

Mandatory social protection for self-employed workers

Presidential Decree 97/22 of 2 May (the “Decree”) came into force on 2 May and it defines the Legal Framework for Mandatory Social Protection for Self-Employed Workers and expressly revokes Decree 42/08 of 3 July.

Under the terms of this Decree, it is mandatory for “workers who engage in professional activity without being subject to an employment contract” to be covered by this new framework. In other words, it covers workers without a binding employment relationship, who are commonly referred to as self-employed workers, whether they are Angolan or resident foreigners. The only exception is for workers who can demonstrate that they are covered by the social protection system of another country. The following are considered to be self-employed workers: a) self-employed professionals and all those who engage in an economic activity in their own name, b) workers who have the option to choose the processes and means to be used in their work, which are totally or partially their own property, and c) workers who subcontract others to carry out work in their place.

Accordingly, self-employed workers have to register with the Mandatory Social Protection Managing Entity and must pay monthly contributions

calculated according to the monthly pay declared at the time of registration. This is expressed in number of minimum salaries, up to a limit of 35. The contribution rate varies as follows:

- a) 8% of declared pay if the worker opts for the compulsory contributory and benefit scheme, which covers only the risks of old age and death as provided for employees;
- b) 11% of declared pay if the worker chooses the contributory and extended benefits regime, which includes all the situations covered by the regulations for employees (e.g., disability, sickness, maternity, funeral grant);
- c) 4% for workers who work in low income activities and declare an income between 1 (one) and 3 (three) minimum wages (including agricultural activities, fishing, street market trading, taxis and moto-taxis). This covers only the compulsory benefits (old age and death).

SELF-EMPLOYED WORKERS HAVE TO REGISTER WITH THE MANDATORY SOCIAL PROTECTION MANAGING ENTITY AND MUST PAY MONTHLY CONTRIBUTIONS.

We emphasise that the workers can, at any time, and depending on their income, change the amount indicated when registering with the Mandatory Social Protection Managing Entity. Moreover, there is the option of requesting a frequency other than monthly to pay the contributions, but this may not exceed 6- (six) monthly periods.

In terms of deadlines, this Decree allows a period of 12 (twelve) months for self-employed workers who are already engaging in their activity to regularise their registration and contribution status with the Mandatory Social Protection Managing Entity. At the end of this period, the workers in question will be subject to interest and fines for failure to pay the contributions due.

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Failure to pay the contributions for 12 (twelve) consecutive months will result in the suspension of the right to receive any social benefit until the contribution situation is regularised and any interest due on arrears is paid.

Finally, we would draw your attention to the fact that it is the responsibility of the self-employed worker to communicate to the Mandatory Social Protection Managing Entity the termination of the self-employed

activity, whenever this occurs. Failing this, the worker will be considered to be in breach of this legal framework due to the failure to pay contributions.

In all matters in which Presidential Decree 97/22 of May 2 is silent, the legal provisions that regulate the social protection scheme for employees will apply. ■