



## EMPLOYMENT STABILIZATION PAYMENT COVID -19

### How is the ESP calculated?

Each employer must pay VT 30,000 for each eligible worker. In addition, bosses will also receive another 12% of payment for incentives as well as VNPF contributions. The 12% is calculated from the VT 30,000 paid; meaning that for each employee, an additional VT 3,600 will be paid to the employer. The 12% is separate from the employee payment and should cover the following

- (4%) to cover the employer's VNPF contribution of VT 1,200,
- (4%) funding worker contribution to VNPF (VT 1,200)
- (4%) and VT 1,200 is retained by the boss to fund additional costs of employment and other costs such as employee facilities, power, transport etc.

### How do I apply for the Employee Stabilisation Payment?

Employers are encouraged to contact the Ministry of Finance and Economic Management (MFEM) to access information concerning the ESP. The " - Employment Stabilisation Payment" - forms can be accessed through the following webpage Link below. Website: <https://doft.gov.vu/index.php/covid-19>

Email: [esp@vanuatu.gov.vu](mailto:esp@vanuatu.gov.vu) or [esp-enquiry@vanuatu.gov.vu](mailto:esp-enquiry@vanuatu.gov.vu)

Phone: 26049,

The Forms will also be made available to the Vanuatu Chamber of Commerce and Industry from whom members can request the form or forward their Queries. They can be contacted via: Phone: 27543 Email: [reception@vcci.vu](mailto:reception@vcci.vu)

### Can an employee be paid the ESP even if they work for only certain hours a week on only a few weeks each month?

Yes. The ESP will be paid for all eligible workers, who only come to work under such arrangements due to low level of activity. Even if there are no jobs for them, they will still receive the payment. However, employers must keep all their employee active on their payroll and prove that these employees are genuine workers within their company. Employers should make good use of these opportunity to find some other task for their employees and keep them active.

### What if an employee is terminated, can he/she still benefit from this ESP?

- Suppose an employee was terminated before 29th of February and received his/her full Severance payment, then he/she will not be qualified for the ESP because he/she no longer has a legal contract agreement with his Boss.
- However if an employee was terminated by his boss after the COVID - 19 and was approved to go on leave without pay until the situation improves, then that employee is qualified under the ESP.
- In the case where an employee was terminated before COVID-19 and was also paid his severance but the company still wants to re-employ him/her, the Employer (Boss) must confirm in writing to the Director of Finance, to confirm that the employee's employment status has been reactivated.

### Will the Government pay each employee salary directly into their Bank account?

No. Payments are made to eligible employers (owner manager) of a company based on the information provided in the ESP form. It is the duty of the employer to ensure employees receive their payments. The employer is responsible to ensure the employee VNPF contribution is paid.

## CONTACT DETAILS

**DEPARTMENT OF FINANCE**

<https://doft.gov.vu/index.php/covid-19>

[esp@vanuatu.gov.vu](mailto:esp@vanuatu.gov.vu) & [esp-enquiry@vanuatu.gov.vu](mailto:esp-enquiry@vanuatu.gov.vu)

26049

**VANUATU CHAMBER OF COMMERCE AND INDUSTRY**

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[reception@vcci.vu](mailto:reception@vcci.vu)

Question	Answer
<b>STIMULUS</b>	<b>EXPLANATION</b>
<b>Why an Employment Stabilisation Payment (ESP)?</b>	<p>The ESP is part of the Government's economic stimulus package designed to support the economy as a result of the COVID- 19 pandemic. The pandemic has severely impacted the economy and a lot of businesses have encountered difficulties. The closing of land and sea borders has particularly affected the tourism and service sector resulting in very low economic activity and the potential for rising unemployment.</p> <p>The government has stepped in to assist businesses and workers. The ESP is a payment made to employers who paid wages that were reported to the VNPF on 29 February 2020. It is intended to support the economy by helping all employers with the cost of the wages they pay to their workers, provide economic stimulus to our economy, and keep workers in jobs.</p>
<b>How many months of salary will the ESP cover?</b>	<p>This payment will cover a period of 4 months, March, April, May and June Of 2020. The Government will carry out a policy review of the stimulus Package at the end of June and any changes to the package will be announced.</p>
<b>What are the key dates for the ESP?</b>	<p>An employer that was registered with VNPF on 29th of February 2020 may apply for this payment in respect of all workers employed and recorded with VNPF at that time. An employee or employer who does not have a valid VNPF ID before this date will not be eligible for the ESP payment.</p>
<b>Will the ESP cover all business type?</b>	<p>Almost all business sectors /type will be qualified for the ESP, however a few are likely not to be qualified or partly qualified for the ESP. Even if not qualified, they will still benefit indirectly. Businesses such as the Retail and Hardware shops, Construction Companies, the Agriculture and fishing sector, Artists, and Schools both public and Private) are more likely not to fall within the qualification criteria. The Government has approved for other packages to assist these sectors, for instance, all schools will benefit from the school Tuition fee subsidy already announced so they will not come under the ESP program. Under the announced Economic stimulus policy, the government also endorsed other key stimulus packages to address other vital economic sector which are, Small &amp; medium business grant payment, Tuitions fee subsidy, Commodity subsidy and the Shipping subsidy.</p>
<b>Can an Employee or an employer qualify for the ESP if they don't have an active VNPF membership?</b>	<p>No. The Employment Stabilisation Payment is only payable if the workers are registered with VNPF and have a active membership. To be eligible to receive the ESP, the Employer (Company boss) must have a active registered membership with VNPF before the 29th of February 2020. The boss must also remain registered for all the other 4 after the said date to be qualified for the ESP.</p>
<b>What happens if an employer pays his /her employee less than VT 30,000 per month take home pay in March 2020?</b>	<p>If an employee is paid a salary less than VT 30,000 (after VNPF) in March 2020, the employer must "top up" the employee's pay so they get paid the full VT 30,000 for that month.</p> <p>If an employer decides to pay a higher salary than 30,000VT, then the company will have to cover for the additional cost from their own financial resources.</p>
<b>Can an employer add additional workers to the number they had after 29 February 2020?</b>	<p>No, you can only claim the ESP for the employees you had on your VNPF records as at 29 February 2020. Special rules will apply if an employer replace an employee who has been terminated or resigns.</p>
<b>Can an employer add additional workers to the number they had after 29 February 2020?</b>	<p>Yes, however the reasons for terminations must be genuine to justify that a replacement is needed. The new replacement employee will be taken to have the same wage as the original employee. Supposed the new replacement does not have a Valid VNPF before 29th Feb, he /she will still not qualified under the ESP. The ESP is intended to help employees keep their company employed. It is not permitted to replace an employee unless they are terminated for good reason or they choose to resign on their own initiative.</p> <p>The Department of Labour is available to provide further advice on these issues especially for affected employees.</p>
<b>Can an employee still benefit from this package if he/she is over 55 years of age, which could be an issue with his/her VNPF membership?</b>	<p>Yes but the employee can only benefit from this package if he/she still has an active membership with the VNPF. If the employee does not meet this requirement then he/she will not be qualified. Suppose the employer still want to employ such employee with a non active VNPF membership then the employer will have to meet the cost at its own company expense.</p>
<b>Can an Employer give his employee a pay rise?</b>	<p>Yes that is acceptable however, the amount of ESP, the employee gets per worker will not change VT 30,000 plus 12% for employer expenses. Any additional cost will be for the employer to fund from the company own expenses.</p>

### Frequently ask questions & Answers

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