

# COVID-19 Stimulus Payroll Support

## Information and application process

To support businesses that are facing revenue losses due to the Covid-19 pandemic and to assist in the prevention of lay-offs, the Government of Sint Maarten will provide eligible employers with payroll support for their employees. This Payroll Support Plan will ensure job retention and create a buffer for the increasing economic impact. Government will pay a maximum of 80% of the payroll of qualifying businesses for a period of maximum 3 months\*.

In addition, the Government of Sint Maarten has introduced a program for employers to support employees that are not qualifying for the Payroll Support Plan but have a decline of revenue of more than 20% in the month of April 2020 as a result of the Lockdown. This additional program is called the Lockdown Payroll Support Plan.

### *SZV Employer Portal*

The Social and Health Insurances (SZV) has been entrusted by the Government of Sint Maarten to execute the Covid-19 Stimulus Payroll Support Plan on behalf of Government. Employers that want to apply for this Payroll Support Plan must have an active account for the SZV [Employer Portal](#). If you do not have an account, visit the Employer Portal page by [clicking here](#) and register for an account. For more information and application procedures for the COVID-19 Stimulus Payroll Support Plan visit <https://www.ssrp.sx/>.

Please note that all amounts in the SZV Employer Portal should be recorded in NAf. In case your payroll administration is in USD please use an exchange rate of USD1 = NAf 1,78 . All payments by SZV will in NAf.

*\*can be adjusted by Government of Sint Maarten*

## Who can request for the Payroll Support Plan?

The employer applies for the Payroll Support Plan. An Employer must have employees and these employees must be registered at SZV in accordance to the Sickness Insurance and Accident Insurance Ordinances.

Employers must apply for SZV's online [Employer Portal](#) to be able to submit an application for the Payroll Support Plan and confirm or modify online the employees' information.

[Click here](#) to go to the SZV Employer Portal to apply or access your online account.

## Who cannot request for the Payroll Support Plan?

Employers listed on the exempt list 'Business sector/category' (see list in Appendix 1) do not qualify for the Payroll Support Plan. The exempt list is based on the International Standard Industrial Classification of All Economic Activities (ISIC), a United Nations industry classification system. ISIC classifies entities by activity.

## Who is an employer?

You qualify as an employer, if you employ one (1) or more persons, meaning that they work for you and receive wages. Everyone who has one or more employees executing labor is an employer.

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An employer can be a natural person, such as an individual, called a sole proprietor, or a legal entity, such as a corporation, a foundation, a N.V. or a B.V.

All employers are required by law (in accordance to the Sickness Insurance and Accident Insurance Ordinances) to register at SZV.

### What are the requirements for the Payroll Support Plan?

Employers must verify the employees' information in SZV's registry via the online SZV Employer Portal. The correctness of this information is important as the calculation of the Payroll Support contribution is based hereon. The employer can submit mutations for the differences that are detected no later than April 24, 2020 for the support for the month of April.

For each month of the Payroll Support Program, employers have to fill in an application form named the Covid-19 Stimulus Employer/Business Application form which can be found on the SZV Employer Portal. The deadline for submitting the application is:

- For April: April 24, 2020
- For May: May 22, 2020
- For June: June 19, 2020

An employer has to prove, based on the declared revenue (the total of the taxed- and exempted revenue) as per the comparison of the monthly TOT returns for the applicable months of 2019 and 2020, that their revenue has declined by more than 20% because of the Covid-19 pandemic. For the Payroll Support contribution for the month April, the declared revenue on the TOT declaration of March 2019 will be compared to that of March to prove the decline of its revenue. This will be done subsequently for the next two months. Employers have to upload the applicable TOT returns when filing their monthly application.

If the employer was not (fully) operational in 2019, the declared revenue of the February 2020 TOT declaration need to be compared to the declared revenue of TOT declarations for the months of March, April and May 2020.

In order to provide proof of the revenue decline, employers must submit and pay on time to the applicable authorities their monthly (i) ZV/OV declarations, (ii) Wage Tax & AVBZ tax returns and (iii) TOT tax return:

- The declarations for the month of March must be done no later than the application date (no later than April 24, 2020) of the Covid-19 Stimulus Employer/Business Application Form. Payment is due no later than May 4, 2020. The TOT declarations of March will be used by SZV to evaluate the Payroll Support Plan for the month of April 2020.
- The declarations for the month of April: declaration and payment no later than May 15, 2020. The declarations **and payment** for April will be used by SZV to evaluate the Payroll Support Plan for the month of May 2020.
- The declarations for the month of May: declaration and payment no later than June 15, 2020 for the month of June Covid-19 stimulus payroll support. The declarations **and payment** of May will be used by SZV to evaluate the Payroll Support Plan for the month of June 2020.

