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# EMPLOYER'S GUIDE

To

Timely

and

Accurate Reporting and Payment of  
Employees' Social Security Contributions

NATIONAL SOCIAL SECURITY AND INSURANCE TRUST

JULY 2005

## TABLE OF CONTENTS

Employers' Responsibilities	2
Method of Payment	2
Requirements of Employers	2
Contribution Schedules	3
Official Receipt for Payment of Contributions	5
Refund of Contributions and other Payments not due	5
Employer's Record of Payment of Contributions	5
Electronic/Diskette form of Contribution Schedules	6
How to avoid Errors with New Employees	6
Verifying Social Security Numbers	7
How to avoid Errors on the Contribution Schedules	8
Most Frequent Reporting Errors	8
The Social Security Statements of Accounts	9
Reporting Household Employee Social Security Contributions	10

## **EMPLOYERS' RESPONSIBILITIES**

Employers or self-employed persons shall pay into the Trust the social security contributions of its employee (s) or themselves, within fifteen days after the end of the month to which the contributions relate. Beyond the fifteen-day grace period, the delayed contributions will attract interest equivalent to the 90-day Treasury bill rate plus 20 percent of that rate compounded on a monthly basis. Any further delays beyond ninety days will attract both interest and penalty.

A person who assumes responsibility as an employer of an establishment shall be held responsible for the payment of any contribution or other monies due and the submission of any document to the Trust in respect of which the previous employer was in default.

## **METHOD OF PAYMENT**

Employers pay contributions and other monies due to the Trust as follows:

- To the Nearest NASSIT Office
- By money order, postal order, crossed cheques bearing the words "A/C Payee Only or draft drawn on any Bank in Sierra Leone made payable to the Trust and delivered to the Head Office or the nearest Office of the Trust or at any approved point.

## **REQUIREMENTS OF EMPLOYERS:**

Employers are required to:

- Submit together with the contributions due two duly completed SS4A Forms and contribution schedules. The contribution schedules can be in the form of pre-printed,

diskettes or other communication media as the Trust may authorize in writing.

## **CONTRIBUTION SCHEDULES**

The contribution schedules shall disclose the following information:

- The employer's name, location and postal address and registration number.
- The method of payment of the contribution.
- The name and social security number of each employee.
- The employee's earnings.
- The contribution deduction from his earnings (5%).
- The employer's contribution in respect of that worker (10%).
- The total of all contributions due to the Trust for the period concerned.

To ensure accurate reports:

The employer should make sure that the name and Social Security number for each employee is shown exactly the way it appears on the employee's Social Security card.

The employer may verify the name and Social Security number of their employees by contacting the nearest NASSIT Office.

## Samples of a Contribution Schedule Format

### A. Hard Copy (Pre-printed)

*Name of Establishment: Leone Enterprise ER: W01J2004070 Method of Payment: Cheques Month: 06 Year: 2005*

	<i>Name of Employee</i>	<i>Social Security Number</i>	<i>Salary</i>	<i>Employee's Contribution (5%)</i>	<i>Employer's Contribution (10%)</i>	<i>Total Contributions (15%)</i>
<b>1</b>	Wallace JOHNSON	W3103197002210016	400,000	20,000	40,000	60,000
<b>2</b>	Bai BUREH	N2111197001200010	350,000	17,500	35,000	52,500
<b>3</b>	Madam YOKO	S0108197007150023	300,000	15,000	30,000	45,000
<b>4</b>	Kai LONDO	E1212197012220019	300,000	15,000	30,000	45,000

### B. Electronic/Diskette Copy

<i>ER Number</i>	<i>Establishment Name</i>	<i>Social Security Number</i>	<i>Last Name of Employee</i>	<i>First Name of Employee</i>	<i>Middle Name</i>	<i>Period</i>	<i>Social Security Contribution (15%)</i>	<i>Staff Number</i>
<b>W01J2004070</b>	Leone Enterprise	W3103197002210016	JOHNSON	Wallace		200506	60,000	014
<b>W01J2004070</b>	Leone Enterprise	N2111197001200010	BUREH	Bai		200506	52,500	012
<b>W01J2004070</b>	Leone Enterprise	S0108197007150023	YOKO	Madam		200506	45,000	010
<b>W01J2004070</b>	Leone Enterprise	E1212197012220019	LONDO	Kai		200506	45,000	011

**NOTE:** The Trust prefers the electronic/Diskette form to the Hard Copy form of contribution schedules as it makes the capturing of contributions easier and faster. Employers are, therefore encouraged to submit their contribution schedules in the electronic/diskette form.

