ANNEXURE 2

GUIDELINES FOR THE COVID19 WAGE SUBSIDY

Further to the Press Release by the Permanent Secretary, Ministry of Finance and Economic Development dated 2nd April 2020 on the COVID19 ECONOMIC RESPONSE the following are the Guidelines for the implementation of the Wage Subsidy announced by the Honourable Minister of Finance and Economic Development, Dr. Thapelo Matsheka during his address of 1st April 2020.

1. What is the basis for payment subsidy?

The subsidy is being offered under the Public Finance Management (COVID-19 Pandemic (Corona Virus) Relief Fund) Order, 2020

2. Which business sectors qualify for the subsidy?

All business sectors are eligible for the subsidy **with the exception of the following:**

a. Water Supply;
b. Electricity Supply;
c. Wholesale – Food;
d. Retail – Food;
e. Post and Communications;
f. Banks;
g. Insurance;
h. Parastatal Companies;
i. Businesses with direct Government shareholding and Government aided entities such as non-governmental organisations;
j. Central Government;
k. Local Government;
l. Pension administration services;
m. Stock exchange services
n. Fund management services ;
o. Medical aid fund services;
p. Health and pharmaceutical services

3. What conditions apply to the subsidy?

i. Applicable only to **citizen** employees;
ii. Employers in identified sectors must be **registered for tax with BURS**;
iii. Employers must make a **commitment <u>not</u> to retrench employees** as a result of the pandemic;
iv. Applicant employer must produce a **wage bill from December 2019**;
v. The subsidy period **commences in April and ends in June 2020**

4. What if I am not registered with BURS?

A condition for accessing the wage subsidy facility is that employers must, at the least, be registered with BURS for income tax purposes. If a business is not registered but wants to access the facility they must register with BURS at the BURS website on the e-services portal.

5. What do qualifying businesses need to do to access the subsidy?

Step 1: Application form
Qualifying businesses need to complete the COVID-19 Wages Subsidy Application available on the BURS website. The form must be completed and submitted online. The form is available at the e-services portal on the BURS website as shown below.

Step 2: How will I know I am successful or unsuccessful?
Successful applicants will receive an email confirming successful registration. The TIN of the successful registrant will be necessary for uploading your completed WAGE SUBSIDY CLAIM FORM.

Step 3: WAGE SUBSIDY CLAIM FORM is available on home page of the BURS website. Download, complete and save the form before uploading by clicking on the Wage Subsidy Upload tab (found on eservices homepage)

Step 4: Monthly submission
It is important to note that for each month the successful applicant must submit a claim through the WAGE SUBSIDY CLAIM FORM. The deadlines for submission of the form is highlighted in Question 8 below.

6. Computations of the subsidy for each employee.
The basis for the subsidy is 50% of the employee's monthly wages with a minimum support of P1000 and a maximum of P2500 for each qualifying employee. A diagrammatic illustration of the subsidy is shown below:

WAGE (BWP)	HALF WAGE (BWP)	WAGE SUPPORT AMOUNT(BWP)
1000	500	1000
1250	625	1000
1500	750	1000
2000	1000	1000
2350	1175	1175
2500	1250	1250
3000	1500	1500
3500	1750	1750
4000	2000	2000
4500	2250	2250
5000	2500	2500
BEYOND 5000		2500
6000	3000	2500

7. Does the subsidy only apply to employees with wages of up to P5000?
No. The subsidy applies to any citizen employee of a business not included in the list above.

8. Do we expect employers to apply for the subsidy each month of subsidy period?
Applications for the subsidy are to be made once during the subsidy period being April to June 2020. However, employers are required to be submit monthly subsidy claims in the prescribed downloadable form before the 15th of each month in order to facilitate payment in that month. Claims received during a month but after the 15th of that month will be paid in the subsequent month.

9. When can applications be made?
It is advisable that applicants submit their applications and/or claim forms during the month for which they are requesting support. No applications shall be processed after 30 days of the expiry of the subsidy period.

10. When will subsidy payments be made to employers?
Employers who have submitted correct documentation by the 15th will be paid by the 25th of that month. However, for April, the deadline for submission is extended to the 20th April 2020 and payments will be made by the 28th April 2020.

11. What if an employer is found to have abused this subsidy? Examples of abuse include:
- **Failure to disburse within the month of payment to eligible employees**
- **Use of 'ghost' employees**
- **Attempting to apply more than once for the same period**
- **Providing misleading or incorrect information**

Any person who is found to have abused this subsidy shall be liable to prosecution

12. What other conditions are attached to the subsidy?
- Applications will be dealt with within the normal course of business and some may be rejected on the basis of fundamental criteria e.g. citizen employees, TIN, sectoral classification etc.

- Appeals against a decision of the Commissioner General may be considered by the Management Committee of the Public Finance Management (COVID-19 Pandemic (Corona Virus) Relief Fund) Order, 2020. The address for the Committee is:

The Secretary
Management Committee
Public Finance Management (COVID-19 Pandemic (Corona Virus) Relief Fund)
Ministry of Finance and Economic Development
P/Bag 008
Gaborone

13. How are employers to treat the subsidy payments to employees for tax purposes?
Payment of subsidy and other wages due to employees does not exonerate employers from the duty to withhold pay-as-you-earn as required under section 56 of the Income Tax Act as read with the 6th Schedule to that Act.

14. Does the subsidy apply to temporary employees?
The subsidy includes employees who are contractually bound to the company such as temporary employees.

15. What if an employee is employed by more than one employer?
Where an employee has more than one employer, the employee is obliged to inform their employers that they are employed by another employer and indicate to each employer where they wish to access the subsidy.

Further enquiries may be made to the following BURS officers during working hours:

Name	Contact number
Mr Tutu Bakwena	7300 3602
Mr Gaitsiwe Motsewabagale	7680 6967
Mr William Nkitseng	7301 4534
Mr Kunyalala Thapisa	7358 6764
Mr Gofaone Baleseng	7361 7519
Mr Oabile Simon	7358 7229