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The employer has to pay the monthly taxes and social premiums and have to **continue paying** its registered employees.

The submitted application will be processed internally by SZV. If there is any information missing in the application, SZV will contact the employer **via the email** address as provided by the employer in the application.

### *Bank account*

Employers must provide a Dutch Sint Maarten bank account in the application form. All payments with regards of the Payroll Support Plan, will be done by SZV in guilders (NAf) to this bank account

### **For which employees, the employer can receive a contribution Payroll Support Plan?**

This Payroll Support Plan is **not** applicable for employees that were hired after April 1, 2020. The calculation of the qualifying registered ZV/OV wages is based on the employees that were already on the payroll before April 1, 2020.

### *Part time workers*

The contribution from the Payroll Support Plan is maximum 80% of the registered ZV/OV wages at SZV, taking into consideration the applicable part time factor if applicable.

### **How will the contribution from the Payroll Support Plan be calculated?**

To determine the Payroll Support Plan contribution, the **registered ZV/OV wages** are used as this a good reflection of the payroll on an Employer. In order to qualify for the Payroll Support Program, employers must declare **and pay** the ZV/OV premiums and Wage Tax & AVBZ premium for their employees for the month March, April, May and June.

The contribution from the Payroll Support Plan is maximum 80% of the registered ZV/OV wages at SZV with a maximum of the ZV wage limit (NAf 5,651.36 per month).

Scenario 1: Your employee is registered at SZV with are registered ZV/OV wage of NAf 2,500 and the employer's contribution percentage is 70%, the maximum amount of contribution is NAf 1,750.

Scenario 2: Your employee is registered at SZV with a salary of NAf 6,000 for OV only and the employer's contribution percentage is 70%, the amount of the contribution is 70% of the ZV wage limit (NAf 5,651.36 per month) is NAf 3,955.95

The **contribution percentage of the Payroll Support Plan** is determined based on the revenue percentage decline due to the Covid-19 pandemic. Three impact categories are identified: medium impact, medium/high impact and high impact. The Payroll Support Plan contribution percentage is respectively 60%, 70% and 80% of the registered ZV/OV wages. See table below:

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Percentage decrease in revenue	Impact category	Payroll support plan contribution percentage
>20% - <= 50%	Medium impact	60% of registered ZV/OV wages
>50% - <= 80%	Medium/high impact	70% of registered ZV/OV wages
>80%	High impact	80% of registered ZV/OV wages

From the moment an Employer applies for the Payroll Support Plan, the employer is **required to keep the employees in service for the entire period of the Payroll Support Plan**. Contract terminations based on temporary employment contracts (whereby this temporary contract will automatically have been terminated at a set date), are exempted for the Payroll Support Plan.

### What happens when you have submitted your application?

SZV reviews all submitted information and makes a decision on the request for the Payroll Support Plan on behalf of the Government of Sint Maarten. This decision including the calculation of the contribution of the Payroll Support Plan is communicated to the employer via email.

If SZV's verification process cannot take place on a timely basis, SZV can proceed with payments based on its registered employees list. The difference based on the not timely verified mutations will be paid or withheld from the next month payroll support.

The employer can view in the SZV Employer Portal which mutations were accepted or rejected by SZV.

### Lockdown Payroll Support Plan

In addition to the Payroll Support Plan, the Government of Sint Maarten introduced an additional payroll support plan, the Lockdown Payroll Support Plan. This program is for (i) those employers that are **not** qualifying for the Payroll Support Plan and (ii) have a decline of their revenue of more than 20% in April 2020 (compared with April 2019) as the result of the lockdown that was enforced by Government as of April 5, 2020. Employers that are listed on the exempt list Lockdown Payroll Support Plan (see appendix 2) will **not** qualify for the Lockdown Payroll Support Plan.

Considering that only essential businesses were allowed to be open as of mid-March followed by a mandated lockdown during the month of April 2020, the exempt list for the Lockdown Payroll Support Plan is shorter than the Payroll Support Program. This means that more business categories are eligible for payroll support in April than in May and June.

In order to qualify for the Lockdown Payroll Support Plan the same conditions and requirements, including the applicable contribution percentage, apply as for the Payroll Support Plan with the following exemptions:

- Qualifying employers will have to submit their application form for the Lockdown Payroll Support Plan via the SZV Employer Portal not later than May 22, 2020;

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- An Employer has to prove, based on the declared revenue (the total of the taxed and exempted revenues) as per the TOT returns of April 2020 and April 2019, that their revenue has declined by more than 20% because of the lock down.

Payment of the applicable contribution for Lockdown Payroll Support Plan will be done by SZV between May 25 and May 30, 2020.

