

GLOBAL EXPANSION

GLOBAL HIRING GUIDE

Guyana

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Revision Date: April 2023

01

BASIC COUNTRY FACTS

Full Name
Republic of Guyana

Capital
Georgetown

Main Languages
English
Guyanese Creole

Population
804,567

Monetary Unit
Guyanese Dollar

Internet Domain
.gy

International Dialing Code
+592

Currency
Guyanese dollar



02

STATUTORY LABOR REQUIREMENTS

Probation Period

- A probationary period of three months is required by law unless the parties agree to a different period.

Annual Leave

- Annual leave for those employed on a weekly, fortnightly or monthly basis is equal to one day for every completed month of service
- Annual leave for daily paid employee is equal to one day for every twenty days worked
- For hourly paid employees, annual leave is equal to one day for every one hundred and sixty hours worked.

Public Holidays

1. New Year's Day
2. Republic Day
3. Holi
4. Good Friday
5. Easter Monday
6. Labor Day
7. Indian Arrival Day
8. Independence Day
9. CARICOM Day
10. Eid al-Adha
11. Emancipation Day (of Guyana)
12. Prophet's Birthday
13. Diwali
14. Christmas Day
15. Boxing Day

Maternity Leave

- The National Insurance Act allows for thirteen weeks' maternity leave, starting not earlier than six weeks before expected confinement.
- In exceptional cases a further thirteen weeks is permitted. Maternity benefits paid is equivalent to 70% of the average insurable income.

Paternity Leave

- Paternity or parental leave is not available.

Maternity Leave

- Sick leave is not an entitlement but employees are allowed both certified and uncertified sick leave.
- Payment for sick leave is made by the National Insurance Scheme after the third day of illness.
- Most Collective Agreements require the employer to make up any shortfall.

Work Hours

- Guyana has a 40-hour week over a 5-day period.

Overtime

- For all hours worked in excess of the prescribed or agreed hours, payment shall be made at 1.5 times the basic hourly rate.
- Employees working at work-sites deemed a factory shall be paid a premium for all hours worked on a Sunday or Public Holiday.

Notice Period

- The notice period is two weeks where the employee has been employed for less than one year and one month when employed for more than one year.
- A notice of termination shall not be given by an employer during any period of an employee's absence on authorized leave.

Severance

- An employer is entitled to dismiss summarily without notice or payment of any severance or redundancy allowance or terminal benefit any employee who is guilty of serious misconduct.
- On termination of his employment, an employee who has completed one year or more of continuous employment with an employer shall be entitled to be paid by such employer a severance or redundancy allowance equivalent
    - one week's, wages for such completed year of service for the first five years Including the entitlement year
    - two weeks' wages for each completed year of services after the fifth year and up to the tenth year
    - three weeks' wages for completed year of service in excess of ten years up to a maximum of fifty-two weeks.

13th Month

- 13th month pay is not mandatory in Guyana

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INCOME TAX

- Individuals who are ordinarily resident or domiciled in Guyana are subject to tax on their worldwide income.
- Individuals who are not ordinarily resident or domiciled in Guyana are taxable on income accruing in or derived from Guyana, including income from any employment exercised in Guyana, regardless of whether the income is received in Guyana.
- However, earned income (including employment income) that arises outside Guyana or that arises to a person not ordinarily resident or domiciled in Guyana is taxable only when it is received in Guyana.
- Taxable income from employment includes salaries, bonuses and any other allowances granted with respect to employment after allowing for appropriate deductions and exemptions.
- In the case of an expatriate, taxable income includes the value of employer-provided benefits, including accommodation and transportation.
- Personal income tax is imposed at the following rates.

TAXABLE INCOME	TAX RATE (%)
Up to GYD560,000	28
Over GYD560,000	40

- Payments to resident individual contractors in excess of GYD500,000 are subject to resident individual contractor tax. This tax is imposed as a withholding tax at a rate of 2% on each payment. This tax applies with respect to contracts for the providing or supplying of independent personal services for reward and includes the supply of labor and the hiring of equipment.
- The tributor's tax is imposed at a rate of 10% on persons engaged in the gold and diamond mining industry, such as drivers, cooks and sailors, who are rewarded for their labor under the tribute system.

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SOCIAL SECURITY

- Contributions to the NIS must be made at the following rates on maximum monthly insurable earnings of GYD280,000:
    - For employees: 5.6%
    - For employers: 8.4%
    - For self-employed persons: 12.5% (of their declared income up to GYD256,800)

CONTRIBUTION	EMPLOYEE	EMPLOYER	SELF-EMPLOYED
Social Security Contributions	5.6%	8.4%	12.5%



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DEDUCTIBLE EXPENSES

Personal deductions and allowances

- Personal allowance, which is the greater of GYD780,000 per year or one-third of the employee's total income from all sources excluding income subjected to withholding taxes)
- Employee contributions to the National Insurance Scheme (NIS)
- Traveling allowances (deductible only if related the exercise of employment) ·
- Station allowance
- Entertainment allowance
- Subsistence allowance
- Meal allowance
- Security and telephone allowance (this is by the current policy of the Guyana Revenue Authority [GRA] and not provided for in a statute)
- Medical and dental expenses (deductible only for government employees)
- Gratuity (deductible only for government employees)
- Leave entitlement
- Severance pay
- Vacation allowance (up to a maximum of one month's basic salary)
- The traveling, subsistence, vacation and entertainment allowances are deductible only if it is proven that the allowances were expended for the purposes for which the allowances were granted.

