

## Newsletter

12<sup>th</sup> May, 2017

### SUMMARY

- NSSF has issued a public notice of an amnesty program
- Contributing employers who pay 100% of their outstanding contributions get a 100% waiver from penalties.
- Contributing employers who pay 50% of the outstanding contributions get 50% waiver from penalties
- The amnesty ends in June 2017



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### *The public notice*

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The National Social Security Fund has recently issued a press release to the general public of an amnesty program available to all contributing employers with outstanding arrears in contributions and penalties which waives penalties of up to 100% for all those who will pay the outstanding contributions before the end of June 2017.

### **What does the legislation say about statutory contributions?**

The NSSF Act, 1997 under section 12 requires a contributing employer after the appointed day during which he employs an insured person to pay to the fund a contribution that consists of the employer's contribution and the employees' contribution at the percentage stipulated by the law.

### **When are the statutory contributions to be submitted?**

According to the Act, a contributing employer shall pay the contributions to the Fund in the manner prescribed under the Act, within one month after the end of the month in respect of which contributions are due and payable.

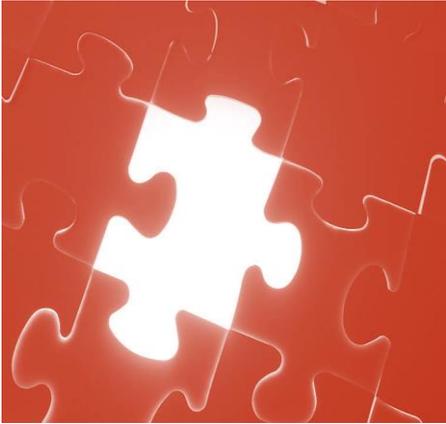
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*“Employers that fail to comply with the statutory contributions requirement risks of being liable to fines and penalties”*

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### **Penalties for failure**

Penalties for failure to pay contributions at the required time exposes a person to fines and penalties. The press release has issued a two (2) months' deadline to 30<sup>th</sup> June, 2017 where all employers with outstanding contributions and penalties that fail to clear their arrears are at the risk of penalties, imprisonment or both.



## Talk to Us

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## *How to take advantage of the amnesty*

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Notwithstanding the above, the public notice exempts any NSSF contributing employer from payment of penalties in case the outstanding contributions are made before the end of 30<sup>th</sup> June, 2017. The manner in which the amnesty is provided is as follows:

- 100% waiver of penalty in cases where a person pays all outstanding arrears.
- 50% waiver in cases where a person pays 50% of the outstanding arrears.

It is not clear from the public notice the rate of exemption applicable to cases where a person either pays less than 50% or 100% e.g. what rate of exemption will someone be entitled to if he pays 90% of the outstanding arrears.

## **OUR RECOMMENDATION**

We recommend that companies review their compliance with the National Social Security Fund contributions from the date of registration and endeavour to pay any outstanding arrears prior to the expiry of the grace period.

We would also encourage all employers who are liable to register and contribute to social security funds but have not yet done so to utilize this opportunity by registering and remitting their contributions before the end of the amnesty period.

Feel free to contact Basil & Alred should you require any clarification or assistance with respect to the above.

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