

FOR FURTHER INFORMATION SEE OTHER LEAFLETS, CALL OR VISIT OUR NATIONAL INSURANCE OFFICES OR VISIT OUR WEBSITE: [www.nis.org.gy](http://www.nis.org.gy)

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# NATIONAL INSURANCE SCHEME

## Manual for Employers & NIS Clerks



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# NIS MANUAL FOR EMPLOYERS AND NIS CLERKS

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**NB:** This booklets is not a substitute for the law. The law shall prevail in case of any inadvertent conflict.

# NATIONAL INSURANCE AND SOCIAL SECURITY SCHEME—GUYANA

## CONTRIBUTION SCHEDULE-ELECTRONIC SUBMISSION

(To be completed in Triplicate)

N.B. Schedule must be submitted to National Insurance Scheme not later than the 15<sup>th</sup> day of the month following that to which payment relates. Failure to submit Schedules and remittances by the said date will incur a surcharge in keeping with the Regulations.

1. NAME OF EMPLOYER/BUSINESS: \_\_\_\_\_

2. ADDRESS OF BUSINESS: \_\_\_\_\_

3. REGISTRATION NUMBER: \_\_\_\_\_

4. CONTRIBUTION PERIOD: \_\_\_\_\_ Month \_\_\_\_\_ Year

5. FOR OFFICIAL USE ONLY
DATE STAMP

6. **To be completed for all Employees between 16 and 59 years**

6.1 EARNINGS CLASS	6.2 NUMBER OF EMPLOYEES	TOTAL EARNINGS		CONTRIBUTIONS		
		6.3 ACTUAL \$	6.4 INSURABLE \$	6.5 EMPLOYER 8.4%	6.6 EMPLOYEE 5.6%	6.7 TOTAL
MONTHLY						\$0.00
WEEKLY						\$0.00
<b>TOTAL</b>	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

7. **To be completed for all Employees 60 years and over or under 16 years**

7.1 EARNINGS CLASS	7.2 NUMBER OF EMPLOYEES	TOTAL EARNINGS		CONTRIBUTIONS
		7.3 ACTUAL \$	7.4 INSURABLE \$	7.5 EMPLOYER 1.5%
MONTHLY				
WEEKLY				
<b>TOTAL</b>	0	\$0.00	\$0.00	\$0.00

8. AMOUNT PAYABLE \$

9. I hereby declare that the payments made are in conformity with the National Insurance and Social Security Regulations.

The total remittance for the year to date is \$ \_\_\_\_\_

10. The details of employees are submitted via:-

- Diskette (Floppy Disk)      11. Signature of Employer: \_\_\_\_\_  
 Optical Disk (CD/DVD/etc.)      (or Representative)  
 Solid State Device (Flash Drives, etc)      12. Date: \_\_\_\_\_  
 Other Storage Medium      13. Employer's Stamp: \_\_\_\_\_



## THE PROCESS OF REGISTRATION

If you are an employer, to become registered, you must fill out Application for Registration as an Employer', R400F1 R0 and submit it to the nearest National Insurance Office. After your Application for Registration Form' has been received you will be visited by an N.I.S. Inspector who will check your business records.

When your application has been processed you will be issued with a National Insurance Certificate of Registration, Form R1, which will carry your Employer's Registration Number. You must keep this certificate safely and produce it on request by any authorized N.I.S. Officer.

## HOW TO REGISTER YOUR EMPLOYEES

Remember every employee who was not registered before must be registered.

### FORMS REQUIRED

- 1) Form R400F4 R0 For employee details
- 2) Form R400F5 R0 For employee identification (those with a National ID Card)
- 4) Form R400F6 R0 (3 copies) for listing the names of all employees for whom you are applying for registration.

## COMPLETION OF R400F4 R0

This is the employed persons application for registration. You should ensure that the employee supplies all the required information and that the form is completed. The information supplied will help to ensure accurate identification. Pay careful attention particularly to the following areas as these often create the most problems.

