

Friday, 12 July 2019

Advisory note from the South Sudan NGO Forum regarding taxation on NSIF contributions

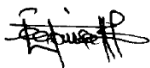
- i. This advisory note is in reference to the National Revenue Authority (NRA) Circular No. SSD/NRA/J/CG-5/19/11 issued on 09 May 2019.
- ii. The Commissioner General's comment on non-taxation of NSIF payments made after 9th May (in explanation of their circular on the same issue) was as follows:
 1. Any payments after the 9th of May 2019 should be made tax free. i.e. the full amount of NSIF contributions accumulated over the period of work should be given to the employee including the 8% employee contribution and the 17% employee contribution.
 2. There will not be any refund for tax withheld and remitted to the tax authorities from NSIF payments made before the 9th of May 2019. Staff are not entitled to demand these withheld amounts from the organisation because they were remitted based on the law at the time (as the NRA and Ministry of Finance and Economic Planning have previously communicated).
 3. Withheld amounts for any taxes deducted from NSIF pay-outs before the 9th May, where the money was not yet remitted to the tax authorities, can be returned to staff.
 4. The circular does not specifically direct that these payments have to be made on any particular timeline or schedule.
 5. The circular does not give a mandate for making such payments outside of the termination of a contract (this approval is still required through the Ministry of Labour as before).

The above points were reiterated during a Q&A session following a press conference called by the NRA Commissioner General on 17 May 2019. The same was communicated to the NGO Forum during a meeting with the Commissioner General on 20 May 2019.

The above has not been shared in writing with the NGO Forum by the NRA, beyond the referenced circular on the issue.

This note is only advisory. Each organisation should consult with their legal counsel before implementing organisational policies in relation to government circulars.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Pius D. Ojara".

Pius D. Ojara, PhD
Director, South Sudan NGO Forum