



The basic information that every employee needs to know...

Employees Quick Compliance Reference Guide for

Disclaimer: All official laws precede and no claims or rights are given in case of changed or incorrect information.



For Assistance from the Labor Department regarding any Labour concerns that you may have please call: +1721 542-3561 / +1721 543-7509 / +1721 543-0170 / +1721 543-7510

www.szv.sx

For information on insurance/Pension please visit:

<http://www.sintmaartengov.org/government/VSA/labour/Pages/Labour-Legislation.aspx>

For more information on the Labour Laws please visit:

<http://www.sintmaartengov.org/government/VSA/labour/Documents/Fundamental%20Rights%20of%20the%20Worker%20poster.pdf>

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1 What is a labor agreement?

A labour agreement is a contract between an employer and an employee outlining working conditions, wages, etc. This contract can be a verbal or written agreement, although a written agreement is preferred as it clearly documents the terms and conditions of your relationship. A labour agreement is required to ensure that:

- You are in service and your employer can give you directions on how to perform your job during the hours agreed upon
- You receive wages for your work
- You personally have to carry out the work agreed upon

2 What is a pay slip/salary slip?

All employees are entitled to a pay slip. A payslip is a written statement from the employer to the employee that outlines the total pay including (government) imposed taxes and deductions. A pay slip contains at least:

- Name of employer and employee
- Commencement date of labor agreement
- Gross salary
- All payable amounts, bonuses, overtime
- Total amounts withheld from salary (deductibles)
- Net amount of salary
- Payment period over which salary is being paid

* The employee should be able to verify his/her salary. If you don't get your pay slip, please contact the Labor Affairs Agency at 5423561

3 What is a gross salary?

A Gross salary is the total amount of your salary before any deductions, including taxes and premiums for social and/or medical insurances.

What is a net salary?

A net salary is the salary that you take home after taxes and premiums for social benefits have been deducted.

4 What is a trial Period?

A trial period is a period in which the employer may evaluate your qualification and fitness for the position you are hired for. A trial period is only valid in case it is stated in your labor contract. The maximum duration of a trial period is two (2) months as stipulated by law.

5 What is considered overtime?

Overtime is:

- work being done by the employee during a period of rest or holidays
- work being done by the employee after the maximum agreed upon work hours per day.

In case of a part time contract of, for example, 20 hours per week, there is only overtime if the regular 20 hours per week is exceeded (or for full time schedule workers 40 hours per week). Only if parties make other arrangements will other rules apply.

6 How many vacation days an employee is entitled to?

Once you work 5 days a week, you are entitled to minimum 1.25 working day per month, which amounts to 15 vacation days per year. Vacation days are obligated by law. If you work less than 5 days a week the number of working days per week is multiplied by 3.

For example: if you work 3 days a week, your vacation days per year should be:
 $3 \times 3 = 9$ vacation days per year.

8 How much premiums should be deducted from your salary for sickness insurance (ZV)?

4.2% from your gross salary should be deducted for ZV- premium. Your employer pays 8.3% ZV- premium.

7 Right to medical insurance

The employee who earns less than Naf 260,- per day for 5 days workweek or Naf 217,36 per day for 6 days workweek is entitled to sickness and health insurance through SZV along with their immediate family members. Employees with higher income should have private medical insurance.

9 How are you covered for accident insurance?

Regardless of the wage amount, all employees are issued for accident insurance (OV). Premiums for accident insurance vary from 0,5 % to 5 % according to the category of work.

10 Can you remain insured after your last employment?

If you are no longer employed, then it is advised to call SZV and, they will make a decision if you can remain insured or not, based on your situation. SZV can be reached at 54-66782.

11 Pregnancy & Maternity Leave

The female employee is entitled to full paid leave of 12 weeks. The employee decides when the pregnancy leave starts, with a minimum of 4 weeks and a maximum of 6 weeks before the estimated delivery date, which must be determined by a medical specialist. (Maternity leave starts with a minimum of 6 weeks and a maximum of 8 weeks after the birth. If you want to extend your maternity leave this needs to be authorized sick leave or vacation).

12 When can the employee be dismissed on the spot?

An employer can dismiss an employee on the spot in case of:

- Theft by the employee,
- Refusal to work

There are also other reasons stipulated in the law whereby an employer can dismiss an employee.

In case you are of the opinion that you are wrongfully dismissed, you can contact Labor Affairs Agency, or file a court case in order to have the dismissal annulled. The employee can also file a claim for damages incurred.

13 What are AOV pension benefits & when will you receive it?

The AOV pension is a social benefit for Sint Maarten residents, that is being built up between the age of 15 and the pensionable age. AOV pension can also be built up by persons who may not be residents but are assessed for their income tax as being a resident. It is therefore advisable to make sure that you submit your Income Tax return each year.

Upon reaching the AOV pensionable age you have to apply for your AOV pension benefit at SZV. SZV then determines if and how long you were insured, and calculates how much AOV pension benefit you are entitled to. The AOV pensionable age as of the year 2018 is 62 years. Please visit www.szv.sx for more information about the AOV pension benefit.

14 Can someone continue working after the AOV pensionable age?

Yes, an employee can continue working after the AOV pensionable age. In certain cases a pension age may be indicated in the labor contract or a collective labour agreement. It is important to know that when you continue to work past the AOV pensionable age, the AOV premium should not be withheld any longer from your wages. In case the AOV premiums are withheld by your employer, when you submit your Income tax return you will be refunded the amount of premiums paid.