- 1) Full name as recorded on Birth Certificate or Deed Poll must be stated. A call name if widely used must also be stated. However, this must be clearly indicated. Initials must not be used.
- 2) Date of Birth must correspond with the date on the employee's Birth Certificate.
- 3) Ensure complete home address which should include lot number, street name, village, own country,

e.g. Lot 31B Safe Street,  
SectionB, Williamsburg,  
EAST COAST BERBICE

## CARICOM SOCIAL SECURITY AGREEMENT

The CARICOM Agreement on Social Security is intended to protect CARICOM Nationals' entitlement to benefits and provide equality of treatment when moving from one country to another. The Agreement covers the payment of the following Pensions:

- a) Old Age
- b) Invalidity
- c) Disablement
- d) Survivors
- e) Death

Under this Reciprocal Agreement, Insured Persons are entitled to benefits from one or more of the Social Security schemes in the various countries for which they qualify. The CARICOM Countries that have signed and ratified the Agreement are:

Antigua & Barbuda	Grenada	St. Kitts & Nevis
Barbados	Guyana	St. Lucia
Belize	Jamaica	St. Vincent
Dominica	Montserrat	Trinidad & Tobago

If you are going to another CARICOM country to work, or you are in receipt of benefit under the Social Security Scheme where you are resident, make sure that you inform the General Manager/Director, National Insurance, by way of writing of your date of departure and your overseas address. When you return to your usual place of residence, it is essential that you let the General Manager/Director, National Insurance know as soon as possible that you have returned. When you write to the General Manager/Director, National Insurance, you should supply your:

Name, Address, Telephone Number, National Insurance Number and National Registration Number (in the case of Barbados).











## COMPLETED SAMPLE OF R400F6 R0

NATIONAL INSURANCE, GUYANA SOCIAL SECURITY CARD	
INSURANCE NUMBER	A1234573
SEX	F
NAME <u>DORNA JAMES</u>	
FOR OFFICIAL USE - LEAVE BLANK	
A/K	
Signature <u>DORNA JAMES</u> (or mark if unable to write)	
Witness to mark	
R.G.	G.P.L. No. 11065/75

R400F6 R0

### REMEMBER:

R400F6 R0 is to be completed by all persons being registered. R400F6 R0 NIS Cards will have either an A or B in front of the digits. These cards are permanent cards and are used throughout the Insured Person's working life.

### COMPLETION OF R400F5 R0

This is done in triplicate and is completed by the Employer. The names of the employees who are being registered are indicated and submitted along with forms R400F5 R0 and R400F6 R0.

### PREVIOUSLY REGISTERED EMPLOYEES

You do not have to register them again. Those employees who have misplaced their NIS cards will be issued new cards with the same NIS number at a cost of two hundred dollars (\$200).

N.B. Every Employer is required by Law to have a register of all persons in his employment. This register must show staff name, occupation, NIS number, date of commencement of employment and date employment closed.

**NB** A minimum of 250 contributions with at least 150 being paid will result in a pension. Less can result in a grant.

(5) **Survivors' Benefit**  
(Monthly pension or lump sum payment)

- (1) Be a dependant survivor of a deceased contributor who had at least 250 contributions with at least 150 being paid
- (2) Be the dependant survivor of a deceased recipient of old age or invalidity benefit.

(6) **Old Age Benefit**  
(Monthly pension or lump sum payment)

- (1) Attain age 60  
**NB** 750 contributions with at least 150 paid will result in a minimum pension. Less can result in a grant.

(7) **Funeral (Grant)**  
(Lump sum payment)

- (1) Deceased must have been registered as employed or self-employed
- (2) Have at least 50 paid contributions  
**NB** Grant can be claimed for a deceased uninsured spouse once the contributor has paid at least 50 contributions.

Free Ophthalmic and Dental Care are given to persons who receive Invalidity and Old Age Benefits. (Pension or Grant).

N.B. Medical Care may be local or overseas. In the latter case permission must first be granted by NIS. For overseas sickness medical care, the maximum amount of money reimbursed is 10 (ten) times the Insurable Income Ceiling or 80% of the cost whichever is less.

NIS will only accept original receipts and documents.

Claims made to NIS for benefits may be disallowed or disqualified for many reasons. Persons not satisfied with any decision made on their claim have the right to appeal. This should be done within (two) months of the decision against which an appeal is being made.



(c) **Death**  
(Monthly pension or lump sum)

1) Be the dependent survivor of a deceased insured whose death was due to an Industrial Injury.

(d) **Medical Care**  
(Payment for medical treatment)

(1) Be employed at any age  
(2) Suffer injury as a result of employment or during the course of employment.

