

## **Announcement to all Employers**

In connection with the introduction of the Basic Health Act as of February 1, 2013, we wish to inform you that the Social Insurance Bank (SVB) is responsible for the implementation of this Act.

The premium rate is in principle 12% of the income (10% for retirees). The income consists of wages and income that is not subject to payroll tax, such as foreign income, operating profit, interest, dividends, rental income, etc. The income for the payroll tax is the total of all income. The deductions are, therefore, not taken into account.

In the case of an employer-employee relationship, 9% is payable by the employer and 3% by the employee. The premium income limit is NAF. 100,000 per year.

The basis for levying the basic insurance premium by the employer is as follows:

Total wage (cash salary and wages in kind)

Minus: acquisition costs (NAF. 500 per year)

Minus: sf / vf (savings fund/provisions fund)(deductible up to NAF 840 per year.)

Minus: employee's share pension fund

### **Basis for the Basic Insurance**

The payments made by the employer, as is the case with the payroll tax, are considered an advance levy on the final premium payment. For the income that is below NAF. 1,000, - per month, there is a waiver of premium. In addition to the income-related premium, everyone, starting from the year in which he/she becomes 18 years of age on January 1st, will have to pay a nominal premium of NAF. 82.00 annually.

The Health Insurance Act has been amended in connection with the introduction of the Basic Health Insurance Act. The premium pursuant to the Health Insurance Act (ZV) is intended solely for sickpay (loss of wages). The contribution rate payable under Article 8 of the ZV, has been set, as of February 1, 2013, at 1.9% (P.B. 2013 no. 4: Government Decree establishing premium, premium income limits, fee payable by the individual and supplementary basic health insurance premiums and health insurance premium). This premium will be borne by the employer.

Starting February 1, 2013, the Tax Inspectorate and the Tax Collector are respectively responsible for levying and collecting premiums payable pursuant to the Basic Health Insurance Act. The declaration and payment in respect of the aforementioned contributions cannot be made at the SVB, but must be paid before March 15, 2013 to the Tax Collector.

The SVB remains in charge of levying and collecting the premiums payable under the provisions of the Health Insurance Act and the Accident Insurance Act (OV), and the contribution payable under the provisions of the *Cessantia* (severance pay) Regulation. The last two Acts have not been amended. You should, therefore, with regard to February, pay -before March 15, 2013- your ZV premium (1.9%) and OV premium (variable depending on hazard class) to the SVB and continue to do so every month.

In Summary:

<b>Basic Insurance:</b>	12% of the income
employer	9% of the salary
employee	3% of the salary
premium income limit:	NAF. 100,000 per year
retirees	10%

Nominal premium NAF. 82 per year, with the exception of people with an income that is less than NAF. 1,000 per month and persons younger than 18 years.

With an income of less than NAF. 1,000 per month, no income-related premium is due.

**Wage Loss (ZV)** employer 1.9% of wages (the wage limit with regard to 2013 is NAF 5,135.)

For more information, please contact:

Inspectorate: telephone 734-2672

SVB: Tel. no. 434-4000 ext. 466, 477 or 470