Business Deductions

- Any expenses incurred wholly and exclusively for the purpose of producing income are deductible.

DEDUCTABLE EXPENSES	
Personal Deductions	• Personal allowance, which is the greater of GYD780,000 per year or one-third of the employee's total income from all sources excluding income subjected to withholding taxes) • Employee contributions to the National Insurance Scheme (NIS) • Traveling allowances (deductible only if related the exercise of employment) • Station allowance • Entertainment allowance • Subsistence allowance • Meal allowance • Security and telephone allowance (this is by the current policy of the Guyana Revenue Authority [GRA] and not provided for in a statute) • Medical and dental expenses (deductible only for government employees) • Gratuity (deductible only for government employees) • Leave entitlement • Severance pay • Vacation allowance (up to a maximum of one month's basic salary)
Business Deduction	• Any expenses incurred wholly and exclusively for the purpose of producing income are deductible.

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IMMIGRATION

Immigration

- In general, foreign nationals employed by companies in Guyana must obtain both entry visas (subject to certain exceptions mentioned above) and work permits.
- The Ministry of Presidency, Department of Citizenship and Immigration, requires specific and detailed information before granting work permits to foreign nationals.
- The government requires that employment opportunities first be offered to Guyana nationals and residents before nonresidents.
- In general, CARICOM (Caribbean community) nationals may be given up to six months for employment purposes on entry into Guyana.
- If a CARICOM national has a Certificate of Recognition of Caribbean Community Skills Qualification by virtue of being a university graduate or meeting other specific criteria, the person may enter Guyana for a period of six months or some other indefinite period and work in Guyana.
- Similar rights are granted to the spouse and dependents of the CARICOM national.
- Non-CARICOM nationals may be granted up to three months for employment purposes on entry into Guyana.

  However, the Chief Immigration Officer may extend the initial period granted to two years.
- If a foreign national is entering Guyana for the purpose of employment, a landing permit/employment visa must be obtained prior to arrival in Guyana.
- Subsequent to his or her arrival, a work permit must be obtained.
- The following documents with respect to the employee must be submitted to the Department of Citizenship and Immigration to facilitate the landing permit/employment visa and work permit application processes:
  - Landing permit/visa application form
  - Work permit application form
  - Copy of the applicant's entire passport, together with the sponsor's, if applicable (the passport must be valid for at least six months)
  - Two passport-size color photographs
  - Police clearance
  - Medical report
  - Credentials for the applicant (for example, certificates of qualifications)
- Work permits are granted for a two-year period.
- If a traveling individual requires a visa but is unable to apply at any of Guyana's missions or consulates, visas may be issued on arrival in Guyana.

TYPE OF VISA/ PERMIT	DOCUMENTATION	VALIDITY	ELIGIBILITY
Landing permit/ Employment Visa	• Landing permit/visa application form • Copy of the applicant's entire passport, together with the sponsor's, if applicable (the passport must be valid for at least six months) • Two passport-size color photographs • Police clearance • Medical report • Credentials for the applicant (for example, certificates of qualifications)	6 months (CARICOM nationals; 3 months for Non CARICOM nations)	• In general, foreign nationals employed by companies in Guyana must obtain both entry visas (subject to certain exceptions mentioned above) and work permits.
Work Permit	• Work permit application form • Copy of the applicant's entire passport, together with the sponsor's, if applicable (the passport must be valid for at least six months) • Two passport-size color photographs • Police clearance • Medical report • Credentials for the applicant (for example, certificates of qualifications)	2 years	• In general, foreign nationals employed by companies in Guyana must obtain both entry visas (subject to certain exceptions mentioned above) and work permits.

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VALUE ADDED TAX

Value Added Tax

- Goods and services are subject to a 14% VAT
- Certain goods and services are exempt from VAT

VAT	
Standard Rate	14%
Exempt Rate	0%

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WITHHOLDING TAX

Withholding Tax

- A final withholding tax at a rate of 20% is imposed on dividends, interest, royalties and management fees paid to nonresident individuals.
- Withholding Tax is not imposed on dividends, interest, royalties and management fees paid to resident individuals

WHT	
Dividends	20%
Royalties	20%
Interest	20%
Technical Service Fees	20%

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TERMINATION

- A contract of employment for an unspecified period of time may at any time be terminated
    - by mutual consent of the parties
    - on any ground of redundancy
    - by either party
        - for good or sufficient cause
        - by notice given to or served upon the other party
- The notice period is two weeks where the employee has been employed for less than one year and one month when employed for more than one year.
- A notice of termination shall not be given by an employer during any period of an employee's absence on authorized leave.
- An employer is entitled to dismiss summarily without notice or payment of any severance or redundancy allowance or terminal benefit any employee who is guilty of serious misconduct.
- On termination of his employment, an employee who has completed one year or more of continuous employment with an employer shall be entitled to be paid by such employer a severance or redundancy allowance equivalent to
    - one week's, wages for such completed year of service for the first five years Including the entitlement year
    - two weeks' wages for each completed year of services after the fifth year and up to the tenth year
    - three weeks' wages for completed year of service in excess of ten years up to a maximum of fifty-two weeks

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STATUTORY BENEFITS

- These are mandatory benefits as postulated by law
- These include probationary period, annual leave, public holidays, maternity leave, overtime pay, notice period, severance pay
- Statutory benefits also include social security benefits

STATUTORY BENEFITS
• Probationary Period
• Annual Leave
• Public Holidays
• Maternity Leave
• Overtime Pay
• Notice Period
• Severance Pay
• Social Security Benefits





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