

"We **MB** Care"

Medical Benefits  
Scheme

MEDICAL BENEFITS SCHEME (MBS)

**EMPLOYERS'  
MANUAL**



## REGISTRATION OF PERSONS

Employers have a legal obligation to ensure that all their employees are registered at the Medical Benefits Scheme (MBS). The Medical Benefits Act, 2010, section 33, sub section 1 states that *“Every employer shall ensure that all persons employed by him are duly registered under the Medical Benefits Scheme.”*

Documents required for registration of employees:

- Passport
- Social Security Card

Persons born in Antigua and Barbuda may present their birth certificate and 2 government issued identification cards (Social Security card included). The Customer Service Representative (CSR) may request additional documentation.

## REGISTRATION OF BUSINESSES AND EMPLOYERS

All businesses, corporations and employers operating in Antigua and Barbuda must be registered with the Medical Benefits Scheme.

Documents required for registration of a business:

- Documents from Intellectual Property / Act of Parliament/Document given by Government to govern the organization
- Valid passport of owner or contact person(s) for the business
- Medical Benefits card and Social Security card of owner(s)

To operate a business, non-nationals who will be residing in Antigua and Barbuda must present the relevant residency stamps in their passport.

To facilitate contribution payments for individuals in their employment, all employers must register with the MBS. The same applies for situations of domestic employment.

## RATES OF CONTRIBUTIONS

Below are the categories of monthly contribution rates and the amounts.

PERSONS	EMPLOYEE	EMPLOYER
<b>Employed</b> (aged 16 but not yet 60)	<b>3.5%</b> of wages	<b>3.5%</b> of wages
<b>Employed</b> (aged 60 but not yet 70)	<b>2.5%</b> of wages	<b>0%</b> of wages
<b>Employed</b> (aged 70 and over)	<b>0%</b>	<b>0%</b>
<b>Self-employed</b> (aged 16 but not yet 60)	<b>5%</b> of earnings	
<b>Self-employed</b> (aged 60 but not yet 70)	<b>2.5%</b> of earnings	
<b>Self-employed</b> (aged 70 and over)	<b>0%</b>	<b>0%</b>
An employed person who earns less than \$400 monthly	<b>0%</b>	<b>7%</b>
An employed person who earns less than \$100 weekly	<b>0%</b>	<b>7%</b>





## **PAYMENT OF CONTRIBUTION**

An employer is solely responsible for paying contributions to the Medical Benefits Scheme on behalf of an employed person. According to the Medical Benefits Act, 2010, section 43, sub section 2, *“the employer shall deduct from the earnings of the employed person at the time that the payment of earnings is made, a sum equal in amount to the part of the contribution payable by the employed person.”*

Additionally section 43, sub section 2 explains that, *“an employer shall be solely responsible for paying contributions into the Scheme on behalf of an employed person.”*

## **DUE DATE FOR MONTHLY CONTRIBUTIONS**

An employer shall pay his contributions on or before the 14th day of each month for the previous month.

All late payments are subjected to a 10% surcharge. At the end of each year, all outstanding contributions for the said calendar year, if not paid by December 31, will attract an additional 5% surcharge.





A close-up, slightly blurred photograph of a calculator keypad. The focus is on the central and lower-left areas, showing keys like '+/-', 'GT', and 'M+'. A digital display is visible at the top, showing some faint numbers. The background is out of focus, showing more of the calculator's surface.

## REMITTANCE RECORDS (R3A'S)

Employers must submit monthly remittance records (R3A's) on or before the 14th of the month, for the previous month. For example, the R3A for January, must be submitted by the 14th of February. Remittance records should be accompanied by the relevant monthly payments. Employee information for each month must be completed on a separate R3A form. It means that, information for 2 or more months should NOT be recorded on one form.

### **Your completed R3A must include the following:**

- The company's name and address
- Signature of an authorized representative of the employer
- The month and year for which it is being submitted
- The MBS employer registration number
- The MBS registration number for ALL employees. That number appears on the top right hand of the MBS Smart Card

See demonstration to the back on how to accurately complete an R3A.