(2) **Sickness Benefit**  
(Weekly payment for a maximum of 26 weeks)

(1) Age 16 to 60  
(2) Registered as Employed or Self-employed  
(3) At least 50 contributions paid  
(4) At least 8 out of 13 contributions paid immediately before the week of illness.  
(5) Be in insurable employment the day before the day of your illness

(b) **Medical Care**  
(Limited reimbursement for medical treatment)

(1) Satisfaction of conditions for sickness benefit

(3) **Maternity Benefit**  
(a) **Maternity Allowance**  
(weekly payment for 13 weeks with extension up to 26 weeks if complications arise)

(1) Age 16 to 60  
(2) Registered as Employed or Self-employed  
(3) Have at least 15 contributions paid  
(4) Have at least 7 out of 26 contributions paid immediately before the week of confinement.

(b) **Maternity Grant**  
(Lump sum payment)

(1) Be entitled to maternity allowance or  
(2) Be the spouse of a contributor who meets the contribution requirements for maternity allowance

(4) **Invalidity Benefit**  
(Monthly pension or lump sum payment)

(1) Age 16 to 60  
(2) Registered as employed or self-employed  
(3) Have a condition that renders you permanently incapable for work

## CONTRIBUTIONS

### WHAT ARE CONTRIBUTIONS?

Contributions are payments made by and on behalf of a worker to cover him/her for a specific period of time. The unit of measurement used for such coverage is, a contribution week. Contributions are paid based on Insurable Earnings. A contribution week commences immediately after mid-night on Sunday, that is on Monday and ends at mid-night on the following Sunday.

### EXEMPTION FROM CONTRIBUTION

You will be exempted from paying contributions for and on behalf of yourself and your employees for any contribution week during which time:-

- 1) No work was done and no wages/salary paid;
- 2) Wages to your employee amounts to less than \$5.00 per week;
- 3) Your employee was engaged in full time unpaid apprenticeship;
- 4) Your employee received Sickness, Maternity or Injury Benefit from NIS.

### PAYMENT OF CONTRIBUTIONS

Contributions must be paid for every week or part of a week which the employee works. Contributions are paid either weekly or monthly and must be paid by the 15th of every month in respect of the previous month. Payment after this period will attract an interest rate of 1% higher than the Banks Prime Overdraft Rate.

#### Points to note when paying contributions:

- 1) If an employee starts working mid week then contributions will be paid for the Monday of the week he/she commences work.
- 2) Some months will have four Mondays and some will have five, therefore contributions for some months will be either four or five.

N.B. Contribution payments made to NIS can only be processed and identified on an employee's record if and when reflected weekly or monthly on contribution schedules. Employers will have to adjust their NIS payments accordingly, especially in the case of fortnightly payments. This should be broken down and recorded weekly for NIS purposes, on the payment schedules or computer printout.



## HOW ARE CONTRIBUTIONS REMITTED

You are required to remit contributions for your employees on contribution Schedules or using the electronic schedule i.e. - Flash drive or compact disc (CD).

NB: All contribution schedule must be completed in triplicate.

If you have monthly paid employees you are required to complete the F200F2 CS R0 Schedule every month and remit those contributions to the National Insurance Office in your District.

If you have weekly paid employees you should use the F200F6 CS R0 Schedule to pay contributions for those weekly paid employees at the end of each month.

If you have fortnightly paid employees you should use the F200F6 CS R0 schedule. Employees earnings must be recorded against the week actually worked in the fortnight. If you have monthly paid employees who are wither under 16 years of age or over 60 years of age you should use the same F200F2 CS R0 Schedule to pay contributions at the end of each month. However, it is advisable to place such persons on a separate listing.

If you have fortnightly or weekly paid employees who are either under 16 years of age or over 60 years of age you should use the F200F6 CS R0 Schedule depending on the number of employees. These should also be listed separately as the stated above.

Where employees are paid daily, their daily earnings must be totalled each week and their Insurable Earnings arrived at for the week. Contributions for such persons are to be paid based on Weekly Insurable Earnings.

