUS CHARGES		
Fuel Charge (\$17.233 per KWH)	\$4,273.78	
IPP Variable Charge (\$13.000 per KWH)	\$3,224.00	
FX Adjustment @ -0.871%	-\$41.26	
Discon Fee - Residential (T)	\$1,400.00	
Late Payment Fee (T)	\$250.00	
Service Charge (T)	\$600.00	
Extra Service Wire (T)	\$3,500.00	
Direct Program Cost (T)	\$315.00	
TOTAL TAXABLE CHARGES		\$18,258.72
GCT @7% on Taxable Charges		\$1,278.11
OTHER		
GOJ Tax Rebate: -7% of KWH Charges	-\$853.55	
GOJ Tax Subsidy: -3% of KWH Charges	-\$365.80	
Net Billing Adjustment (\$-20.243 per KWHE)	-\$1,210.33	
Current Adjustments*	-\$11,827.92	
Subtotal - OTHER		-\$2,429.68
Total: \$41,898.43		