## REMITTANCE RECORDS ARE IMPORTANT TO HELP...

### EMPLOYERS

- Fulfil legal obligations
- Avoid fines/imprisonment
- Update records with MBS
- Avoid an assessment of outstanding contributions
- Prepare for annual visit of MBS Invigilators

### EMPLOYEES

- Qualify for MBS Smart Card
- Maintain benefits (medication, refunds for lab tests and a basket of services at the Mount St. John's Medical Centre)

## NOTIFICATION ON R3A'S

Employers are to provide comments on the R3A's to indicate cases of **employee termination, retirement, and certified sick and maternity leave**. The MBS will **NOT** accept comments on business closure or cessation of employment on R3A's. Notification of business closure must be done on the **Notice of Discontinuation Form**.

YOU NO  
LONGER  
NEED TO  
VISIT THE MBS  
TO COLLECT R  
FORMS, GET  
THEM ONLINE

*Simply download and complete  
your R3A forms by visiting  
website: [www.mbs.gov.ag](http://www.mbs.gov.ag)  
then return your completed  
forms to MBS on Nevis St*



## TAXABLE AND NON-TAXABLE EARNINGS FOR MBS MONTHLY CONTRIBUTIONS

The Medical Benefits Regulation 2011, regulation 2, sub regulation 1, provides guidance to employers on how an employee's monthly deductions to the Medical Benefits Scheme should be calculated. It states that monthly contributions *“shall not include payments for sick or maternity leave, severance pay, allowances for travelling or meals or similar allowance.”*

### HERE IS A SIMPLE WAY TO LOOK AT ALLOWANCES

Taxable and non-taxable allowance reflect areas where monies should and should not be deducted from employees' salaries when calculating monthly contributions. Bear in mind the definition of taxable and non-taxable allowances to assist in the decision-making process.

**Non-Taxable allowances** are a compensation for expenses borne by the employee in the execution of his/her employment functions. For example, meal allowance when working beyond regular scheduled work hours or when working in remote areas not readily accessible to food vendors or traveling allowance for using personal vehicle for work purposes.

**Taxable allowances** are *“incentives”* that are directly linked to the functions of the employee and are not geared to compensate for any personal expenses directly or indirectly incurred by that employee. For example, overtime payments, payments for night or shift work, bonus, housing allowance, service charge and supplements for long service, industry or efficiency.

The table below highlights **non-taxable** allowances/earnings

#### TYPES OF NON TAXABLE INCOME

Doctor certified sick leave	Retirement gratuity
Maternity leave	Entertainment allowance
Severance pay	Travelling allowance
Meal allowance	

Contact the Communications and Marketing Department at 481-6320/10 for further information.

# NOTIFICATION OF CLOSURE

MBS should be notified, within ten (10) business days, of the temporary or permanent closure of a business. The notification should be done via the submission of a completed 'Notice of Discontinuation Form'. This will ensure proper assessment of the business.

A 'Notice of Discontinuation Form' must be completed when domestic employment ceases – temporarily or permanently. That is, the employer should submit the form if the employee will not be paid for a specific period, or if the employment has permanently ceased.

Failure to notify the MBS within the stipulated period (10 business days) will result in estimates being applied up to the date of notification.

In the case of temporary closure, the reopening date or the recommencement of the employment must be clearly stated on the 'Notice of Discontinuation Form'.

## LET'S STAY CONNECTED

### Let us know if you have changed:

- Business ownership
- Directors of the business
- Reactivation date of the business
- Business or company's name, physical address, telephone numbers, and email address.



# OUR INVIGLATORS ARE THERE TO HELP YOU

We have a team of Invigilators that are appointed to administer the Medical Benefits Act, 2010, and to liaise with employers to secure compliance with the laws and regulations governing the Medical Benefits Scheme. This includes ensuring R3A's are submitted on time, that all deductions calculated on the remittance form (R3A's) are accurate and that the information submitted is complete. This information is usually verified during the Invigilator's annual audit of an employer and explained in the 4 step process overleaf.