## **OFFICIAL RECEIPT FOR PAYMENT OF CONTRIBUTIONS**

The official receipt for payment of social security contributions or other monies owed to the Trust is Form SS4B, dated, stamped and endorsed by an authorized NASSIT Official.

## **REFUND OF CONTRIBUTIONS AND OTHER PAYMENTS NOT DUE**

The Trust shall inform and require the person who made an undue payment to make a written application for a refund and to furnish such information as may be necessary to determine the amount of the undue payment and the circumstances in which it occurred.

Thereafter, the Trust shall refund any amount that has been paid which was not due. However, no refund shall be made where the member of the Scheme or his dependants have already been paid the amount as benefit.

The Trust shall withhold the whole or any part of the amount against any monies due to the Trust from the person to whom the amount concerned would otherwise have been paid.

## **EMPLOYER'S RECORD OF PAYMENT OF CONTRIBUTIONS**

An employer shall keep records of social security contributions indicating in respect of every employee the name of the employee, the employee's social security number, the earning of the employee and the deductions of the contribution to the Trust.

On the other hand, the Trust shall maintain for each employer records showing contributions paid by him and those due from him.

## ELECTRONIC/DISKETTES FORM OF CONTRIBUTION SCHEDULES

Contribution schedule in an Electronic/Diskette form is considered the “best practice” when it comes to submitting it to the nearest NASSIT Office. It’s ideal for all submitters (i.e. employers, certified public accountants, payroll service providers, etc.) because:

- It is **free, fast and secure**.
- It saves time and **reduces capturing burden**.
- It is a **paperless** process.

## HOW TO AVOID ERRORS WITH NEW EMPLOYEES

### Social Security Numbers

It is always possible that the employer will have new employees who do not have Social Security numbers. However, if that happens, or, if you have an employee whose name has changed, via marriage, court order, etc., you should advise the employee to contact the nearest NASSIT Office.

For a Social security card showing the new name, the employee will need to complete an application and provide the necessary evidence to the nearest NASSIT Office. If the employee has changed his or her name, the card showing the new name will usually be received in less than 30 days. If the employee has never had a card and is now applying for one, will usually be received within 30 days.

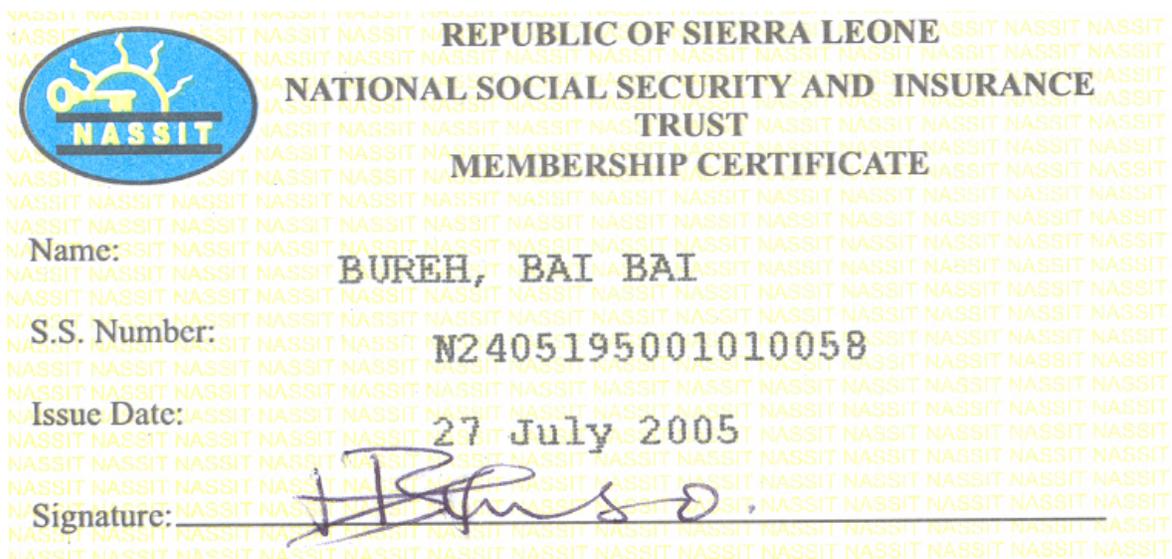
When the Social Security number is received for the new employee, update the contribution schedules by including the number. Though not required as a condition of employment, each **new employee hired** should show his or her Social Security number to the employer, if it is available so that:

