

## IMPORTANT NOTE

It is an offence punishable by law to obstruct, refuse to give information or inhibit an inspector in the normal course of his duties.

*Should you require any additional information, or have any question, please contact:*

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## EMPLOYERS HANDBOOK ON SOCIAL SECURITY

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## **1. WHAT IS SOCIAL SECURITY?**

Social Security is founded on the fundamental principle of the pooling of resources and the sharing of risk to offer a measure of protection for insured persons and their dependents, during times of economic distress caused by loss of earnings.

The scheme is a contributory one, whereby the contribution rate is related to earnings, and entitlement to benefits is dependent upon satisfying the required qualifying conditions.

## **2. EMPLOYER REGISTRATION**

All employees and self-employed persons between the ages of 16 and 60 years are required by law to register and to contribute to the Dominica Social Security scheme.

Every person who becomes an employer shall within seven (7) days of his employing his first employee be required to register as an employer and to register all his employees.

An employee is required to present his Social Security Card to his employer within four days of the commencement of his employment.

An employer is legally responsible for the payment of contributions on behalf of his employees and must ensure that all his employees are registered with the Dominica Social Security.

The employer must pay all outstanding contributions in respect of the insured Person, within fourteen days after the end of the month in which the employment is terminated; the date of termination should be indicated on C8 form.

## **13. DUTIES AND RESPONSIBILITIES OF AN INSPECTOR**

An Inspector or any authorized officer appointed by the Social Security Board has the power under the law to visit at all reasonable times any premises or place, whether or not residential, where the officer has reason to believe persons are employed. The officer has the authority to examine payrolls, other documents and records to ensure that timely and correct deductions are made to Social Security in keeping with these records.

## **11. CONTRIBUTIONS PAID IN ERROR**

Refunds are payable in respect of contributions which were paid in error. However, the Social Security Board may treat contributions erroneously paid, as paid on account of contributions properly payable.

**The Prescribed time for claiming:**

- (a) If the contribution was paid on time, within two (2) years from date of payment;
- (b) If the contribution was paid late, within two (2) years from the date it was due, or within twelve (12) months from the date of payment, whichever is later.

**The Prescribed manner of claiming:**

Every application must be made on the approved form which must be signed by both the employee and his employer.

**12. TERMINATION OF EMPLOYMENT**

Where an employee's service ends, Social Security contributions are due for each week up to and including the last week of employment.

Contributions are also due for any further period for which the employee is given paid leave, or for which he/she is paid wages in lieu of notice. If wages are paid in lieu of notice, work officially ends on the last day of the notice period.

Employee records should contain the Social Security number and the employee's full name, as shown on the employee's Social Security Card.

An employer must register as a self-employed person unless he/she has a valid employee status.

The spouse of an employer, if employed in the business, must register as a self-employed person, unless he or she has a valid employee status.

An employer and his spouse will only qualify for employee status in the following circumstances:

- (i) If the employer is already working as an employee of another business establishment, e.g. if he/she is employed as an employee of Government but is also an employer
- (ii) If the business is legally registered as a company, then the company has the legal entity of employer and all persons employed are the employees.

**Guidelines For Completion Of The Employer**

## Registration Form

1. All sections of the application form must be properly completed.
2. The first page of the form seeks to obtain particulars about the business:
  - (i) **Name of firm or business:** If the business does not have a name, belongs to a sole proprietor or where employment is for domestic purposes, this section should be left blank.
  - (ii) **Registered Company/Authorized Personnel:** To be completed only when businesses are legally registered companies. A copy of the certificate of company registration should be attached to the form.
  - (iii) **Address of Business:** This should include the full address (with street and number) even when a postal box is given.
  - (iv) **Number of employees:** Total number of employees should reflect all persons employed at the time of application.
3. The second page requires the particulars of all the employees; this is necessary to create the link between the employee and his employer, when contributions are submitted on his behalf:

## 10. EXEMPTIONS

Contributions are not liable in respect of:

- (a) Employees who are under the age of 16 or over 60 years.
- (b) full-time ***unpaid*** apprenticeship
- (c) Every week, for the whole of which the employee was in receipt of either Sickness, Maternity or Employment Injury Benefit, and no wages were paid.

The following procedures should be followed:

- (a) To determine the insurable earnings, round up the actual wage to the nearest dollar, subject to the ceiling on contributions.

**N.B.: For deduction purposes, fifty (50) cents and over should be rounded up to the next dollar amount; (the actual wage should, however, be entered on the Form).**

- (b) Work out the relevant percentages of the employees earnings for the respective week or month. (See Section 3 (b))
- (c) If the employee is paid weekly, add each week's contribution to arrive at the total contribution payable.

- (d) Enter the total of all contributions payable in the appropriate space, add late fees amount, if applicable.
  - (e) Complete Certification Section of C8 Form.
    - (i) The **full name** and Social Security number must be given for each employee. The Social Security number is made up of four alpha and nine digits, a total of 13 characters.
    - (ii) **Occupation:** this should reflect the job title or description
    - (iii) **Date of Commencement:** Refers to the start date of employment
    - (iv) **Wage:** In addition to the wage amount, indicate the payment frequency, i.e. weekly, monthly, or fortnightly.
    - (v) **Declaration:** The declaration must be completed.
- 2. To register, **employees** must submit to the Social Security Office, a completed, signed application form, together with a Birth Certificate and a Marriage Certificate (if applicable).
  - 3. The **employer** must complete the bottom section of the employee application form before it is submitted to the Social Security office.

