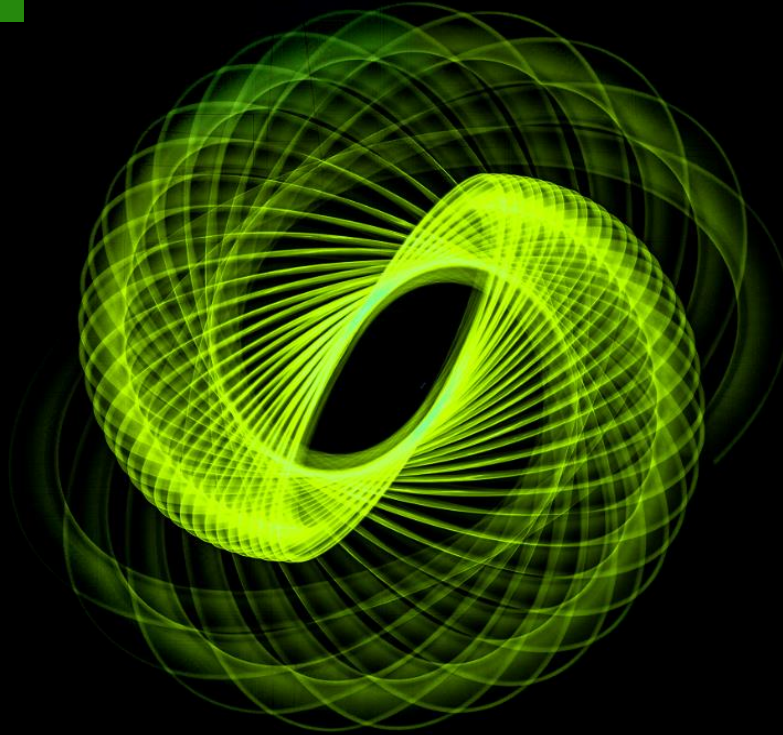


BPS Alert
June 2024

20th June 2024



Keeping you in the loop

NSSF Alert

Following the issued notice from National Social Security Fund (NSSF) to the public informing on the amnesty to all employers with arrears. Deloitte has listed in this alert services that can be provided in regards to this.

Introduction

The National Social Security Fund (NSSF) has recently announced a general amnesty program intended for employers with outstanding arrears of statutory contributions. This initiative offers substantial penalty relief under specific conditions and is scheduled to be in effect from 1st June 2024 to 31st August 2024.

The following key conditions are applicable.

1. 100% Penalty Relief by 31st July 2024

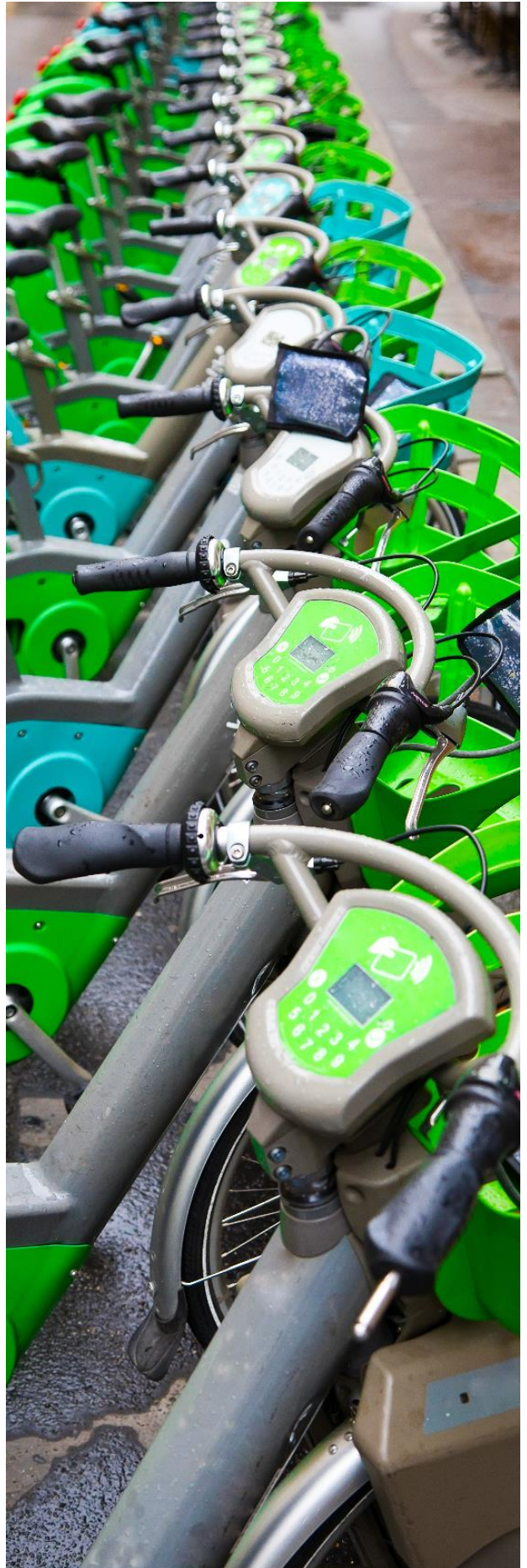
Employers who clear all their outstanding arrears of statutory contributions before 31st July 2024 and continue to make timely contributions will be eligible for a complete waiver of any overdue penalties.

2. 75% Penalty Relief by 31st August 2024

Employers who make payment of their outstanding arrears by 31st August 2024 and remain current in remitting their contributions will receive a 75% relief on any overdue penalties.

3. Compliant Employers

Employers with no outstanding arrears as of 31st May 2024 and who stay current in remitting contributions until 31st July 2024 will be relieved of 100% of any overdue penalties.



How can Deloitte assist?

Deloitte can assist you with the following services:

- Perform a high-level or comprehensive review of payroll 'pension' affairs to identify the areas of exposure.
- If High level review is preferred, depending on the outcome of the review, a comprehensive payroll health check can be done.
- Quantification of principal amounts, interests, and penalties resulting from non-compliance.
- Preparing and filing of outstanding pension returns.
- Assist with the pension amnesty application process.
- Assist with complete payroll health checks, particularly for employers with casual workers, interns and volunteers as the revised NSSF act has specific guidelines on how to include them in the NSSF contribution.
- Follow up on the response and liaise with the NSSF for any additional information or queries.



Taking an advantage of the amnesty

Companies should consider assessing pension compliance calculation and status in order to identify any areas of non-compliance for all eligible pensionable amounts which include any allowance paid by the employer to the employee, either directly or by implication in respect of living and any payment of wages in lieu of notice of termination of employment as per the revised 2018 NSSF ACT CAP 50.

The revised CAP 50 of NSSF ACT also removed special treatment of expatriate contribution, the employer was advised to visit the NSSF office initiate new discussion on how to calculate NSSF for expatriates, and upon agreement with the NSSF office, they will receive a new office agreement.

In view of the limited time and the need to get it right, it is important to **conduct a review of pension affairs to identify noncompliant areas** followed by a detailed quantification exercise on the noncompliant areas identified.

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