- You can **check the SSN for accuracy**. Valid SSNs must have seventeen digits.

- You can **accurately transcribe** the name and SSN to the employee's payroll records.

If you discovered that an employee's name and/or SSN is not accurate:

The employee's social security contributions may not be credited to his or her Social Security record, which could result in potential loss of benefits



### VERIFYING SOCIAL SECURITY NUMBERS (SSNs)

In some cases, name and SSN mismatches prevent social security contributions from being posted to individual earnings records. This can be rectified by contacting the nearest NASSIT Office. Ensure that the name and social security number are corrected before submitting the contribution schedule to the nearest NASSIT Office.

### HOW TO AVOID ERRORS ON THE CONTRIBUTION SCHEDULES

Advice employees to **notify nearest NASSIT Office of any name change** to ensure wages are properly credited to their records. Do NOT update your payroll records for a name change until the employee has obtained a new Social Security card.

You can help employees by reminding them to promptly report a name change to the nearest NASSIT Office and requesting a SS1C Form (Application for Member's Information Update and replacement of Social Security Card), which is also used for name changes. Inform employees that just notifying their payroll office will not change NASSIT's records and their social security contributions may not be properly credited to their records.

## **MOST FREQUENT REPORTING ERRORS**

### *GENERAL*

#### ***Incorrect Employee Names and Social Security Numbers (SSNs)***

In order to credit earnings to an employee record, the employee name and SSN must match the name and SSN in the Nearest NASSIT Office.

#### **Use of Initials in Name Fields**

The name fields of social security contribution schedules should not include initials but full first, middle and surnames if applicable. Initials in the employee name fields could prevent easy crediting of employee's accounts.

## THE SOCIAL SECURITY STATEMENTS OF ACCOUNTS

The *Social Security Statements of Account* is a concise, easy-to-read personal record of the earnings on which employees have paid Social Security contributions during their working years and a summary of the estimated benefits they and their families may receive as a result of those earnings.

The Trust provides the statements in two ways: First, direct mailings to workers; and second, at any time to workers who request them from the nearest NASSIT Office.

Employees should keep their statement with other important papers and use it in several ways:

- First, the benefit estimates in the statement can play an important role in financial planning. When combined with savings, investments and other pensions, Social Security benefits can help build a secure future for one's self and family.
- Second, the statement can help make sure that reported earnings and other important information such as name and date of birth are correct on the record. Mistakes could keep one from getting all the Social Security benefits they have earned. The sooner mistakes are identified, and the nearest NASSIT Office is notified, the easier it will be to help correct them.
- And finally, the general information on the statement tells about all the protection one earns under Social Security. Many people think of Social Security only as a retirement programme. The statement shows how even young workers are building valuable protection in case they become disabled or die before they reach retirement age.

## **REPORTING HOUSEHOLD EMPLOYEE SOCIAL SECURITY CONTRIBUTIONS**

Many people hire housekeepers, maids, baby sitters, gardeners, and others to work in and around their home. Although sometimes self-employed, generally, such workers are considered household employees. This category of employees is not normally registered by their employers. However, the NASSIT Act No.5 of 2001 also covered them.

Household employers must register their employees, and pay social security contributions as prescribed in the Act. In terms of reporting on household employee's contributions, remain the same as it is done in the case of other employees.