## INVIGLATOR AND EMPLOYER RELATIONSHIP

In carrying out their functions our Invigilators seek information from employers or a person authorised by the employer. According to section 34 of the Medical Benefits Act, 2010 employers are:

- *“to provide information with respect to employed persons in the employment of that employer;*
- *to permit him [Invigilator] to inspect any record of employed persons or unpaid apprentices.”*

## POWERS OF THE INVIGLATOR

An invigilator, in performing his functions under the Medical Benefits Act 2010, and as prescribed under section 35 is authorised to:

*(a) “examine books, records, documents or things relating to employed persons;*

*(b) make copies of books, records or documents relating to employed persons and retain them at the office of the Medical Benefits Scheme until they are produced in any proceedings if, during the course of an examination, it appears to the invigilator that there has been a violation of this Act;*

*(c) require the employer or any person in the employment of that employer to give him all reasonable assistance with and to answer all questions relating to the examination.*

*(2) An invigilator entering any premises... may take with him any other persons, approved by the Chief Executive Officer that he may consider to be necessary to assist.*

*If an invigilator has reasonable cause to believe that an offence...has been committed and by virtue of that belief, has cause to search any premises for books, records, documents or things or to make copies of any books, records, documents or things, relating to employed persons or to seize and take away any books, records, documents or things, relating to employed persons, which may afford evidence as to the violation..the invigilator may apply to a Magistrate ... for a warrant...”*

## WHAT TO EXPECT FROM YOUR ANNUAL COMPLIANCE AUDIT

Each business on Antigua and Barbuda is subject to an annual compliance audit. Employer/business must complete and submit outstanding monthly remittance forms (R3A's) before the appointment date. The process is interactive as identified in the steps below.

### STEP 1

The assigned invigilator places a call to the employer/business to arrange the date and time for the compliance audit appointment.

### STEP 2

A letter is sent to the employer/business confirming the date of the audit and the documents that are required.

### STEP 3

Perform the audit. This involves analysing of the R3A, payroll register and other related records.

### STEP 4

An audit completion letter is sent to the employer/business. That letter details the findings of the compliance audit and follow up action required by the employer, if any.

## WHAT THE EMPLOYER/BUSINESS NEEDS ON THE DAY OF THE COMPLIANCE AUDIT

- A signed payroll register for the period requested by the Invigilator
- Documents supporting employees' payments for the period (e.g. cheque stubs)
- A list of all employees employed including contract and part time employees
- A copy of the business registration license
- Changes in directors and owners

Sometimes additional information may be required. When such a need arises, the Invigilator will call the business ahead of time to make the request.

