



COUNTRY GUIDE: BOTSWANA

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<https://zapeo.net/botswana/>

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ABOUT US

ZAPEO is an International PEO co-employer providing Employer of Record (EOR) Services in more than 113 countries around the world.

As an EOR, we provide employment contracts, payroll employees, pay over any taxes and statutory contributions and provide sponsorship for visa applications in order to comply with specific laws and regulations in the country.

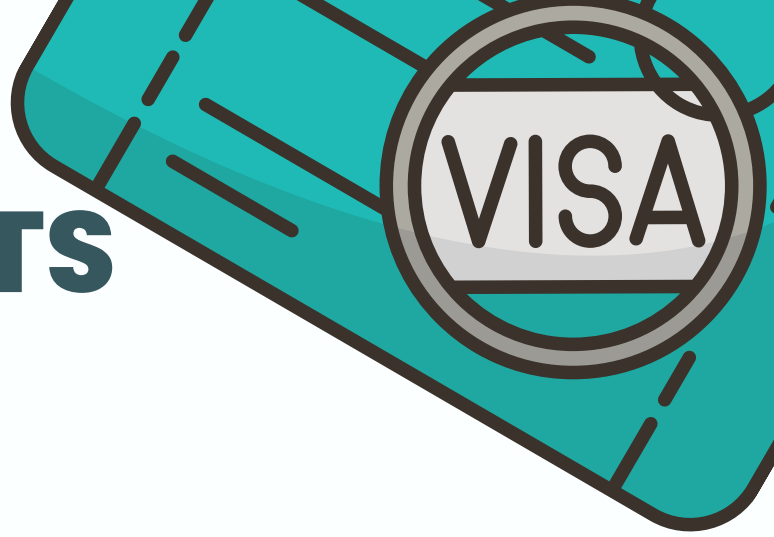
We also assist with onboarding and termination of both local or expatriate employees.

BENEFITS

- Legal compliance
- Time and cost savings
- Access to global talent
- Flexibility
- Reduced liability
- Expertise



WORK PERMITS AND VISAS



Types of Visas in Botswana:

- Tourist - strictly for vacation or tourism only. Valid for 3 months.
- Visitor - issued for social or medical reasons. Valid for 3 months.
- Business - issued to traders and investors who wants to explore business opportunities in Botswana. Valid for 3 months.

Work permit:

Under the Employment of Non-Citizens Act, Botswana has a single work visa, also known as a work permit, for all foreign employees working in the nation.

Employers are not permitted to hire employees who do not have a valid Botswana work permit or a certificate of exemption.

The Immigration Board analyzes all permits and assigns a validity term. Employees can often renew their permits by repeating the initial application procedure.

EMPLOYMENT CONTRACTS



Probation period

Probation typically lasts three months for unskilled personnel and can last up to a year for experienced staff.

Notice period

If notice is provided during the probation term, the notice period is 14 days. A one-month notice period is required by law and must be provided by any party to an employment contract. If notice is not provided, the party in default pays the other party a sum equivalent to basic pay for the period a notice is due to be given, or the basic pay equal to the balance of the notice period.

Minimum wage

Full-time workers in the private sector earn 3.8 Botswana pula per hour, domestic workers earn 2.7 Botswana pula per hour and agricultural laborers earn 550 Botswana pula per month.

Working hours and overtime

The workweek is generally limited to 48 hours. Employees are allowed 14 hours of overtime per week and are paid 1.5 times their regular hourly rate. Work on public holidays/rest periods should be compensated at double the standard salary rate.

Termination

Employment contracts cease when a defined piece of labor is done, a set length of time expires, or are legitimately terminated.

Severance

Severance is paid at the rate of one day per month of service for the first five years of employment and two days for each month worked beyond that. Employment is considered confirmed after the probation term, if one is stated.

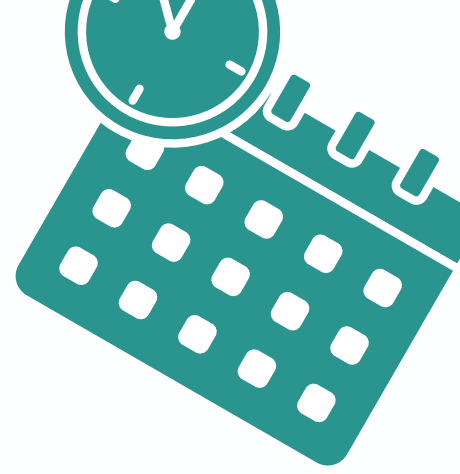
Non-compete clause

Employers can impose restrictions on employees through non-compete agreements or a clear condition in the employment contract. Such limitations must be reasonable and for a specific period of time.

