



Self-Employed Persons

Who are Self-Employed?

The term “self-employed” describes a person who works for money, but does not have a boss. Self-employed persons fall into three main groups:

- i. individuals such as contractors, farmers, barbers, hairdressers, shopkeepers, tailors, dressmakers, doctors, lawyers, accountants, artists, transport operators, and members of professions in independent practice;
- ii. agents who may have more than one job, and who are paid by commission or fees or who share in profit; and
- iii. a married person who is a partner or who works for or with his/her spouse.

Also grouped as self-employed are the Governor-General, the Prime Minister, Cabinet Ministers, Members of Parliament, and Senators.

Classes of Self-Employed Persons

As of January 1, 2011, the distinction made between self-employed persons in classes “A” and “B” is no longer particularly relevant. Prior to the 2010 Amendments that took effect on January 1, 2011, the main difference between the two classes was one, Class “B,” paid contributions at a higher rate than the other and was, therefore, eligible for industrial benefits. As of January 1, 2011, all self-employed persons pay at the same rate and have the same benefit entitlements.

Benefits Payable to Self-Employed Persons

All Self-Employed persons are required to pay contributions monthly at a rate of 8.8% of their average insurable income (insurable income is from \$1 to \$500 per week as of January 2011). The payment of contributions entitle them to all National Insurance benefits, with the exception of Unemployment Benefit.



Contributions

Self-employed persons, at the beginning of each year, determine what amount will be used as their average insured income for the payment of contributions that year. (NIB’s Inspectors are empowered to examine income records to confirm that the amount set is in keeping with actual earnings.)

Once the income level is set, the individual must pay contributions based on that amount for the entire year; at the end of the year, he/she can re-evaluate the year’s earnings and make adjustments as needed for the subsequent year.

Contributions are payable monthly. They must be received into the Board no later than the 15th day of the month following the month which it was payable. Interest is automatically applied to all late payments.

A monthly contribution statement (Form C.10) must be handed in with each payment.

Pay Properly

Please pay contributions at the correct rate: The current ceiling on insurable wages is \$500 weekly/\$2,166.67 monthly.

Pay on Time

With the changes brought by the 2010 Amendments that took effect in January 2011, it has become vitally important that self-employed persons pay contributions on time. It is a requirement for the receipt of Industrial Benefits that a self-employed person be up-to-date with his contributions or less than 60 days in arrears.

On Completing the C-10

Ensure that:

- all columns are completed and totalled correctly;
- C.10s are duly signed;
- the amount of the cheque / cash equals the total on the C.10 Form; and
- correct street address, post office box, and telephone number are clearly stated.

WHEN SELF-EMPLOYMENT ENDS

If self-employment ends before the end of the year, the self-employed person should inform his nearest NIB Local Office. Should he not do so, the account will be considered to be in arrears of contributions, and he will be required to pay up.

FURTHER INFORMATION

● Claiming Industrial Benefits

Claiming Industrial Benefits

The self employed person who sustains an injury at work must complete the B-44 S/E form detailing the accident. This form, along with a B-72 form, which is the claimant's authorization for NIB to obtain medical information that may assist with the accident approval process, must be brought to the nearest Local Office as soon as possible.

If injury results in time off from work, a medical certificate of incapacity (Med-1) must be submitted to the Local Office.

Medical Care

To obtain initial emergency Medical Care, an 'Interim Report of Accident' must be completed by or on behalf of the self employed person and submitted to the health care facility of his choice. A copy of this report is also to be submitted along with the B-44 S/E form to the NIB Local Office. The facility is to obtain pre-approval from NIB before treating the patient at no cost to him/her. If the industrial injury happens after normal working hours, then the injured self-employed person will have to

pay the hospital costs and seek re-imburement from National Insurance once it is verified by NIB that the industrial event was, indeed, industrial in nature.

● Penalties

Payment of National Insurance contributions is not an option, it's the law. If you are a self-employed person and you fail to pay contributions, or you fail to provide information on your wage status, then you will be subject to penalties ranging from a minimum of six months in jail or a fine of \$1,000, or both, to a maximum of 12 months in jail, or a fine of \$2,500, or both.

Additionally, businesses/persons not registered within 10 working days of commencement of employment activities will be liable to be fined.

● The National Insurance Act

This leaflet gives basic information on Self-Employed Persons; for further details on this and any other aspect of the country's Social Security Programme, please refer to the National Insurance Act & Regulations, 1972.



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