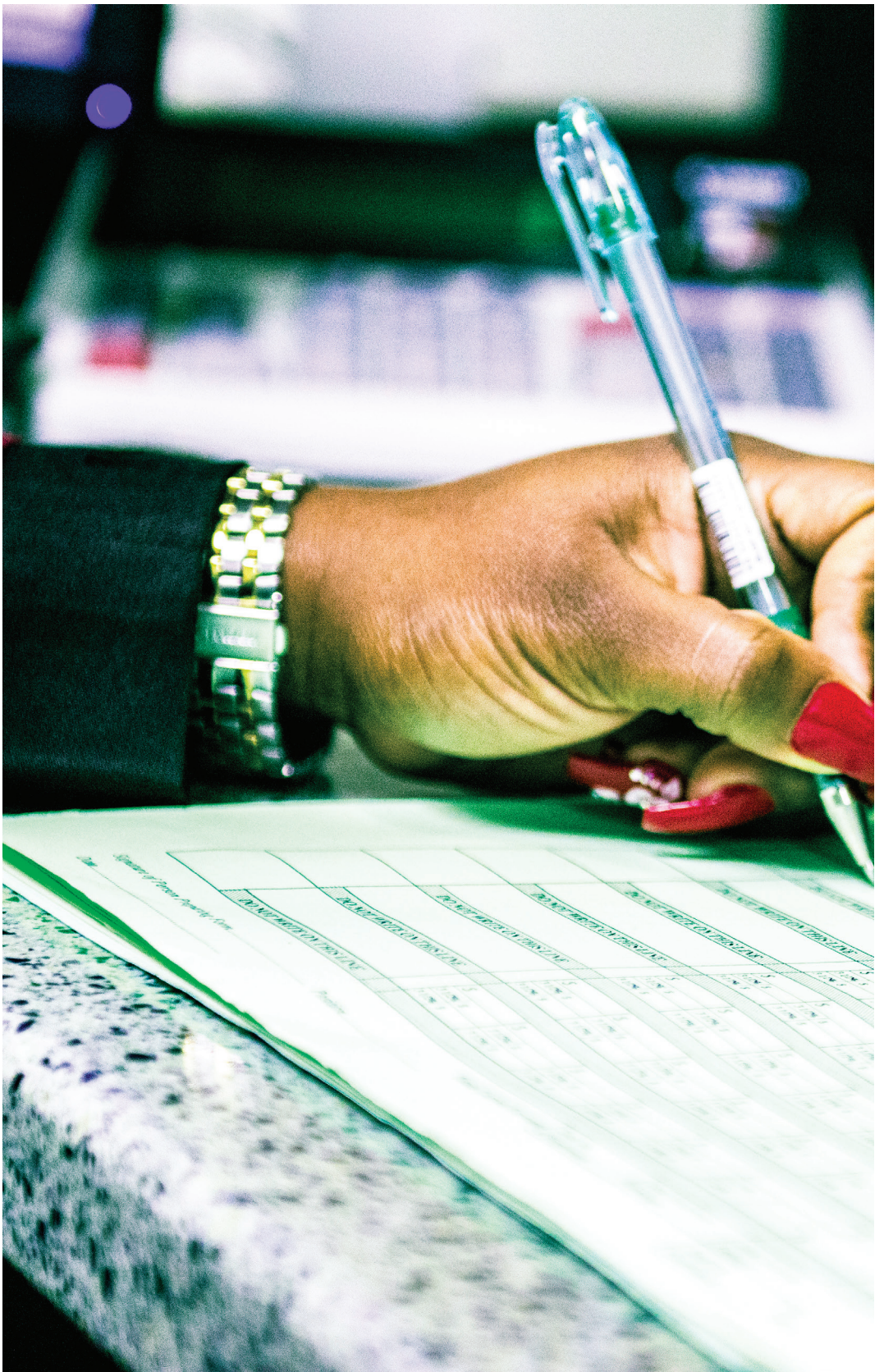




# WHO IS A SELF EMPLOYED PERSON?

The Medical Benefits regulations, 2011, Regulation 2, sub regulation 2 explains that “...A self-employed person is a person who works for himself in a trade, business, profession or activity that he operates to provide services or products to customers and includes directors of corporations. The Medical Benefits Act, 2010, section 40, sub-section 3 explains that a self-employed person is a wage earner and an employer of himself”.





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## SELF-EMPLOYED OBLIGATIONS TO MBS

- All self employed persons must register with the MBS. This registration is separate from your MBS membership registration.
- Make monthly contribution payments on earnings totalling 5%, or 2.5% if over 60 years but not yet 70 years old.
- Use your MBS Smartcard to make monthly contribution payments. Self-employed payments are not made using R3A's, (remittance forms).
- Keep payment documentation for employees of the business separate from self-employed persons who are owners or directors of the business. The names of registered self-employed persons should not appear on R3A's (remittance forms).
- Keep records of your expenditure and revenue. This will help you to effectively track your earnings.
- Make annual renewal of declaration of income. This is a statutory requirement and failure to do so will result in an assessment by the MBS. Annual declaration of income of your monthly contribution should be done during the preceding year October to December at our Registration Department, Nevis Street.
- Communicate to the CEO in writing when you cease to be self-employed. This should be done within 10 working days. Failure to notify the MBS within the stipulated period will result in the payment of all outstanding contributions becoming due to the MBS up to the date of notification.
- Provide the relevant documentation to support certified sick leave and maternity leave. The documents will validate non payment of contributions for the specified period.

