



# Tax First Namibia Newsletter

## Special Edition 01/2014

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## Skills Levy to be implemented - 1 April 2014

### Register A.S.A.P

The NTA (National Training Authority) announced that the long anticipated Vocational Education Training (VET) Levy will be implemented on **1 April 2014**.

**Detailed legislation is expected to be published in the Government Gazette only later this week.**

Key aspects of the VET levy are:

- all companies with an annual payroll over **N\$1,000,000.00** a year will be liable;
- the levy is **1%** of the total annual payroll and is payable on a monthly basis;
- the first payment is due on or before **20 May 2014**;
- subsequent payments are due on the 20<sup>th</sup> of every month;
- payments methods include EFT, cash or cheque payment to the NTA.

The following was also announced by the NTA:

- The financial year of the skills levy is 1 April 2013 to 31 March 2014;
- The levy is tax deductible and the refunds are taxable;

For the purposes of the VET levy, the following definitions are used:

**“Remuneration”** means the total value of all payments in money or in kind made or owing to an employee arising from the employment of that employee.

**“Employee”** means an individual, other than an independent contractor, who (a) works for another person and who receives, or is entitled to receive, remuneration for that work; or (b) in any manner assist in carry on or conducting the business of an employer.

### **Exemption from payment of levy:**

- Employers may apply to the Minister for consideration for exemption from the abovementioned levy.
- Institutions proposed to be exempted from the NTA levy:
  - The State
  - Regional Councils
  - Charitable organisations;
  - Public and educational institutions not for gain;
  - Faith based organisations (whether or not supported wholly or partly by government grants)

### **Penalties for non-compliance:**

- Failure to register and pay the Levy or submit monthly submissions will result in the NTA making an estimate of the amount of levy due and issue the employer with an assessment thereof, including penalties and interest.

### **Claims:**

- Training cost of accredited training with the NQA centres and registered training centres registered with the NTA may be claimed. An application can be lodged with the NTA to claim other training expenses;
- Any claims of training expenses needs to be submitted to the NTA before **30 April** annually. The NTA will only refund training claims **once a year**.
- 50% of approved training expenditure during the financial year may be claimed.
- Refund applications should be submitted to NTA before 30 April annually. Late submissions will not be considered.

For more details on registration, please visit the NTA website:

[www.nta.com.na](http://www.nta.com.na)