Where employers use the F200F6 CS R0 Schedule to pay contributions for their weekly paid employees once per month, the employer should take care not to add their weekly earnings and then apply the monthly Insurable Ceiling of \$280,000.00 for the purpose of calculating contributions

Contributions for weekly paid workers MUST be calculated on WEEKLY EARNINGS. So when employers- are filling out the F200F6 CS R0 Schedule (which has provision for five (5) contribution weeks) and they add the weekly earnings for five weeks (if there are five (5) Mondays in the month and then apply the MONTHLY INSURANCE EARNINGS CEILING of \$280,000.00 the total, they will be making incorrect payments to the Schedule. The correct thing to do is to first arrive at each weekly insurable amount individually, calculate individual weekly rate of contribution and then insert total Insurable Earning and total contribution for the period, regardless of whether there are four (4) or five (5) Mondays in the month.

contributions will only be paid on the \$280,000.00. In this case, the ceiling is less than the salary earned. (b) If however, the monthly ceiling is \$280,000.00 and the employee is only earning \$90,000.00 then contributions will be based on the \$90,000.00. That is the Insurable Earnings (the same applies for the weekly ceiling).

## IN EXAMPLE B

Employed persons will pay 5.6% of \$90,000.00 and their employer will pay 8.4% of \$90,000.00 and together this will total 14% paid on the employee's behalf. These figures are subject to change.

## HOW TO QUALIFY FOR BENEFITS

All benefits paid by NIS, except those under the Industrial Branch, have a contribution requirement attached. Below is some information in brief. You should read each benefit pamphlet for further details. Remember contributors between ages 16-60 are entitled to all seven benefits. Employed persons over the age of 60 are only covered for Industrial Benefits. Medical Care for a sick condition which started before age 60 may be paid if, it was established that the condition began before age 60 and the person would have qualified for Sickness Benefit.

## BENEFITS PAID BY NIS

### (1) Industrial Branch Qualifying Conditions

- |   |  |
|---|--|
| (a) Industrial injury(weekly payment for a maximum of 26 weeks) | (a) Be employed at any   |
| (b) Disablement (monthly pension or lump sum payment)           | (b) Suffer injury as a result of employment or during the course of employment   |
|   | (b) Be employed at any age   |
|   | (2) Suffer injury as a result of employment or during the course of employment.  |
|   | (3) Suffer permanent damage or loss of faculty which will be assessed. An assessment of 14% or less will result in the award of a grant; 15% or more will receive a pension. |



## CALCULATION:

$$\begin{aligned} & \frac{\$25,000.00 \times 11\%}{12} \quad (\text{months in the year}) \\ & = \frac{\$25,000.00 \times 11}{100} = \frac{2750}{12} = 229.00 \\ & \text{interest rate} = \$229.00 \text{ cents} \end{aligned}$$

Example (ii) - (Bank Overdraft as above)

Contribution payments are owed for three months - December, January and February.

**Interest would be due accordingly:-**

(1) For December contribution payable by 15th January, interest will be calculated for 3 months, that is, January, February, March

$$\frac{\$25,000.00 \times 11\%}{12} \times 3 (\text{months}) \quad (1 \text{ year})$$

(2) For January contribution payable by 15th February, interest will be calculated for two months that is, February and March.

$$\frac{\$25,000.00 \times 11\%}{12} \times 2 (\text{months}) \quad (1 \text{ year})$$

(3) For-February contribution payable by 15th March, interest will be calculated for 1 month, that is March.

$$\frac{\$25,000.00 \times 10}{12} \quad (1 \text{ year})$$

The three answers arrived at will be added together to determine the total interest due.

## INSURABLE INCOME CEILING

This is the maximum amount of income that contributions are paid on. For example, (a) if the monthly ceiling is set at \$280,000.00 (current ceiling for 2020) but the employee is earning \$500,000.00.

## INSURABLE INCOME OR EARNINGS

Insurable Income is a given range of income from employment upon which contributions are calculated. Insurable income is the amount of income insured by the Scheme. Monthly insurable ceiling - \$280,000.00 weekly insurable ceiling - \$64,615.00

## RETROACTIVE PAYMENTS (Back Pay)

These do not attract any NIS deductions.

## OVERTIME AND BONUS PAYMENTS

When overtime payments or bonus payments are made the contribution is computed on the total Insurable Earnings of the employee at the time the payment is made.

