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Update on the Employee Compensation Act



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The Nigerian Social Insurance Trust Fund (NSITF) has commenced the implementation of the new Employee Compensation Act. The Act provides for the comprehensive compensation of workers in Nigeria for any death, injury, disease or disability arising from or in the course of their employment. The Act repeals the Workmen's Compensation Act.

The Act was officially gazetted in the Federal Republic of Nigeria Gazette No. 101 Volume 97 of 20 December 2010. Following this, NSITF has released guidelines for implementation of the scheme.

The notable highlights are:

Registration

All employers are required to register with the NSITF. The scheme is to take off initially in Abuja and Lagos with other areas included at a later date. Registration forms can be downloaded from NSITF's website (www.nsitf.net). The website also contains other forms and information relevant to the operation of the scheme.

Commencement

Monthly remittance by employers commenced in July 2011. Employers are required to make monthly remittance to the NSITF using the bank details recently released by the Fund.

Remittance

Contributions can be paid into the NSITF account at any Skye Bank branch. The account details are:

Account Name:
National Social Insurance Trust
Fund Account No: 17-90-122-304
Sort Code: 076-083-080

Evidence of payment together with a schedule of the employees covered (soft and hard copy) should be forwarded to the nearest NSITF office where an official receipt will be issued.

Rate of Contribution

Within the first two years of the commencement of the scheme (that is, 2011 and 2012), monthly contributions is at the rate of 1% of total monthly payroll. Subsequently, there will be a review by the NSITF in consultation with relevant stakeholders.

Procedure for Reporting Injuries or Accidents

In the case of any injuries, occupational diseases or death to an

employee, the employer is required to report this to the Board of the NSITF within 7 days from the date the employer becomes aware of the situation. Injuries to employees should also be reported to the National Council for Occupational Safety and Health.

Such report should contain the following:

- the name and address of the employer;
- the time and place of the disease, injury or death;
- the nature of the injury or disease; and
- The name and address of the accredited medical practitioner or specialist who attends or attended to the employee.





Communication

The NSITF has set up call centres that will operate round the clock every day of the week. This is to enable injured employees and their employers easily reach the Fund and to obtain compensation as quickly as possible. The centres can be reached on 0803-3055-323 or 0802-3152-277.

Contacts:

Kenneth Aitken, Head of Tax (ken.aitken@ng.pwc.com)

Russell Eastaugh, Tax Director (russell.eastaugh@ng.pwc.com)

Taiwo Oyedele, Tax Partner/Director (taiwo.oyedele@ng.pwc.com)

Editor:

Ugochukwu Dibia (ugochukwu.dibia@ng.pwc.com)

Address:

PwC, 252E Muri Okunola Street
Victoria Island, Lagos, Nigeria
Tel: +234 (1) 2711 700

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