



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

Employers

Compliance Guide for

When the Labour Affairs Department or any other Inspectorate visits your business you should have the following information readily available in the workplace.

- Updated Chamber of Commerce and Industry (COCI) registration - **COCI: 542-3590**
- Valid business license & directors license - **TEZVT (Economic Affairs): 542-2986**
- Labor Registration - **Labor Affairs: 5423561**
- Valid employment Permits of foreign employees, if applicable
- SZV registration of all employees - **SZV: Harbour View building, Sparrow Rd. #4 Philipsburg, Sint Maarten Phone: +1 721-546-6782**
Website: <http://www.szv.sx> - E-mail: info@szv.sx
- List of personnel and valid identification documents. All staff on the job needs to be able to show an original identification document
- Work schedule of employees
- Overtime Register of employees
- Occupational Health and Safety Standards Compliance
- Tax Compliance - **Tax Department :5422143**

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



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Below you will find the most relevant compliance information for an employer with the applicable labor laws of Sint Maarten. For any additional information on procedures, documents required, forms and costs associated, please use the contact details for the relevant organizations.

Chamber of Commerce Registration & Business License (THIS COMES FROM TEZVT/TEATT)

All businesses should be registered at the Chamber of Commerce and Industries. In principal, every business on St. Maarten must have a business license in order to be able to operate. Only businesses, which are sole proprietorships owned by people born in the former Netherlands Antilles and residing in Sint Maarten before 10-10-10, do not need a business license. An annual fee for registration is applicable for all businesses.

Labor Registration

It is mandatory by law that all companies established on the island, register their business and employees with the Labor affairs agency. Employers must fill out the Labor registration form. The business will receive a proof of labor registration. Please note: The registration of the company should be updated on a yearly basis. If you hire new employees you need to notify the Department.

Work/Employment Permits for Employees

An employer who wants to employ a non-national/non-permanent resident must request an employment permit from the labor affairs agency. Persons who have a residence permit for an indefinite period, persons married to a person with Dutch nationality, persons who have been residing in Sint Maarten for at least five consecutive years prior to reaching legal age (18 years) and are based on a residence permit from their parents/guardian, and persons with Dutch nationality who are not born in Sint Maarten **DO NOT** need an employment permit.

Please note: - A business that employs foreigners without a valid employment permit can be punished by law with imprisonment of max. three months or a fine of max. Naf. 100.000,-.

- An employment permit cannot be transferred from one employer to another. A new request must be submitted. An employment permit is applicable to European Union member states' citizens.
- The renewal process should begin 3 months before a work permit expires.

List of Personnel & Work Schedule

Every employer must have an updated list of personnel in their files to present to the Inspectorate at any given time. This list includes an overview of all positions in the company and all employees their full name, date of birth, nationality, address and contact details. In addition employers should have a work schedule that outlines the work and rest hours in the company. A work schedule is mandatory and needs to be visible for employees and Labor inspectors.

Please note:- Working Hours: Maximum working hours should not exceed 10 hrs per day and 40 hrs per week (for scheduled work: 45 hours per week over a 4 week period), other than by way of overtime or agreed upon by Collective Labor Agreement (CLA).

Employers must provide rest periods according to the labor regulations.

Overtime: The employer has to keep an overtime register. The employer is obliged to pay overtime when maximum working hours per day are exceeded.

Public Holidays: All employees are entitled to being off on official Public Holidays. In case an employee is required to work on a public holiday that person is entitled to an overtime compensation of at least 200%. These are not to be calculated into the vacation days that should be granted to an employee.

Occupational Health and Safety Standards

- The workplace needs to have sufficient daylight and efficient artificial lighting.
- The workplace needs to be clean and must have sufficient toilets and urinals (Separate male & female bathrooms).
- Employees need to be protected against adverse influences of the weather and the workplace must be well ventilated.
- Measures must be taken to prevent the creation or distribution and removal of harmful or irritating vapors, gases and/or dust.
- Measures must be taken to prevent accidents and standard procedures to provide assistance in case of accidents are mandatory.
- Clean drinking water or other non-alcoholic beverages need to be readily available for employees free of charge.
- Measures need to be taken to prevent poisoning, infection and occupational diseases.

Insurance for Employees

Any employer is by law obligated to ensure that all your employees are covered for accident insurance (OV). Also a Cessantia payment per employee in case of involuntary loss of work is mandatory. For sickness insurance (ZV) and the general insurance for particular sicknesses (AVBZ) employers are required to insure those employees that are earning under the maximum SZV wage limit set by government. Employees with a higher monthly income need to have private medical insurance at the discretion of parties. An employer is obligated to declare and pay all premiums that the employee owes over the previous month on behalf of its employees. The ultimate date of filing is the 15th of the following month. If the payment of the premiums is too late or the declaration is incorrect (in whole or part), the non- or too less declared and paid premiums will be corrected by way of an additional levy. This additional levy will be increased by a fine by SZV or the tax office for the respective. A fine is also applicable in case the Cessantia payment is not paid on time, being before June of each year. **Pay on time to avoid fines!**

It is also necessary to immediately inform SZV who is employed or who left the company. Failure to do so can result in SZV issuing a fine.

Employer contributions and Provisions for an Employee

An employer is responsible to provide its employees with a pay slip, labor contract, vacation days, sickness and accident insurance, and a salary that is at least in line with the minimum wage. These should be reflected in the pay slip. An employer is responsible to withhold and pay taxes on behalf of the employee. The employer is obligated to pay overtime to the worker (if applicable), and premiums to Government.

Please note: - It is illegal to deduct the wage taxes from your employee and not pay such taxes to government. The company and the managing director are accountable for this action.

Tax Compliance

All employers are obligated to file and pay taxes and social insurance premiums on a monthly and annual basis. These taxes and premiums include turnover tax, wage tax, premium A.O.V./A.W.W.; premium A.V.B.Z; premiums ZV/OV and Cessantia payments. Profit tax must be filed annually.

For timeshare properties, hotels and inns and car rental companies, the following taxes may also apply: Room-, Timeshare-, and car rental taxes.

Annual wage summaries and employee wage cards must be filed with the inspectorate of taxes and provided to the employee prior in advance of the annual income tax filing deadline of May 31st.

Please note: - If the submitted information/documents are not incorrect and/or incomplete, depending on the tax or premium a penalty ranging to Naf 5.000,- per infringement or for incorrect information up to a max. NAF 10.000,-, will be imposed. NB For Cessantia the maximum penalty is Naf 5.000,- per infraction, and for incorrect information max. Naf 10.000,-. For AVBZ the penalty is an increase of max. 100% of the amount of the premium. AOV/AWW is max. Naf. 10.000,-. ZV max. Naf 5.000,-.

- Your tax return document, which indicates how many employees are employed in the company should match the list of personnel.

Your tax return documents which indicated how many employees you have employed at your establishment should match your list of personnel.