



# The Antigua & Barbuda Social Security Board



## Employers' Guide

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## Who is an Employer?

For social security purposes, an employer is defined as a person or body corporate with whom an employee has entered into contract of service where such person or body corporate is liable to pay salary, wages, or other remuneration for service performed by an employee.

## At what point should new Employers be registered?

All new employers must register with the Antigua & Barbuda Social Security Board (ABSSB) within 7 days of employing the first employee. The Social Security Board does not register would be or intended employers. To be registered, the employer must complete the Social Security Employer Registration Form and provide the required documentation inclusive of the IPO certificate. Also, in stating the “nature of business”, the employer should state the type of economic activity engaged in.

## Who are eligible for employment?

The following persons are duly authorized or eligible for employment in Antigua & Barbuda:

- Antiguan and Barbuda citizens
- OECS Nationals with relevant stamps in passport
- Non-OECS Nationals with valid work permit
- Persons issued exemption from requirement for work permit by the Labour Department

## What are the requirements for Employers?

- All employers are required to ensure that before employment, the potential employee has a Social Security number.
- Employers must keep a record of all employees to include: -
  - Name
  - Social Security Number
  - Date of Hire
  - Salary

- Employers must keep a payroll of all employees paid with breakdown of deductions.
- Employers must issue all employees with pay slips showing employee name; date or pay period; salary paid; breakdown of all deductions.
- Employers who fail to subtract employee's deductions before paying them becomes liable for paying the full deductions i.e. both the employer's and employee's contribution.
- Employers are required to make deductions for all employees under the pensionable age even if they are employed on a part-time, temporary, or casual basis.

### What are Contribution Deductions?

At the end of each pay period, contributions must be deducted from employees' wages/salaries. Effective 1st February 2017, contribution rate increased to 12% of insurable earnings for private sector workers; of which the employee pays 5% and the employer pays 7%. For public sector workers, the contribution rate was increased to 11% of insurable earnings; of which the employee pays 4% and the employer pays 7%. The maximum annual insurable earnings is \$78,000 (\$6,500 per month, \$3,000.00 per fortnight or \$1,500 per week). In addition to salaries/wages, the earnings of an employee on which contributions are payable include overtime payments, vacation pay, cost of living bonus, housing allowance, shift work, holiday pay, bonuses, commissions, service charge, and danger or dirt money.

### How should contributions be remitted?

All employers are required to pay Social Security contributions within 14 days after the end of the preceding month. Where the 14<sup>th</sup> falls on a weekend or public holiday, payments must be made by the next business day after the 14<sup>th</sup> to avoid late fee charge of 10% of the amount owed. Contribution payments must be paid when the

monthly remittance form (R5A) (See Figure 1) is submitted and clearly indicates:-

- The name and registration number of the employer;
- The names and social security numbers of all employees and the month for which payment is being made;
  - If there are weekly or fortnightly paid employees, the amount earned for each week or fortnight should be indicated;
- The insurable earnings and total contributions;
- The total gross salary/wage;
- Vacation and/or Sickness periods should be noted; and
- The name and signature of the authorizing officer or employer's representative.

### **Can incomplete R5As cause delay in benefit payments?**

When the correct Social Security numbers and the week ending date or month of payments are not noted on the R5A forms it can cause a delay of benefit payments. Claims will not be processed unless the employee's number and salary/wage can be verified. It is therefore, important that all employers quote the correct Social Security number, the month for which a payment is being made and give explanations in the comments column for any lump sum payments, or deviations from regular earnings.

### **What are the penalties for incomplete information on R5A forms?**

If an employer submits an incomplete or incorrect remittance form during the contribution month, the ABSSB charges a fee of \$100.00 per incorrect page.

### **What are the penalties for non-payment of contributions?**

Payments that are not made within the prescribed time will be subjected to a surcharge of 10% of the total contributions payable.

Additionally, legal action may be taken against employers who fail to pay within the prescribed time.

### **What is the role of the Inspector?**

An Inspector is an officer of the ABSSB appointed and designated to carry out the task of ensuring that all persons comply with the Social Security Act (CAP. 408) and Regulations.

Section 12 of the Act (Cap.408) of 1972 gives an Inspector the power to enter at all reasonable times any premise or place or residence, where the officer has reasonable cause to believe that persons are employed and to make any examination or inquiry to ascertain whether the provisions of the Social Security Legislation are being complied.

*Before entering a place of business, the Inspector is expected to show his/her credentials. Employers should examine said credentials before delivering any records of employees' earnings.*

The Inspector also has the right to visit premises for audits; to inspect, extract and to make copies of employment information.

**N.B.:** *The Inspector is not required to give prior notice when conducting an audit.*

### **Can your employees verify the remittance of their contributions?**

An employee who makes a request in person at the Social Security Office and provides proof of identity can find out if his/her employer is making the required contributions on his/her behalf.

### **Does Social Security pay for employment injury?**

No, Social Security does not pay for employment injury.

However, under the Workmen's Compensation Act, employers are responsible for their employees who suffer personal injuries while carrying out their duties.

