



# 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 1<sup>st</sup> January 2020, contribution rate increased to 13.5% of insurable earnings for private sector workers; of which the employee pays 5¾ % and the employer pays 7¾ %. For public sector workers, the contribution rate was increased to 12.5% of insurable earnings; of which the employee pays 4¾% and the employer pays 7¾%. 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.
  - Contributions are payable on uncertified sick days.
- ◆ 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 2020

Earnings (EC\$)	Employee's Contribution 5 <sup>3</sup> / <sub>4</sub> %	Employer's Contribution 7 <sup>3</sup> / <sub>4</sub> %	Total Contribution 13 <sup>1</sup> / <sub>2</sub> %
6,500	373.75	503.75	877.50
6,000	345.00	465.00	810.00
5,500	316.25	426.25	742.50
5,000	287.50	387.50	675.00
4,500	258.75	348.75	607.50
4,000	230.00	310.00	540.00
3,500	201.25	271.25	472.50
3,000	172.50	232.50	405.00
2,500	143.75	193.75	337.50
2,000	115.00	155.00	270.00
1,500	86.25	116.25	202.50
1,000	57.50	77.50	135.00
900	51.75	69.75	121.50
800	46.00	62.00	108.00
700	40.25	54.25	94.50
600	34.50	46.50	81.00
700	40.25	54.25	94.50
600	34.50	46.50	81.00
500	28.75	38.75	67.50



Earnings (EC\$)	Employee's Contribution 5 $\frac{3}{4}$ %	Employer's Contribution 7 $\frac{3}{4}$ %	Total Contribution 13 $\frac{1}{2}$ %
400	23.00	31.00	54.00
300	17.25	23.25	40.50
200	11.50	15.50	27.00
100	5.75	7.75	13.50
90	5.18	6.98	12.15
80	4.60	6.20	10.80
70	4.03	5.43	9.45
60	3.45	4.65	8.10
50	2.88	3.88	6.75
40	2.30	3.10	5.40
30	1.73	2.33	4.05
20	1.15	1.55	2.70
10	0.58	0.78	1.35
5	0.29	0.39	0.68
1	0.06	0.08	0.14

## 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 ¾%	Employer 7 ¾%	Total 13 ½%
\$3,500	\$201.25	\$271.25	\$472.50
200	11.50	15.50	27.00
50	2.88	3.88	6.76
8	0.46	0.62	1.08
<b>\$3,758</b>	<b>\$216.09</b>	<b>291.25</b>	<b>= \$507.34</b>

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 \$216.09 + \$291.25 = \$507.34. 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											
EMPLOYER		FOR THE MONTH OF Feb-2017											
REGISTRATION NO.		900000											
72		Insert week ending dates.											
PLEASE NOTE THAT EARNINGS INCLUDES PAY		MATERNITY LEAVE PAY, SEVERANCE PAY, TRAVELING INDEAL ALLOWANCE											
NUMB	NAME(S) OF EMPLOYEE	EARNINGS AND CONTRIBUTIONS				TOTAL EARNINGS 2% CONTR FOR MONTH	TOTAL	Number of Weeks				COMM	
		Wk	Wk	Wk	Wk			M	F	V	S		
50009	JANE DOE	2/3/2017	2/10/2017	2/17/2017	2/24/2017	700.00	700.00	1	W				
	DON'T WRITE ON THIS LINE	500.00	0.00	500.00	500.00	0.00	1,500.00	180.00	3	W			Sick 6-10th
60008	Peter Cole	25.00	0.00	25.00	25.00	0.00	150.00	360.00	2	W			
	DON'T WRITE ON THIS LINE	1,500.00	5,000.00			6,500.00							
70008	Slick Rick	75.00	0.00	0.00	0.00	0.00	150.00	210.00	2	W			
	DON'T WRITE ON THIS LINE					3,000.00							
80001	Black Beard	0.00	0.00	0.00	0.00	0.00	3,000.00	360.00	4	M			
	DON'T WRITE ON THIS LINE					5,000.00							
90009	Steve Hammer	0.00	0.00	0.00	0.00	0.00	5,000.00	600.00	4	M			
	DON'T WRITE ON THIS LINE					350.00							
Signature of Employer		TOTALS				CARRIED				FORWARD			
		16,700.00				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

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 certified 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
	EMPLOYEE	EMPLOYER		EMPLOYEE	EMPLOYER	
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	5½%	8½ %	14 %	6 ½ %	8½ %	15%
2024	5¾ %	8¾ %	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.

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

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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)