## HOLIDAY PAY

If your employee is on holiday and receives pay for this period, you must continue to pay National Insurance Contributions. If the employee is paid the normal wages or salary before going on holiday, you may make the necessary deductions in advance and pay the contributions on behalf of that employee to National Insurance at the due dates.

## RATE OF CONTRIBUTIONS

The contribution payable by an employer for or on behalf of an employee is at present equal to 14% of the employed person's insured earnings and is shared by the employer and the employed person. The employer pays 8.4% of the 14% for employees and the employee will pay the remaining 5.6%.

## PERSONS UNDER 16 YEARS AND OVER 60 YEARS OF AGE

Employed persons who are under 16 years of age or over 60 years of age do not pay contributions to the Scheme. Their employer however pays 1.5% of their Insurable Income which only covers them for the receipt of Industrial Benefits.

## UNPAID APPRENTICES AND WORK STUDY STUDENTS

Where the employer has unpaid apprentices and/or Work Study students no contribution is payable either by the employer, the apprentice or the student. It is however the employer's duty to ensure that this class of employee is registered for National Insurance and receives his/her National Insurance and Social Security Card R400F6 R0.



## **EMPLOYED PERSONS WHO WORK FOR TWO OR MORE EMPLOYERS**

### **DURING THE SAME CONTRIBUTION WEEK:**

Where a person works for two or more employers during the same contribution week, the first employer who employs him/her shall be his/her principal employer for that week and shall be responsible for paying his/her contribution for that week.

### **EMPLOYED PERSONS WORKING AS SELF-EMPLOYED PERSONS:**

Where during any contribution week an employed person becomes a self-employed person no contribution is payable for him/her as a self-employed person if a contribution has already been made on his/her behalf as an employed person.

## **CONFIDENTIAL PAYROLLS**

If you have a confidential payroll you will be required to state the name of the employee on the schedule as usual, however you may use the cut-off of the Insurable Earnings Ceiling on the Schedule as the actual earnings that is, assuming the insured persons earn above the Income Ceiling. Where the income is below the Income Ceiling the correct amount must be stated.

## **TERMINATION OF EMPLOYMENT**

Upon termination of employment of an employee for whatever reason, an indication must be made on the schedule upon which contributions are being paid for the last week during which the employee worked.

## **RECORD KEEPING AND INSPECTION BY NIS INSPECTORS**

You MUST maintain accurate records of all transactions with National Insurance. All records, including payroll, NIS Schedules, NIS Register, etc., MUST be made available for inspection by any authorised officer of the NIS Board upon request to do so, at any reasonable time.

## **CHANGE OF ADDRESS**

If you change your business address or the name or nature of your business you must inform National Insurance immediately.

## **CEASING TO BE AN EMPLOYER**

An employer who is an individual and who ceases to be an employer, must inform the National Insurance Board promptly and return his/her Certificate of Registration, Form R400F2 R0

If such an individual employer dies or is declared bankrupt, his personal representative or trustee in bankruptcy must inform the Board and return the Certificate within one month of the death or bankruptcy. If a company or partnership ceases to be an employer because of liquidation or dissolution of the partnership then:-

- (a) Where the employer was a body corporate, the Secretary must inform the NIS Board within one month of the name of the Company being removed from the register of Companies and must return the Certificate of Registration; and
- (b) Where the employer was an unincorporated association, the Secretary or former partners must inform the Board and return the Certificate within one month of the dissolution of the partnership.

## **OFFENCES**

- (a) Anyone who wilfully delays or obstructs any Authorised Officer of the National Insurance Board in the execution of that Officer's duty, or refuses to answer any question, or to provide any information, or refuses to produce any document when required to do so, commits an offence and can be prosecuted and fined.
- (b) Anyone who knowingly gives FALSE or misleading information in relation to the provisions of the National Insurance and Social Security Act commits an offence.
- (c) Any employer who fails to pay any contribution which must be paid, or deducts any part of the employer's contributions from an employee's wages or salary, or contravenes any other requirements of the Law, commits an offence and can be prosecuted and fined.

## **INTEREST ON OVERDUE CONTRIBUTIONS**

This is calculated at 1% above the Banks' Prime Overdraft Rate for every month contribution is due.  
Example (1)

Banks' Overdraft Rate = 10%

NIS Interest on Overdue Contribution = 11%

Contribution Overdue for December month, that is, it should have been paid by 15th January  
= \$25,000.00