NATIONAL PENSIONS (AMENDMENT) LAW, 2020
FREQUENTLY ASKED QUESTIONS
UPDATED: 25 March 2021

PENSION SUSPENSION OF CONTRIBUTIONS

1. **What is the timeframe for the suspension of pension contributions (aka "pension holiday")?**

   The suspension of pension contributions/Pensions Holiday took effect, retroactively, from 1st April, 2020 and was extended by Cabinet until the 30th June 2021.

2. **What do you need to do in order to participate in the suspension of pension contributions?**

   The pension holiday is automatic for all private sector employers and employees, including self-employed persons. As explained in question 3, please note that Government Owned Companies and Statutory Authorities are exempt from the pension holiday.

   As a result, there is not an application process. Employers and employees <u>may</u>, however, agree to continue making contributions and those amounts would be considered voluntary.

3. **Are public servants allowed to participate in the pension holiday?**

   The pension holiday does not apply to a Statutory Authority or a Government Owned Company as well as their employees. Accordingly, their pension contributions remain due under the National Pensions Law, as mandatory contributions regardless of the pension holiday.

4. **What is the last contribution period that needs to be paid, given the pensions holiday?**

   Contributions for the month of March, which were required to be paid by the 15 April, would be the last timeframe that is required to be paid until the expiry of the pension holiday.

5. **How will the pension holiday impact any delinquent contributions?**

   Employers with delinquent pension contributions at the start of the pension holiday will remain liable for the delinquent amount and the accruing interest, regardless of the current pensions holiday. Accordingly, employers remain responsible for these unpaid pension contributions and interest. As a result, it would be prudent for employers to use this time to bring any delinquent payments up to date, since the current contributions are no longer required.