### Other information relevant to the payment of contributions.

- ◆ It is illegal for any employer to recover the employer's portion of the contribution from the employee. This constitutes an offence under the Social Security Act.
- ◆ Where an employee works concurrently for more than one employer - each employer is required to pay the Social Security contributions with respect to the wages paid to that employee.
- ◆ Any excess contributions paid in error are refundable on application to the Director.
- ◆ Contributions are not payable during periods when an employee is receiving Sickness or Maternity Benefit; or on Severance Pay or Travelling Allowance.
- ◆ It is imperative that the employer inform the ABSSB of pending business closures and re-openings, in writing.
- ◆ Deductions should be made from the initial wages or salary i.e. during the period of probation.
- ◆ Contributions should be deducted from insured persons age **16 years to the pensionable age as stipulated in Statutory Instrument 2016, No. 61.**

**N.B.:** Employers are encouraged to seek additional information from the Inspector assigned to their area.

**Private Sector Deduction Table for Social Security Contributions  
2018**

Earnings (EC\$)	Employee's Contribution 5 ¼%	Employer's Contribution 7 ¼%	Total Contribution 12 ½%
6,500	341.25	471.25	812.50
6,000	315.00	435.00	750.00
5,500	288.75	398.75	687.50
5,000	262.50	362.50	625.00
4,500	236.25	326.25	562.50
4,000	210.00	290.00	500.00
3,500	183.75	253.75	437.50
3,000	157.50	217.50	375.00
2,500	131.25	181.25	312.50
2,000	105.00	145.00	250.00
1,500	78.75	108.75	187.50
1,000	52.50	72.50	125.00
900	47.25	65.25	112.50
800	42.00	58.00	100.00
700	36.75	50.75	87.50
600	31.50	43.50	75.00



Earnings (EC\$)	Employee's Contribution 5 ¼%	Employer's Contribution 7 ¼%	Total Contribution 12 ½%
700	36.75	50.75	87.50
600	31.50	43.50	75.00
500	26.25	36.25	62.50
400	21.00	29.00	50.00
300	15.75	21.75	37.50
200	10.50	14.50	25.00
100	5.25	7.25	12.50
90	4.73	6.53	11.25
80	4.20	5.80	10.00
70	3.68	5.80	8.75
60	3.15	4.35	7.50
50	2.63	3.63	6.25
40	2.10	2.90	5.00
30	1.58	2.18	3.75
20	1.05	1.45	2.50
10	0.53	0.73	1.25
5	0.26	0.36	0.63
1	0.05	0.07	0.12

## Explanation of Table

### Rounding Off

The salary of the insured person is rounded to the nearest dollar for working out contributions. This is done by looking at the amount of cents in the wage.

If it is 49¢ or less then ignore the cents, but if it is 50¢ or more then add \$1.00 to the wage and figure out the contributions on this salary. For example, if the earning of a person is \$934.49, calculate the contribution on \$934.00. If it is \$934.50, then calculate the contribution on \$935.00.

### Example for use of Table

If the salary of an employee is \$3,758.41, the contribution is worked out as follows:

Wage	Employee 5 ¼%	Employer 7 ¼%	Total 12 ½%
\$3,500	\$183.75	\$253.75	\$437.50
200	10.50	14.50	25.00
50	2.63	3.63	6.25
8	0.42	0.60	1.02
<b>\$3,758</b>	<b>\$197.30</b>	<b>272.48</b>	<b>= \$469.78</b>

The salary is broken up into \$3,500.00 + \$200.00 + \$50.00 + \$8.00 and contribution is worked out on each part separately. The amount of contribution is the sum of each part. Notice the contribution is based on \$3,758.00 with the cents ignored since it is less than 50¢. The total amount due for Social Security is \$197.30 + \$272.48 = \$469.78. The contribution of a weekly paid person is worked out in the same manner.

**THE MAXIMUM EARNINGS FROM WHICH CONTRIBUTIONS ARE DEDUCTED IS \$6,500.00 FOR MONTHLY PAID EMPLOYEES; \$3,000.00 FOR FORTNIGHTLY AND \$1,500.00 FOR WEEKLY PAID EMPLOYEES.**

### **What happens if there is a temporary closure of the business?**

Where an employer is closing their business for any duration, the employer should indicate such to the Director, in writing, ahead of the intended closure period.

### **Monthly Remittance Form (R5A)**

- The Monthly Remittance Form (R5A) is used by employers to record the employee's weekly, fortnightly and/or monthly earnings and contributions.
- The form must be properly and accurately completed as demonstrated at Figure 1.
- The employee's Social Security number is a permanent number which the employee will have for life. This ensures that contributions paid on behalf of an employee are properly and accurately credited and claims paid promptly. Employees' names and numbers must always correspond.
- The completed remittance form must accompany the payment of contributions and must be remitted between the 1<sup>st</sup> and 14<sup>th</sup> of each month for the previous month.
- In the event of sickness, maternity, vacation, start and termination dates or any other instances that affect attendance, be sure that the correct number of weeks worked is recorded. Also, be sure to use the comments section to clarify any irregularities.