### Digital Signature and non-compliance

As part of the application, employers are required to **sign a digital declaration** before the payments of the Payroll Support Plan and the Lockdown Payroll Support Plan is released. This will ensure that the received contribution from the Payroll Support Plan and the Lockdown Payroll Support Plan is based on accurate information and that employers have to continue paying its registered employees.

**Non-compliance** with the stipulations of the Payroll Support Plan or the Lockdown Payroll Support Plan can lead to sanctions against the employer which include repayment of (a part) of the contribution for the Payroll Support Plan and or the Lockdown Payroll Support Plan. Non-compliance includes not paying the monthly taxes and social premiums and/or not paying the registered employees.

SZV, the Inspectorate of Taxes and Audit Team Sint Maarten (ATS) have the **right to verify the accuracy** of the submitted information of the employer. Future audits and adjustments on the contribution from the Covid-19 stimulus payroll support plan based on risk analysis are possible.

### Objection procedure

In case of a (partial) denial of the application by the SZV, the employer has the right to submit a protest letter to the Review committee and to explain its disagreement with the decision by SZV. The Review committee will review the objections and render a decision on behalf of the Government of Sint Maarten. The Review committee's decision is final.

Employers on the exemption list (both appendix 1 and 2) , experiencing minimal 20% decline of revenue due to the Covid-19 pandemic, are allowed to present their case to the Review committee. If the committee approves such request, the employer and SZV will be informed via email. SZV will process this request within 10 working days after approval by the committee.

### Employee Helpdesk

Employees will be able to contact a digital Employee Helpdesk. The Employee Helpdesk will become operational as of noon April 20, 2020. Employees will be able to ask questions and or request information. The email address is [ssrp@szv.sx](mailto:ssrp@szv.sx)

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### Appendix 1 Exempt list Business sector/category

Sector	Category
Administrative and support service activities	Office administrative, office support and other business support activities
	Rental and leasing activities
	Services to buildings and landscape activities
Construction	Civil engineering
	Construction of buildings
	Specialized construction activities
Education	Education
Electricity, gas, fuel, steam and air conditioning supply	Production and distribution electricity, gas, fuel, steam and air conditioning supply
Financial and insurance activities	Activities auxiliary to financial service and insurance activities
	Financial service activities, except insurance and pension funding (banks)
	Insurance, reinsurance and pension funding
Human health and social work activities	Human health activities, hospitals, medical practice and other human health activities
	Residential care activities
	Social work activities without accommodation
Information and communication	Computer programming, consultancy and related activities
	Information service activities
	Programming and broadcasting activities
	Publishing activities
	Telecommunications
Manufacturing	Manufacture of beverages
	Manufacture of furniture
	Manufacture of textiles
	Manufacture of wood products
	Manufacture of cement, lime and plaster
	Repair of ships and floating structures
Other service activities	Activities of membership organizations (excluding taxi association)
	Funeral and related activities
Professional, scientific and technical activities	Activities of head offices or management consultancy activities
	Advertising and market research
	Architectural and engineering activities; technical testing and analysis
	Legal and accounting activities
	Tax and audit activities

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	Veterinary activities
Public administration and defense; social security	Public administration and defense; compulsory social security
Real estate activities	Real estate activities with own or leased property or on a fee or contract basis (excluding timeshare and condos)
Wholesale and retail trade; repair of motor vehicles and motorcycles	Wholesale and Retail trade supermarkets, hardware stores, household goods
	Wholesale and retail trade of motor vehicles and motorcycles
	Repair of motor vehicles and motorcycles
	Wholesale trade food beverages and tobacco
Transportation and storage	Water transport (freight)
	Air transport (freight)
	Warehousing and support activities for transportation
	Land transport (Trucking, Garbage collection)
	Postal and courier activities

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### Appendix 2 list of exempted companies for the Lockdown Payroll Support Plan

Sector	Category
Education	Education
Electricity, gas, fuel, steam	Production and distribution electricity, gas, fuel, steam
Financial and insurance activities	Activities auxiliary to financial service and insurance activities
	Financial service activities, except insurance and pension funding (banks)
	Insurance, reinsurance and pension funding
Human health and social work activities	Human health activities, hospitals, medical practice and other human health activities
	Residential care activities
	Social work activities without accommodation
Information and communication	Computer programming, consultancy and related activities
	Telecommunications
Other service activities	Activities of membership organizations (excluding taxi association)
	Funeral and related activities
Public administration and defense; social security	Public administration and defense; compulsory social security
Real estate activities	Real estate activities with own or leased property or on a fee or contract basis (excluding timeshare and condos)
Wholesale and retail trade; repair of motor vehicles and motorcycles	Wholesale and Retail trade supermarkets
	Wholesale trade food beverages and tobacco
Transportation and storage	Water transport (freight)
	Air transport (freight)
	Warehousing and support activities for transportation
	Land transport (Trucking, Garbage collection)
	Postal and courier activities