



# NEW LEGAL FRAMEWORK FOR SOCIAL SECURITY CONTRIBUTIONS IN ANGOLA

Presidential Decree no. 227/18, of 27 September, has adopted a new legal framework for joining and contributing to Mandatory Social Protection. This legislation repeals Decree no. 38/08, of 19 June, as well as any legislation that is inconsistent with the provisions of the Presidential Decree.

The main change relates to the enlargement of the contribution base to cover the employee's gross remuneration, including all cash benefits that are payable by the employer to the worker with the exception of the following:

- (i) welfare benefits paid by employers in the context of mandatory social protection (e.g., family allowance);
- (ii) holiday bonuses; and
- (iii) amounts relating to the forms of complementary social protection provided for in separate legislation.

Furthermore, if the employee earns part of his or her remuneration in kind, the equivalent cash value must be calculated for the purposes of establishing the contribution base.

With the exception of those already mentioned, the base salary of the employee and all supplementary forms of pay will be subject to compulsory social security contributions.

The contribution rates remain unchanged. In other words, they continue to be 3% to be paid by the employee and 8% by the employer. As a result, these new rules can lead to a decrease in the net salary of the employee, given the enlargement of the contribution base. For retired employees, the contribution rate is fixed at 8% (it was previously 3%), while the employer is also subject to a contribution rate of 8%.

With further respect to contributory obligations, the new rules provide that the amounts retained by employers must be paid monthly, by

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settling the payment slip by the 10th day of the month following the month to which the contributions relate, except in special schemes in which other deadlines are established.

The penalties include default interest of 1% per month, charged on the amount of the initial capital of the debt. The previous rules established a rate of 2.5% default interest per month, charged on the amount of the debt.

In terms of administrative offences, the fines applicable now range between one to eight times the average monthly remuneration. Under the previous rules, the ceiling was six times the average monthly remuneration. What is meant by average monthly remuneration has also been redefined and it now covers situations other than just gross salaries. This will naturally entail an increase in the amounts of the fines.

In short, the introduction of this new legal framework for social security contributions, which will come into force on 26 December 2018, not only enlarges the contribution base, but also establishes more stringent penalties in the event of a failure by employers to comply with social security declaratory and contributory obligations.



FUNDAÇÃO  
**PLMJ**

DÉLIO JASSE - ANGOLA

Passport, 2010

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