



COUNTRY GUIDE: NAMIBIA

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

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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



Namibia, like any other country, offers a range of visas to foreign citizens. It provides two types of work authorization for international employees. The length of time the employee intends to reside and work in Namibia is a critical element in selecting the suitable one.

There are two kinds:

- A **work visa** that permits the bearer to stay in Namibia for up to three months for relatively short-term engagements.
- A **work permit** that permits the employee to stay and work in the nation for a period of one to three years.

Many foreign corporations that wish to move personnel to Namibia get work permits rather than visas in order to embark on long-term projects.

EMPLOYMENT CONTRACTS



Probation period

There are no statutory provisions governing the length and duration of the probation period.

Notice period

Notice periods of termination of employment shall be at least:

- 1 day if an employee has been employed for 4 weeks or less.
- 1 week if the employee has been hired for more than 4 weeks but not more than 1 year.
- 1 month if the employee has been employed for more than 1 year.

Minimum wage

Namibia's daily minimum wage is NAD 72.25 per day and NAD 9.03 per hour.

Working hours and overtime

When workers work five or fewer days per week, the regular work period is 45 hours per week.

Overtime is limited to three hours per day or ten hours per week and is paid at least one and a half times (150%) of the employee's hourly salary or twice (200%) on Sunday or a public holiday. For labor completed between 8 p.m. and 7 a.m., an extra 6% is added to the employee's hourly wage, excluding overtime.

Termination

In Namibia, both employers and workers have the right to cancel an employment contract. Regardless of whether notice is given, an employer is banned from dismissing an employee without a good and reasonable cause throughout the termination process and must follow a fair method established by law. Whether the employee or the employer terminates, the notice period varies according to the length of time worked.

Severance

An employer is liable for paying any work completed prior to the termination notice, annual leave entitlements, paid time off for Sunday work or public holidays (if applicable), severance pay (if applicable), and transportation allowance upon termination (if applicable). After 12 months of unbroken service, severance compensation is equal to at least one week's wages for each year of continuous service with the company.

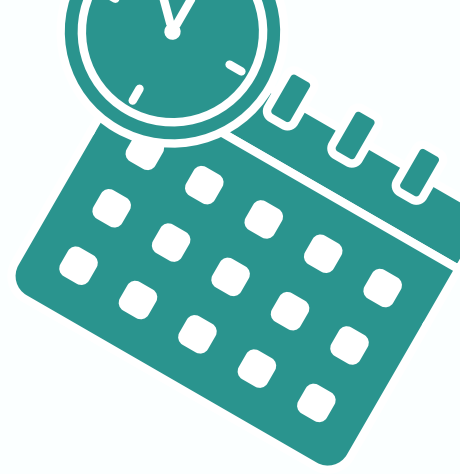
Non-compete clause

This is granted that the non-compete clause is reasonable in terms of length, product scope, and geographical market.

Collective bargaining

Is recognized in Namibia.

PAID TIME OFF



Annual Vacation

A full-time employee's yearly paid leave entitlement is up to 24 consecutive days.

Sick

Employees are entitled to at least 30 days of sick leave every 36 months (sick leave cycle) if they work five days a week, or 36 days if they work six days a week. Employees earn one day of sick leave for every 26 days worked during their first year of employment.

Maternity

After six months of work, female employees are entitled to 12 weeks of maternity leave. In general, four weeks of leave are taken before the due date and eight weeks after the birth. If there is a sickness or pregnancy problem, maternity leave might be extended by one month. The employee must submit the company with a medical certificate stating the projected date of confinement prior to the leave, as well as the actual date of return.

Except for the basic salary, which is provided by social security, the employer is obligated to pay the employees' payment.

Paternity

There are no legal requirements for paternity leave.

Family

An employee is entitled to five working days of compassionate leave with full pay after 12 months of continuous employment.

National Holidays

Namibia has a total of 12 public holidays which are paid.

Other Paid Time Off

N/A

EMPLOYEE BENEFITS



Statutory

Unemployment

N/A

Workers compensation

Contribution rates vary according to intrinsic occupational risk, ranging from less than 1% in most low-risk commercial/administrative positions to 8% in high-risk industries. Employees earning more than NAD 81,300 per year are often excluded from coverage.

Social Security

It is supported by employer and employee payments of 0.9 percent of the base income, with a monthly maximum contribution of NAD 81.

Retirement

Covered by Social Security.

Health

Covered by Social Security.

Private

Workers compensation

Private worker's compensation available.

Retirement

Private retirement schemes available.

Health

Private health insurance available.

Life

Private life insurance is available in Namibia.

TAX



Personal Income Tax (PIT)

- **Tax year** : Tax year runs from 1st March to 28th February.
- **Tax rate** : The lowest tax percentage for the first income tax bracket is 18% whilst the highest is 37%.
- **Tax method** : Namibia, as previously stated, has a source basis for taxation.
- **Tax residency requirements** : The applicant must have had legal residence in Namibia or legal residence as the spouse of a Namibian citizen for at least two years.
- **Double taxation agreements (DTA's)** : Namibia has multiple double taxation agreements.

Investment Income Tax

Non-resident shareholders tax (NRST), a WHT, will apply on dividends issued by a Namibian firm to a non-resident individual. Where a firm owns more than 25% of a Namibian company, NRST is due at the regular rate of 10%. In all other circumstances, the NRST due is 20%. If a DTA with Namibia is in effect, the NRST rate may be decreased.

Taxable 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.

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:** There are no standard deductions for company costs for workers. Travel, entertainment, and motor vehicle costs may be deducted, but the employee must demonstrate that they were expended in the generating of taxable revenue. Where the employer provides allowances, this onus is more easily satisfied, although the deduction cannot generally exceed the amount. An employee may deduct payments of up to NAD 40,000 per year to a registered in Namibia authorized pension, retirement annuity, provident, and educational insurance fund.
- **Benefits in Kind:** Can include housing, transport/car, food, furniture, loans etc. In most cases, benefits-in-kind are taxable remuneration.
- **Employer contributions:** Workers compensation and social security.

Payroll Taxes

Social security is paid on a 50:50 basis by employers and employees. Individuals are required to pay tax and should register for income tax.

Payroll Calendar

There are no predetermined dates on which employees must be paid.

Weekly, Bi-weekly, fortnightly and monthly payrolls are acceptable.

LEGISLATION AND STATUTORY BODIES



LEGISLATION

- The Namibian Labor Act (Act 6 of 1992)

STATUTORY BODIES

- Namibia Revenue Authority
- Social Security Commission



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