



NATIONAL SOCIAL SECURITY AND INSURANCE TRUST

EMPLOYERS GUIDE

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INTRODUCTION

This Employers Guide is based on the provisions of the National Social Security and Insurance Trust Act. No. 5 of 2001 and its Regulations. This Act applies to all categories of employers in Sierra Leone, except the United Nations agencies.

REGISTRATION AND PARTICIPATION

1. Who is an Employer?

An employer is anyone who owns an establishment that has workers, or has authority or control over the affairs of an establishment and where such affairs are entrusted to a manager, managing director or managing agent, such manager, director or managing agent. In other words, an employer is the person with whom a worker enters into a contract of service or apprenticeship and who is responsible for the giving of his emolument.

This definition covers the public sector which includes Government Ministries and Departments, teachers of public schools, the forces (Military and Police), and sub-vented institutions; and the private sector, which includes companies, non-governmental organisations, embassies employing Sierra

Leoneans, international organisations, organised groups in the informal sector and parastatals.

For the self-employed, registration is voluntary.

Directors of companies are considered employees if they are engaged under a contract of service and paid a salary on top of fees.

2. Employer's Obligation to Register

The employer's obligation to register with the Trust is derived from Section 23 (1A) of the NASSIT Act 2001. It is mandatory for all employers to ensure that workers in their establishments/organisations/businesses are registered with the National Social Security and Insurance Trust. Even if an employer employs only one worker, or has a worker on probation, the worker must be registered and contributions paid on his/her behalf.

3. Employers Registration Process

a) All employers must complete an Employer Registration Form (Form SS2A) provided by any NASSIT Office.

b) Employers must contact and submit the completed SS 2A Forms to any NASSIT Office immediately after completion.

c) All completed SS2A Forms must be verified and endorsed by an Inspector or a senior NASSIT official.

d) All registered employers whose forms have been verified and endorsed will be issued with Employer Registration letters that provide the employers with Social Security Registration Numbers and explain the employers' obligations as members of the Scheme

4. Documentary Requirements for Employer Registration

Employers wishing to register must produce the following documents:

- For companies, a copy of the Registration Certificate of Incorporation, a copy of the Certificate of Commencement and the names of Directors;
- For business firms, that is, Sole Proprietorship or Partnership, a copy of the Business Registration Certificate.
- List of names of workers in the establishment with their Social Security numbers, where applicable.

5. Employer's Change of Status

- a) Each registered employer shall, within ten days inform NASSIT of the change of his status, including change of postal address, location and change of business name or designation.
- b) Any registered employer who for any reason cannot continue business and is forced to suspend or cease

- operations should inform the Director General of NASSIT in writing, stating reasons of such a move, before the last day of business.
- c) Any contributing employer who runs out of eligible contributing employees should inform the Director General in writing within a month following such a circumstance.
 - d) If, in any given situation, an employer is in doubt whether he is an eligible employer within the provisions of the NASSIT Act 2001, he should seek advice from the Director General of NASSIT, giving full details of the institution, including the nature of the business, the number and categories of workers involved.

C) CONTRIBUTIONS

The Scheme is contributory: it is financed from contributions by employers and employees, and self-employed persons and returns on investment made by the Trust. However, the responsibility for the payment of contributions lies on the employers who must make sure that their employees are contributed for at the end of every month.

a) Definition of Earnings

Earnings means all emoluments which are earned by a worker while on duty in accordance with the express or implied terms of the contract of employment or apprenticeship and which are paid or payable in cash to him at fixed or determined intervals of time in respect of normal periods of work to be performed by the worker; or where payment is calculated in relation to set tasks, in respect of the number of tasks completed by the worker; or where payment is calculated in relation to the volume of work done, in respect of the volume completed by the worker.

b) Commencement of Liability to Contribute

Every employer to whom the NASSIT Act applies must register with the Scheme on the month of his first engagement of an employee for membership of the Trust. In the case of an employer whose first engagement of an employee was before

January 2002, his liability to contribute commences January 1, 2002.

c) Rates of Contribution

Every employer of an establishment is required by the NASSIT Act to deduct from the earnings of every worker in the establishment immediately at the end of each month, a worker's contribution of 5% of that worker's earnings for that month;

the employer shall then pay for each month in respect of each worker, an employer's contribution of 10% of such worker's earnings for that month;

the total of 15% should, within fifteen days after the end of the month, be paid to NASSIT.

d) Obligations of the Registered Employer

- A registered employer must supply the names of all eligible employees, and inform NASSIT of any changes of circumstances affecting his registration.
- A registered employer must investigate whether the new employee has registered before or not with the Scheme.
- The employer must request for the new employee's Social Security number, if applicable.

