

Saint Lucia 2020

Social Stabilization Plan

8 April 2020

The Prime Minister Hon. Allen M. Chastanet delivered support measures for businesses and their workers, households and vulnerable groups, to better cope with the impact of the Social Distancing Protocol (“the protocol”) announced on March 20, 2020 aimed at curbing local transmission of COVID-19.

Since March 23, 2020 the protocol resulted in the cessation of most business activities except for essential services until April 14, 2020. On March 31, 2020 the country was placed on 24 hour curfew for 7 days.

The following is a summary of the measures announced.

UNEMPLOYMENT RELIEF

The National Insurance Corporation (NIC) will provide 3 months Subsistence Allowance to persons who have lost their jobs as a result of the impact of COVID-19.

The allowance will be in the range of \$500 - \$1,500 dependent on your salary level prior to being laid off. The initial phase will be for April to June 2020.

SELF EMPLOYED SUBSISTENCE ALLOWANCE

Government will provide a subsistence allowance to non-contributors of NIC for example taxi drivers, vendors, small businesses etc. who have loss of income as a result of COVID-19

The allowance will be \$500 per month for 3 months.

TAX CREDITS TO COMPANIES

Companies and other entities which retain at least 30% of their staff will be given a tax credit based on the number of employees that are retained.

The rate and basis for determining the credit has not yet been provided.



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EXTENSION OF TAX FILING DEADLINES

In addition to the above, the Inland Revenue Authority is providing an automatic extension of one month tax filing and payment deadlines for individuals and businesses together with the waiver of interest and penalties. In effect all payment due dates have now been increased by one month.

	Tax	Existing filing deadline	Extended filing deadline	Existing payment deadline	Extended payment deadline
1.	Income tax for individuals (including sole proprietors and partnerships)	March 31, 2020	April 30, 2020	March 31, 2020	April 30, 2020
2.	Corporation Tax (April to September)	3 months after year end	4 months after year end	3 months after year end	4 months after year end
3.	Corporation Tax Installments			March 25, 2020 June 25, 2020 September 25, 2020	April 25, 2020 July 25, 2020 October 25, 2020
4.	VAT – (April to September)	21 st of the following month	21 st of the month 2 months later	21 st of the following month	21 st of the month 2 months later
5.	PAYE – (April to September)	15 th of the following month	15 th of the month 2 months later	15 th of the month	15 th of the month 2 months later
6.	Withholding Tax – (April to September)	15 th of the following month	15 th of the month 2 months later	15 th of the month	15 th of the month 2 months later

MORATORIUM ON BANK LOAN REPAYMENTS

Businesses and workers that have been adversely affected by COVID-19 may obtain a 6 month moratorium on payment of principal and interest from April to September 2020. The facility which has been negotiated with commercial banks, is not intended to be automatic and as such persons are encouraged to make arrangements with their respective banks. Government plans to engage the credit unions for similar.

It should be noted that the moratorium on payment of principal and interest does **not translate to the cessation of interest being accrued** on the loan facility. Interest continues to accrue on the facility thus increasing the respective account balances.

FINANCING PARTNERS

In addition to NIC which will be funding \$65million of unemployment relief, the Government of Saint Lucia is working closely with the following agencies:

- ▶ Saint Lucia Bankers Association
- ▶ The Eastern Caribbean Central Bank
- ▶ The Caribbean Development Bank
- ▶ The World Bank

The Government is working with other development partners to seek financial assistance which includes a moratorium on debt payments, grant funding, policy based loans and budgetary support

OTHER INITIATIVES

Other initiatives includes the following:

- ▶ Insurance Companies Engagement - consideration for moratorium on payment of insurance premiums for individuals while at the same time maintaining their insurance coverage;
- ▶ Utility Companies Engagement - consideration for provision for services at cost and suspension of disconnections for the next 6 months for individuals and businesses that have been impacted by Covid-19;
- ▶ Duty Fee Barrel Concessions - proposed start date moved from December 2020 to June 2020 ;
- ▶ Concessions , Incentive and Support - to companies that produce sanitization and health care products, farmers and fishermen ;
- ▶ Rent Payment Suspension - all rental payments for properties owned by Government will be suspended for a period of 6 months in cases where the tenant qualifies as a small, medium & micro enterprise.
- ▶ Bus Drivers - fuel rebate to mini bus drivers and consideration being given to waiver of vehicle licence for bus drivers and taxi drivers;
- ▶ Legislation – implementation of legislation to guard against price gouging.

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