- Payments made to employees that must be included as wages for the purpose of Social Security deductions include:
  - Overtime payments
  - Cost of living bonuses
  - Incentive pay
  - Payments for night or shift work
  - Holiday pay
  - Payment in lieu of alternative practice and/or additional employment
  - Production bonuses
  - Additional payments in respect of dependants
  - Commission or profits on sale
  - Payments for long service
  - Danger or Dirt money
  - Service charges
  - Housing allowances

SOCIAL SEC		MONTHLY REMITTANCE FORM											
		FOR THE MONTH OF Feb-2017											
		REGISTRATION NO. 900000											
EMPLOYER	PLEASE NOTE THAT EARNINGS INCLUDES PAY MATERNITY LEAVE PAY, SEVERANCE PAY, TRAVELING INDEAL ALLOWANCE												
NUMB	NAMES OF EMPLOYEE	EARNINGS AND CONTRIBUTIONS						TOTAL EARNINGS 2% CONTR FOR MONTH	TOTAL EARNINGS 2% CONTR FOR MONTH	M	F	COMM	
		Wk	Wk	Wk	Wk	Wk	Wk						
50009	JANE DOE	2/3/2017	2/10/2017	2/17/2017	2/24/2017		700.00	700.00			1 W		
	DONOT WRITE ON THIS LINE	500.00	0.00	500.00	500.00		0.00	500.00	180.00			Sick 6-10th	
60008	Peter Cole	25.00	0.00	25.00	25.00		0.00	1,500.00	360.00				
	DONOT WRITE ON THIS LINE	35.00	0.00	35.00	35.00		0.00	6,500.00	150.00				
70008	Slick Rick	1,500.00	5,000.00				0.00	210.00	360.00				
	DONOT WRITE ON THIS LINE	75.00	0.00	0.00	0.00		0.00	3,000.00	210.00				
80001	Blask Beard	0.00	0.00	0.00	0.00		0.00	5,000.00	600.00				
	DONOT WRITE ON THIS LINE	0.00	0.00	0.00	0.00		0.00	350.00	250.00				
90009	Steve Hammer	0.00	0.00	0.00	0.00		0.00	350.00	800.00				
	DONOT WRITE ON THIS LINE	0.00	0.00	0.00	0.00		0.00	350.00	1,584.00				
Signature of Employer _____										TOTALS CARRIED FORWARD		1,584.00	
Date _____													

Always use this section for relevant comments

Explain lump sums and state number of weeks lump sum represents. e.g vacation pay or pay

State number of weeks and whether the employee is monthly.

Total earnings and contributions

Insert week ending dates.

List full name of

Insert Social Security numbers at

Sign and date form.

**N.B.:** No deductions are to be taken from severance pay or from monies paid to an employee while on sick leave or maternity leave.

## Social Security Collections of Contributions Schedule

The Table below shows the movement of the contribution rates from year 2017 to the year 2025.

YEAR	PUBLIC		TOTAL	PRIVATE		TOTAL
	<i>EMPLOYEE</i>	<i>EMPLOYER</i>		<i>EMPLOYEE</i>	<i>EMPLOYER</i>	
2017	4%	7%	11%	5%	7%	12%
2018	4 ¼ %	7 ¼ %	11.5%	5 ¼ %	7 ¼ %	12.5%
2019	4 ½ %	7 ½ %	12%	5 ½ %	7 ½ %	13%
2020	4 ¾ %	7 ¾ %	12.5%	5 ¾ %	7 ¾ %	13.5%
2021	5%	8%	13%	6%	8%	14%
2022	5 ¼ %	8 ¼ %	13.5%	6 ¼ %	8 ¼ %	14.5%
2023	5 ½ %	8 ½ %	14 %	6 ½ %	8 ½ %	15%
2024	5 ¾ %	8 ¾ %	14.5%	6 ¾ %	8 ¾ %	15.5%
2025	6 %	9 %	15%	7 %	9 %	16%

## At what age should Employers cease remittance of Social Security contributions?

There is no national retirement age in Antigua & Barbuda. However, there's a Social Security pensionable age which is no longer fixed. Commencing 1<sup>st</sup> January 2017, the pensionable age will incrementally increase every two years until 2025, pursuant to Statutory Instrument 2016 No. 61, **Social Security (Benefits) (Age Pensions and Grants) (Amendment) Regulations**. The following Table shows the schedule in the movement of the Social Security pensionable age.

Year of Birth	Year – Pension Awarded	Social Security Pensionable Age	Minimum Contributions Required
1956 - 1958	2017 - 2018	60/61 (optional)	500/550
1959 – 1960	2019 - 2020	62	600
1961 - 1962	2021 - 2022	63	650
1963 – 1964	2023 - 2024	64	700
1965 –	2025	65	750



This booklet is designed specifically for Employers. It is a guide and should not be treated as a complete and authoritative statement of law.

Should you have further questions, please contact the Social Security Office at:

P.O Box 1125  
Long Street  
St. John's, Antigua

Phone: 736-3000/1/2/3

Fax: 481-3090

E-mail: [socsec@socialsecurity.gov.ag](mailto:socsec@socialsecurity.gov.ag)

Website: [www.socialsecurity.gov.ag](http://www.socialsecurity.gov.ag)