Collective bargaining

The Trade Disputes Act governs collective bargaining.

PAID TIME OFF



Annual Vacation

A full-time employee's yearly paid leave entitlement is 15 working days after one year of employment. An employee is required to take all of their annual leave at the same time.

Sick

Employees are normally entitled to 20 days of paid sick leave per year, with the need that a doctor's certificate be provided.

Maternity

Female employees are normally entitled to 12 weeks of maternity leave, six weeks before and six weeks after the delivery. A doctor's certificate must be shown by the employee.

Employees are eligible for at least half of their base wage.

Paternity

There is no statutory paternity leave.

Family

Male and female employees who have been with the company for more than four months and work at least four days a week are entitled to three days of paid leave per year for family responsibilities.

National Holidays

Botswana has a total of 8 public holidays which are paid.

Other Paid Time Off

N/A

EMPLOYEE BENEFITS



Statutory

Unemployment

Unemployment benefits are not provided. There is however the Ipelegeng - Unemployment Relief. This program provides work for a maximum of one calendar month.

Workers compensation

This provides for workers' compensation for injuries sustained or occupational diseases contracted in the course of employment, or for death as a result of such injuries or diseases, as well as for things incidental to and related with the aforementioned.

Social Security

There is no national social security insurance yet in Botswana but the one aspect of social security that is in place is the retirement fund which is voluntary.

Retirement

The average employee and employer contribution rate is 5% and 10%, respectively. Contribution levels are not regulated.

Health

Private option and is based on an employee voluntary basis to sign up or for the employer to offer it.

Private

Workers compensation

Private workers compensation is available in Botswana.

Retirement

Private retirement schemes are available in Botswana.

Health

Private healthcare is available in Botswana.

Life

Private life insurance is available with the options of long or short term insurance.

TAX



Personal Income Tax (PIT)

- **Tax year** : Tax year runs from 1st July to 30th June.
- **Tax rate** : Resident individual taxpayers pay between 0-25% and non-residents 5-25%.
- **Tax method** : The Botswana tax system is territorial, and income is taxed in Botswana if it is generated within the country. Income from services provided outside Botswana is considered to be from a Botswana source if it involves employment in the country.
- **Tax residency requirements** : The requirement for residency in Botswana is simple. For a tax year, an individual must have a permanent place of residence and be fully present in Botswana for at least 183 days during that tax year or the preceding tax year.
- **Double taxation agreements (DTA's)** : Botswana has multiple double taxation agreements.

Investment Income Tax

Capital Gains Tax -

Gains on the sale of designated capital assets (immovable property and marketable securities, including shares in private firms) are included in the corporate taxpayer's taxable income. Immovable property acquisition expenses are subject to a 10% compound annual inflation addition, and afterwards to an inflation addition based on the increase in the consumer price index to the date of sale. Other gains are not subject to inflation adjustments, but the taxable gain is fixed at 75% of the overall gain.

Taxable Income

Individuals are taxed on earnings, salaries, leave pay, fees, commissions, bonuses, gratuities, compensation and commutation payable under any employment or service contract, pension, and lump sum payment. Tax is levied on two-thirds of severance compensation or terminal gratuity. Pension contributions of up to 15% of compensation are deductible. An individual may avoid paying tax in Botswana if he is absent from the country for more than 183 days in a year.

PAYROLL



Payroll Elements

- **Income:** Salary, earnings, bonuses, overtime pay, taxable benefits, allowances, and certain lump sum perks are examples of remuneration (revenue from employment). Profits or losses made by a company or trade. Income or profits derived from an individual's status as a trust beneficiary.
- **Deductions:** No business-related costs are deducted unless they are incurred as a condition of employment or for the purpose of creating the employee's income. Deductions for payments to an approved retirement benefit plan are permissible up to a maximum of 15% of earned income when a gratuity is not granted to the employee. Botswana has no standard or universal deductions.
- **Benefits in Kind:** Benefits in cash (travel, entertainment, education, and so on) and the value of benefits in kind (home, motor vehicle, furnishings, utilities, and so on) granted to an employee are taxed as employment income.
- **Employer contributions:** Workers compensation and, if applicable, pension fund and unemployment contributions.

Payroll Taxes

There is no social security yet in Botswana but there is a retirement fund that is not mandatory and is completely voluntary.

Payroll Calendar

Employees are not required to be paid on a set schedule.

Payrolls can be done weekly, biweekly, fortnightly, or monthly.

LEGISLATION AND STATUTORY BODIES



LEGISLATION

- Employment Act

STATUTORY BODIES

- Non-Bank Financial Institutions Regulatory Authority (NBFIRA)
- Botswana Unified Revenue Service



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