- The employer must furnish the nearest NASSIT office with the new employee's work history if he has registered but has not received the Social Security card.
- The employer must keep records of all his employees for the purposes of the scheme
- He must also keep records giving details of dates on which the employment started, wages paid to each employee, deductions made from wages, and contributions due to the Trust. The contributing employer must guarantee access to those records by an Official of the Trust.
- No employer is allowed by the NASSIT Act to deduct or otherwise recover his own contribution from the worker's pay; or deduct the member's contribution for an earlier contribution period from the earnings in respect of a later period.
- If a person is concurrently employed by two or more employers, each employer must pay social security contributions on the wages/earnings given to that employee.
- The payment of contributions must be accompanied by a duly completed Advice of Payment of contribution Form (SS4A), which has the following information: the employer's name, location, address and registration number; the manner of payment of

contribution; the name and registration number of each employee; the employee's earnings; the contribution deducted from his earnings; the employer's contribution on behalf of that worker; and the total of all contributions due to NASSIT for the period.

- Contribution payment details can be transmitted to any NASSIT Office by cash or cheque through any of the following forms: Pre-printed form, diskettes, or manually prepared contribution reports.

D. PENALTIES

Contributions for any month must be paid to NASSIT not later than the 15th day of the following month. There are certain penalties for non-compliance with the NASSIT Act, which are as follows:

a) Late payment or non-payment of contributions

Where an employer fails to pay contributions on time, or fails to pay for his employees, the following penalties shall apply:

- The amount due shall attract an interest equivalent to the 90-day Treasury bill rate, plus twenty percent of that rate compounded on a monthly basis;
- The Director General shall serve a demand note on the defaulting employer; and if payment of the contribution and interest is not made within thirty days after the service of the demand note, another ten percent of the 90-day Treasury bill rate of the total amount shall be charged as penalty for each month of default; and
- The Director General shall then cause legal proceedings to be instituted to collect or recover the contribution, together with interest and penalty.

b) Failure to Register Employees

The following penalties shall apply to an employer who fails to register his employees:

- Upon summary conviction, that employer shall be liable to a fine not exceeding Le5,000,000.00 (Five million leones), or an imprisonment for a period not exceeding three months, or both fine and imprisonment;
- There shall then be the immediate registration of all the employees concerned; and
- The contributions for the period for which the employer fails to register his employees shall be paid as arrears together with interest and penalty.

No employer shall, by reason of his liability for any contribution to the scheme or for any other charges under the NASSIT Act, reduce, whether directly or indirectly, the earnings or other emoluments of any member of the scheme.

c) Other Offences

1. Any person/employer, who makes any false statement or representation, produces or furnishes or causes to be produced or furnished any document or information which he knows to be false, with an intention to evade payment of any contribution, or in order to benefit himself, shall be liable to a fine in a sum equal to any amount

- owed to the Trust, or to an imprisonment for a term not exceeding five years or to both.
2. Any person/employer who willfully obstructs or assaults any Inspector or Officer of the Trust in the discharge of his duties; or fails to comply with the provisions of the Act or its regulations, commits an offence and shall, upon summary conviction, be liable to a fine not exceeding Le5,000,000.00 (Five million leones) or to an imprisonment for a term not exceeding five years or to both.

THE SOCIAL SECURITY CLEARANCE CERTIFICATE

This is a certificate issued by the Director General, certifying that all social security contributions due from an employer or self-employed person have been paid and that all relevant information has been supplied, or that such employer or self-employed person has made arrangements satisfactory to the Director General for the payment of contributions and for the supply of relevant information.

The Social Security Clearance Certificate is required where the employer wishes to:

- clear goods from a port, factory or warehouse;
- import/export goods to or from Sierra Leone;
- obtain permit for the construction of any building;
- tender or to be considered for any contract with a public institution;
- register any document conferring title to any land;
- leave the country, if you are a non-citizen;
- be paid or receive payment for any contract for goods or services;
- renew a business registration; and
- obtain work permit for foreign employees.

The Social Security Clearance Certificate is valid for three months, but may be revoked by the Director General if the employer or self-employed person fails to fulfill his obligations under the Act.

CONTACT ADDRESSES:

1. Freetown:

a) i) Head office: 35A Lightfoot Boston Street,
Freetown. Tel: 225365/292213/220246/290551

ii) National Development Bank Building,
Siaka Stevens Street, Freetown.

b) West Regional Office: 30 Howe Street, Freetown.

Tel: 290443/223763

2. South Regional Office: 11 Bojon Street, Bo. Tel: 032-320-260

3. East Regional Office: 2 Sahara Street, Kenema.

Tel: 032-420-518

4. North Regional Office: 27A Lady's Mile, Makeni