**Public Service Announcement**

**IMPACT OF MINIMUM WAGE ON NATIONAL INSURANCE CONTRIBUTIONS**

The Government of The Bahamas has announced that there will be an increase in the Minimum Wage effective August 15, 2015. In this regard, the National Insurance Board advises employers that for all workers impacted by the change in the minimum wage, there will be a corresponding increase in contribution payments for the month of August and thereafter.

For example, a worker earning the current $150 per week minimum wage would have been paying from his salary contributions of $5.85, with the employer paying $8.85. With the increase in the minimum wage to $210 per week, that employee’s contributions will be increased to $8.19 per week, with the employer paying $12.39 per week. The higher contributions will mean higher benefit payments for the worker.

By law, contributions not deducted from the worker’s salary at the time the salary is paid cannot be deducted from his future wages. Therefore, employers are reminded to make the correct deductions at each pay period starting on August 15.

The general public is reminded that increased contributions will be payable only for workers who earn less than $210 per week and whose wages will, as a result, be increased to reflect the new minimum wage.