



**REPUBLIC OF NAMIBIA**

**Ministry of Finance**

***LAUNCH STATEMENT***

National Employment and Salary Protection Scheme  
of the  
Economic Stimulus and Relief Package

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***Minister of Finance***

*Check against delivery*

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*Fellow Namibians,  
Members of the media,  
Ladies and gentlemen,*

1. As part of the ongoing response from the Government of the Republic of Namibia, the Ministry of Finance hereby announces the National Employment and Salary Scheme for COVID-19, in an effort to save jobs and reduce potential impact on employment due to the pandemic.
2. The Ministry envisioned a wage subsidy program since the commencement of the COVID-19 economic response efforts. During the stakeholder consultations, it came to light that the Social Security Commission (SSC) has been mooting the same. The efforts were combined to ensure effective utilisation of state resources. In this regard, the Ministry of Finance is availing an amount of N\$400 million, while the SSC is making a cash contribution of N\$253 million to the scheme. In addition SSC is granting a contribution holiday of three months to the selected affected industries.
3. The Social Security Commission has a database with over 43,000 employers, comprising of more than 372,000 employees, placing it in a perfect position to be an implementing agency for the scheme. This database will serve as the key population from which potential recipients of relief will be sought. Contributions to the social security is a legislative requirement. Those that are not in compliance with the law should not be considered beneficiaries of these programs.
4. The National Employment and Salary Protection Scheme for COVID-19 is an employment scheme designed in terms of section 37 of the Social Security Act No 34 of 1994. The scheme will serve a dual purpose, firstly, to discourage employers from retrenching employees in the short term and, secondly, to provide support for individuals who have suffered a loss of income as a result of the COVID-19 shock.

The scheme encompasses the following two objectives:

5. The Employer Wage Subsidy Program for the hard hit industries under three (3) sectors of aviation, tourism and construction. This program is designed to save jobs. The program is driven by the following characteristics:
  - a. Employers of affected industries will receive a subsidy based on their total wage bill, driven by an SSC contribution waiver and a cash injection from the state. The aim is to give employers a cash subsidy of 17% of their total wage bill and SSC contribution holiday, or both for a period of three months.
  - b. Prospective beneficiary employers should agree not to retrench staff for the three (3) months and should not be allowed to reduce staff salaries by more than 50%
  - c. Any benefits to be received should be netted against any claims the employer in question may have received from the state or other forms of compensation (FIDIC or insurance).
  - d. The program is designed to potentially assist 7,900 employers employing 65,420 employees. The program is budgeted to receive N\$150 million which when combined with the waiver, should equate to ~25% of the total wage bill.

- e. Any amounts left over can be used in the Affected Employees program noted below.
6. The Affected Employees program invites persons to apply for a grant designed to provide compensation for those who have lost income. This program is designed to provide a safety net for those who have been adversely impacted by COVID19. Features include:
- a. Applicants should have been registered with the SSC as at 1 February 2020.
  - b. Applicants should be able to prove loss of income related to COVID19
  - c. Applicants should earn less than N\$50,000 p.a.
  - d. The benefit will be limited to 50% of monthly salary, subject to a minimum of N\$1,000 per month for 3 months.
  - e. The benefit will be net of other benefits received from the state (e.g. Emergency Income Grant )
  - f. Using these parameters and a budget allocation of N\$350 million this program could cater for between 56,000 to 117,000 applicants
7. Modalities around the registration process, payment logistics and relevant information on the scheme will be communicated and managed by the Social Security Commission and will be announced in due course.

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