

Issue 4: April 12, 2020

# COVID-19

## EMPLOYMENT LAW GUIDANCE TO EMPLOYERS: COVID 19 PANDEMIC

On Thursday April 9, 2020 applications opened to access the Covid Allocation of Resources for Employees (CARE) programme previously announced by Minister of Finance and the Public Service, The Hon. Nigel Clarke, DPhil. M.P. in his presentation to Parliament, closing the 2020/21 Budget Debate. To facilitate the implementation of the programme, amendments were made to the Income Tax (Employments) Regulations and The Income Tax (Prescribed Forms) Order were both amended by The Income Tax (Employments) (Amendment) Regulations, 2020 and The Income Tax (Prescribed Forms) (Amendment) Order, 2020, as well as The Income Tax (Prescribed Forms) (Amendment) (No. 2) Order, 2020 respectively. The relevant provisions of these amendments are noted below.

The following data is being provided as generic guidance to employers with respect to employment related issues. This information does not constitute legal advice; should you require legal advice, please contact Karene N. Stanley Jones at [knsjones@knscolaw.com](mailto:knsjones@knscolaw.com) or Carla-Anne Harris-Roper at [chroper@knscolaw.com](mailto:chroper@knscolaw.com). You can also visit us at [www.knscolaw.com](http://www.knscolaw.com) or [www.employmentmatterscaribbean.com](http://www.employmentmatterscaribbean.com)

## **THE INCOME TAX (EMPLOYMENTS) (AMENDMENT) REGULATIONS, 2020**

A new Regulation 24A has been inserted which mandates the employer to no later than the first usual pay day on which no emoluments is paid to the employee, provide the Tax Administration Jamaica a prescribed certificate (P45). The provision of the P45 in this instance should be done because the employee is laid off without pay as defined by Section 5A (3) of the Employment (Termination and Redundancy) Act due to force majeure or Acts of God.

The employer must also make two copies of the P45 and deliver the copies to the employee on the day on which the employee is laid off without pay.

## **THE INCOME TAX (PRESCRIBED FORMS) (AMENDMENT) ORDER, 2020**

This amendment adjusts the SO1 Form to include a Schedule which must be completed to capture details related to emoluments, deductions and PAYE taxes and statutory contributions for all employees. This will assist in the verification process to facilitate implementation of the CARE programme.

## **THE INCOME TAX (PRESCRIBED FORMS) (AMENDMENT) ORDER, 2020**

In this Order, the prescribed form (P45) has been amended to include the manner in which the employee is separated from employment. It now provides that the employer should advise if the separation is temporary

(as in the case of lay-off) or permanent (as in the cases where the employment has ceased completely via redundancy, resignation, dismissal etc.)

This change in the Form is designed to assist in the verification process to facilitate implementation of the COVID CARE programme.

Employers are encouraged commence using the changed forms as quickly as possible so that their employees will be able to access the applicable CARE programme as they seek to navigate to challenges brought on by the pandemic at this time.