## EMPLOYEE REGISTRATION

- 1. Employers are required to ensure that all employees are registered with the Dominica Social Security Scheme.

## **GUIDELINES FOR EMPLOYEE REGISTRATION**

The following guidelines will assist employees in completing the application form.

- Present Surname:** Surname on Birth Certificate. In case of a married woman-marital Surname.
- Maiden Name:** For a married woman- Surname before marriage.
- Name Commonly Used:** Name used as appears on Birth Certificate. *(Please note that if Name Commonly Used does not appear on Birth Certificate, please treat as an Alias or Nickname)*
- Other Name:** Second name appearing on Birth Certificate (if any)
- Address:** Postal address (if different from place of residence)
- Wage/Salary:** Gross Weekly or Monthly Wage
- Particulars of Mother:** Mother's Surname at the applicant's date of birth.
- Maiden Name:** Mother's maiden name if married.
- Particulars of Spouse:** Maiden name applies only to wives of male applicants.

## **7. WAGES PAID IN ADVANCE/**

## **IN LIEU OF NOTICE**

Where wages are paid in advance for any period, the employer must deduct contributions in advance for that period before the payment of wages. This should be broken down for the relevant period and contributions paid in the normal way; the C8 should be completed accordingly.

For weekly and fortnightly paid employees, enter the total pay under the respective Week Number which corresponds to the period for which wages were paid.

(Refer to the Social Security Calendar for a description of the relevant Social Security Week which runs from Monday to Sunday.)

## **8. EMPLOYERS WITH COMPUTERIZED PAYROLLS**

Employers who wish to submit their own computerized form instead of the Social Security approved form, must first submit a sample of their form to the Director for his approval.

## **9. CONTRIBUTION DUE**

Contributions should be determined for each week separately and then totaled, to arrive at the monthly contribution payable.

#### 4. MONTHLY CONTRIBUTION REMITTANCE FORM (C8)

These are forms initially supplied by the Social Security Office for reporting monthly wages and contributions of employees. All relevant information must be stated on the form.

Wages should be checked against the employers private wage records for verification and submitted with payment of contributions. Any changes with regard to termination of employment and new employees, should be inserted in the section of the form which indicates: **“Date of Comm/Term”** (Instructions for completing the Contributions remittance form can also be found on the reverse side of the form.)

#### 5. SHORT PAYMENTS

A separate C8, with the relevant details, must be completed where a short-payment has occurred as a result of wages, (whether total or partial) which were omitted on previous C8 Form.

#### 6. RETROACTIVE WAGE INCREASE

Once contributions have been paid correctly for a period, no change is necessary in respect of the period concerning any retroactive wage increase. However, the retroactive wage

should be included with the wages relating to the relevant week or month in which it is paid, and contribution determined on the total.

**Employer Section:** To Be Completed By Employer

**Documents to be Produced:** For Nationals: Birth Certificate & Marriage Certificate (if applicable).  
For Non-Nationals—Passport may be accepted.

### 3. PAYMENT OF CONTRIBUTION

#### (a) RECORD-KEEPING

The employer must maintain his own private record of wages paid to his employees.

#### (b) RATES OF CONTRIBUTIONS

The total contribution rate is: **9.75%** (i.e. 3% Employee; 6.75% Employer), in respect of employees who are exempted from the provisions of Section 2, Sub-section 2 & 4 of the Protection of Employment Act No.1 of 1977, such as Government employees, managerial staff, domestic and stevedores; **and 10%** ( i.e. 3%--Employee and 7%--Employer) for all other categories of employees.

### **(c) DEDUCTION FROM EMPLOYEE**

The employee's share of contribution is based on his gross wage, and should be deducted ***before*** the wage is paid. The employer does not have the right to recover from the employee the employer's share of the contribution.

If, because of an error made in good faith, the employer fails to deduct the full amount of the employee's share of contribution, he may, after prior notification to the employee, recover the balance from any subsequent payment of wages during the same year. Therefore, if deduction is not made during the same year in which it was due, the employer loses the right to recover from the employee his share of the contribution.

The following gives the employer, general guidance regarding the legislative requirements and procedures for the payment of Social Security contributions.

If an employer is convicted for non payment of contributions for a specific period and the employee contributions were not deducted during that period, the employer is liable to pay the full amount of both the employee and employer contributions.

### **(d) EMPLOYMENT BY MORE THAN ONE EMPLOYER**

Where an employee is employed successively or concurrently in a contribution week or part of a contribution week by more than one employer, each employer is liable to pay contributions with respect to the wages paid by him to that person.

### **(e) PAYMENT OF CONTRIBUTIONS**

Contributions are payable in respect of all employees (including part-time or temporary workers) between the ages of

16 and 60. Such contributions are liable from the week in which an employee reaches 16 years to the week in which the employee reaches 60 years). The employer is responsible for payment of the total contributions due to the Dominica Social Security.

### **(f) DEADLINE FOR MAKING PAYMENT**

Contributions are payable on/or before the 14<sup>th</sup> day following the month in respect of which wages are being paid. If the 14<sup>th</sup> falls on a weekend or holiday, the deadline will be extended to the next working day.

### **(g) LATE PAYMENT OF CONTRIBUTIONS**

If contributions are not paid on the due date, a late fee of 10% of the amount payable will be charged in respect of contributions received. However, where the contribution was paid via the mail, the late fee will be waived only if it can be proven that the contribution was posted by the 14<sup>th</sup>.