# SAMPLE OF A CORRECTLY COMPLETED REMITTANCE FORM

## NOTE: USE ONE FORM PER MONTH

Insert the registered name and number of employees here. **NOTE: This information should be inserted exactly as seen on the MBS Smart card.**

All forms must include an authorized signature and date.

02 Jan 2017

Signature of Person Preparing Form

Position: Manager

Totals Carried Forward

No. of Employees

4

\$

9,200

**Mary Browne** is between the **age 16 but not yet 60** therefore, **she contributes 3.5%** of her salary or wages **while the employer also matches with 3.5%**

**Sam Public's** age is within the range of **60 to 69**. **As he has not yet attained the age of 70, he therefore contributes 2.5%** of his salary or wages and the employer does not match this rate.

**Fred Dunbar** has **attained the age of 70** but is still working. However, **he is not required to pay contributions to MBS.**

**Jennifer Peters** worked until the week of the 17th and began maternity leave the week of the 24th. Therefore, no taxes are applied from the week of the 24th until she returns to work. **She is not required to make contributions to MBS while on Maternity Leave.**

REG #	Name of Employee(s)	F	M	70+	U80	\$17.5	\$17.5
300011A2	MARY BROWNE						
200110A1	SAM PUBLIC						
80110021C	FRED DUNBAR						
7002233DM	JENNIFER PETERS						

Insert here, the exact month and year for which the R3A is being submitted. **NOTE: USE ONE MONTH PER FORM. That is, If paying for 12 months, you will be required to fill 12 forms.**

Insert the correct employer name registered with MBS here.

Insert the correct MBS employer registration number here.

**NOTE: MBS tax does not apply to these mentioned forms of payment.**

**Comments Section:** This area allows you to enter any important notes about the employee. For example, **ON MATERNITY LEAVE OR RECEIVED A BONUS ON SALARY**

**PLEASE NOTE THAT EARNINGS EXCLUDE SICK OR MATERNITY LEAVE PAY, SEVERANCE PAY, TRAVELLING & MEAL ALLOWANCE**

for the month of **Dec-16**

Employer: **JGB Salon & Spa** Address: **Newgate Street**

P.O. Box: **922**

Registration No: **50011000**

Week Ending	Sat 03 Dec	Sat 10 Dec	Sat 17 Dec	Sat 24 Dec	Sat 31 Dec	Total
Earnings	\$780	\$780	\$780	\$780	\$780	\$3,900
Medical	\$20	\$20	\$20	\$20	\$20	\$100
Maternity	\$0	\$0	\$0	\$0	\$0	\$0
Severance	\$0	\$0	\$0	\$0	\$0	\$0
Traveling	\$0	\$0	\$0	\$0	\$0	\$0
Meal Allowance	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$800</b>	<b>\$800</b>	<b>\$800</b>	<b>\$800</b>	<b>\$800</b>	<b>\$3,900</b>

	Total	Contribution	Total (Applicable %)	No. of Weeks	Comments
MINS Earnings	3,900.00	105.00	3,000.00	4 M	
Medical	105.00	80.00	2,10.00	4 M	
Maternity	0.00	0.00	0.00	0 M	
Severance	0.00	0.00	0.00	0 M	
Traveling	0.00	0.00	0.00	0 M	
Meal Allowance	0.00	0.00	0.00	0 M	
<b>Total</b>	<b>4,005.00</b>	<b>185.00</b>	<b>3,820.00</b>	<b>4 M</b>	

Comments





**Medical Benefits Scheme**

Nevis Street, St. John's, Antigua

Tel 481-6413

[www.mbs.gov.ag](http://www.mbs.gov.ag)



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