TECHNICAL ADVISORY

Issued by: Tax Administration Jamaica (TAJ)
Date: June 15, 2020
Advisory #: 15062020/01/MOFP COVID-19 BEST_CASH
Title: **TREATMENT OF COVID-19 BEST CASH GRANT**

The Business Employee Support and Transfer of Cash (BEST Cash) Programme provides temporary cash transfer to registered businesses operating within the tourism sector and who are registered with the Tourism Product Development Company (TPDCO). The Grant will be provided to these businesses based on the number of workers they have kept employed as of March 10, 2020 whose net taxable income is less than or equal to the income tax threshold of $ 1.5 Million per annum.

1. Eligibility criteria:

	Condition	Means of verification	Comments
1	Registration with TPDCO	TPDCO Data	Tourism – TPDCO Registration data is to be access by the WECARE System to confirm registration of the applicant.
2	Evidence of the employee being on the payroll during the month of the start of the program.	S01	The S01 for March 2020 will be used to confirm this information.
3	Evidence of retaining employee on payroll for the month(s) of claim.	S01 P45	Applicant must file S01 for the months of claim, April, May and June 2020. The employee must not be registered on a P45 submission for the month of claim
4	Employee minimum Net Pay of $ 18,000 for the month of eligibility	S01	See below for details on determination of net pay.
5	Employee annualized earnings must be less than $ 1.5 Million	S01	The S01 for March 2020 will be used to confirm this information. See details below on determination of annualized earnings for an employee.

2. Determination of Employees Annualized Earnings:

The S01 and Schedule A filed by the employer will be validated by the Revenue Administration Information System (RAiS) in identifying employees whose annual income, excluding gratuity / tips and bonuses, is less than or equal to $ 1.5 Million. The maximum pay per eligible employee per month is $ 125,008 excluding gratuity, tips and bonuses. The aggregated '*Gross Emoluments Received in Cash'* (Column F in the revised S01 Form) for the month of **March 2020** will be used for estimating the annualized earning of an employee.

3. Application and Payment Cycle:

a. A BEST Cash application must only be made once through the wecare.gov.jm portal.

b. Payments shall be made to employers for employees at or below the income tax threshold who appeared on the payroll in March 2020 and are retained during the months of April, May and June 2020.

4. Payment to Employee and related Employer Statutory Contributions:

a. A minimum net cash payment of $ 18,000 must be made to retained employees. The payment of this grant portion to the employee does not need to be reflected as a line item on the pay-slip of the employee, since the tax treatment is not different from regular emoluments. To effect this process , the employer shall make payments as follows:

   i. Minimum taxable basic emolument **of $ 19,392.00**:

   ii. Resulting Employee Statutory Deductions totaling **$ 1,392.90** consisting of:

      a. NIS (3%) - $ 581.79
      b. NHT (2%) - $ 387.86
      c. ED. Tax (2.25%) - $423.25

   iii. Minimum Net Pay, after Statutory deductions- **$ 18,000.00.**

b. This will result in **Employer** Statutory obligations due totaling **$ 2,403.75** as follows:

   i. NIS (3%) - $ 581.79
   ii. NHT (3%)- $ 581.79
   iii. Ed. Tax (3.5%) $ 658.39
   iv. HEART (3%) $ 581.79

5. Reimbursement to Employer:

BEST Cash applicants shall be reimbursed as follows:

a. A payment of **$ 18,000** per eligible employee per month of claim through the wecare.gov.jm portal system made by the Accountant General's Department (AGD) directly to the verified bank account of the applicant. The maximum payable per retained employee during the life of the programme shall be **$ 54,000** representing three months retention.

b. Payment of all statutory obligations as a consequence of the payment referred to above which is due from the employer per month, shall be made directly to Tax Administration Jamaica by the Accountant General's Department.

6. Re-filing of S01 Forms:

Applicants that have paid their employees $ 18,000 without deduction of taxes (As detailed above) are required to file amended S01 for March, April and May 2020, as well as June 2020 if already done so. The amended S01 must be filed with the total emoluments paid with all the Employee and Employer Statutory obligations as detailed in Section 4 above.