



GLOBAL
EMPLOYER
GUIDE

BELIZE





Basic Country Facts

Full name

- Belize

Capital

- Belmopan

Main Languages

- English
- Kriol
- Garifuna
- Mandarin
- Spanish
- Maya

Population

- 383,071

Monetary unit

- Belize Dollar

Internet domain

- .bz

International dialing code

- +501

Currency

- Belize Dollar



STATUTORY LABOR REQUIREMENTS

Probation Period

- Within Belize, the only statutory provision on probationary period relates to employment under an oral contract of employment.
- In this case, the probationary period is considered to be two weeks.

Annual Leave

- Workers are entitled to 2 working weeks' vacation annually.

Public Holidays

- New Year's Day (1st January)
- Baron Bliss Day (9th March)
- Good Friday
- Holy Saturday
- Easter Monday
- Labor Day (1st May)
- Commonwealth Day (24th May)
- National Day (10th September)
- Independence Day (21st September)
- Pan -American Day (12th October)
- Garifuna Settlement Day (19th November)
- Christmas Day (25th December)
- Boxing Day (26th December)

Maternity Leave

- A female worker is entitled to fourteen (14) weeks maternity leave on full pay.
- Maternity Allowance is paid to Insured Women who are on Maternity leave from work because of their pregnancy and confinement.
- The Maternity Allowance is paid weekly for a maximum period of 14 weeks.



Sick Leave

- Workers are entitled to 16 days' sick leave at their basic rate of pay providing they worked an aggregate period of not less than 60 days within 12 months.

Work Hours

- The standard work week in Belize is 45 hours or six days a week, with paid overtime.

Overtime

- A worker who works more than:
 - 8 hours per day in accordance with the Shops Act;
 - 9 hours per day in accordance with the Labor Act;
 - 6 days per week; or,
 - 45 hours per week should be paid at the overtime rate of one and one-half times (1.5) the regular rate.

Notice Period

- If period of employment is over 2 weeks to 6 months, notice period is of 1 week
- If period of employment is over 6 months to 2 years, notice period is of 2 weeks
- If period of employment is over 2 years to 5 years, notice period is of 4 weeks
- If period of employment is over 5 years, notice period is of 8 weeks

13th Month

- 13th month pay is not mandatory in Belize

Severance

- Where an employee who has been continuously employed by any employer for a period of
 - five to ten years and
 - his employment is terminated by the employer, or
 - the worker retires on or after attaining the age of sixty years or on medical grounds, that worker shall be paid a severance pay of one week's wages in respect of each complete year of service; or
 - over ten years and his employment is
 - terminated by the employer for reasons, which do not amount to dismissal, or
 - ended because the worker retires on or after attaining the age of sixty years or on medical grounds,
 - worker abandons the service of an employer for good and sufficient cause, or
 - a worker who resigns after a minimum of 10 years is eligible for a gratuity equal to severance pay, or
 - terminated on the expiration of a contract for a definite period.

that worker shall be paid a severance pay of two weeks' wages in respect of each complete year of service.



Income Tax

- Income Tax was enacted in Belize in 1924 and remained in that basic form up to July 1998, when Business Tax was introduced.
- The Legislation is now called “The Income and Business Tax Act”, with an effective date of January 1999 in its current form.
- Income tax is charged at a rate of 25%, and for residents of Belize, the first \$14,500 of their annual income is exempt. Pension income is also exempt.
- To qualify for residency, an individual must be present in Belize for 183 days or more during a calendar year.
- There’s no graduated scale of taxation like in the U.S. and many other countries.
- Belize currently has no capital gains tax.

Income Tax	
Rate	Flat Rate of 25%



Social Security

- This branch of Benefit provides coverage for insured persons under the following categories: Sickness, Maternity Allowance, Maternity Grant and Funeral Grant.
- Employment Injury Benefits Branch provides coverage for an insured person who suffers an employment injury, that is an injury or death by way of an accident at work or a disease caused by the type of work he or she does.
- This Branch covers Employment Injury/Prescribed Disease Benefit, Constant Attendance Allowance, Disablement Allowance and Death Benefit.
- A contribution refers to Social Security payment due for any eight hours or more of work in a contribution week.
- A Social Security contribution week is from Monday to Sunday.
- It is payable for all employees who are over fourteen years and under sixty-five years for each contribution week during the whole or any part of which such person is employed in insurable employment.
- The employer is liable to pay the total contribution due, both his or her own share and the share deducted from the employed person's salary.
- The contributions are payable by the employer by the 14th day of each month for the previous month.
- The weekly contribution is related to the weekly insurable earnings, which, in turn, are related to actual earnings.
- For the convenience of employers who pay wages on a weekly basis, the first column in the Schedule of Contributions shows that in the case of a worker whose weekly earnings are under \$70.00, the weekly insurable earning is \$55.00.
- The weekly contribution rates payable by the employed person is \$0.88 and by the employer is \$3.80.

Social Security Contributions

- The weekly contribution is related to the weekly insurable earnings, which, in turn, are related to actual earnings.
- In the case of a worker whose weekly earnings are under \$70.00, the weekly insurable earning is \$55.00.
- The weekly contribution rates are as follows: -

Employees	\$0.88
Employer	\$3.8



Deductible Expenses

- Effective 1 January 2010, employed persons, resident in Belize, are allowed a basic deduction of:
 - BZ\$25,600 in the case of an employed person whose total income, from all sources in a basis year, does not exceed BZ\$26,000
 - BZ\$24,600 in the case of an employed person whose total income, from all sources in a basis year, exceeds BZ\$26,000 but does not exceed BZ\$27,000
 - BZ\$22,600 in the case of an employed person whose total income, from all sources in a basis year, exceeds BZ\$27,000 but does not exceed BZ\$29,000 and
 - BZ\$19,600 in the case of all other employed persons.
 - There are no other deductions in ascertaining chargeable income except for allowable charitable donations which is restricted to one-sixth part of the chargeable income.
- A standard tax credit deduction of BZ\$100 available to all residents.



Deductible Expenses

- BZ\$25,600 in the case of an employed person whose total income, from all sources in a basis year, does not exceed BZ\$26,000
- BZ\$24,600 in the case of an employed person whose total income, from all sources in a basis year, exceeds BZ\$26,000 but does not exceed BZ\$27,000
- BZ\$22,600 in the case of an employed person whose total income, from all sources in a basis year, exceeds BZ\$27,000 but does not exceed BZ\$29,000 and
- BZ\$19,600 in the case of all other employed persons.
- There are no other deductions in ascertaining chargeable income except for allowable charitable donations which is restricted to one-sixth part of the chargeable income.
- A standard tax credit deduction of BZ\$100 available to all residents.



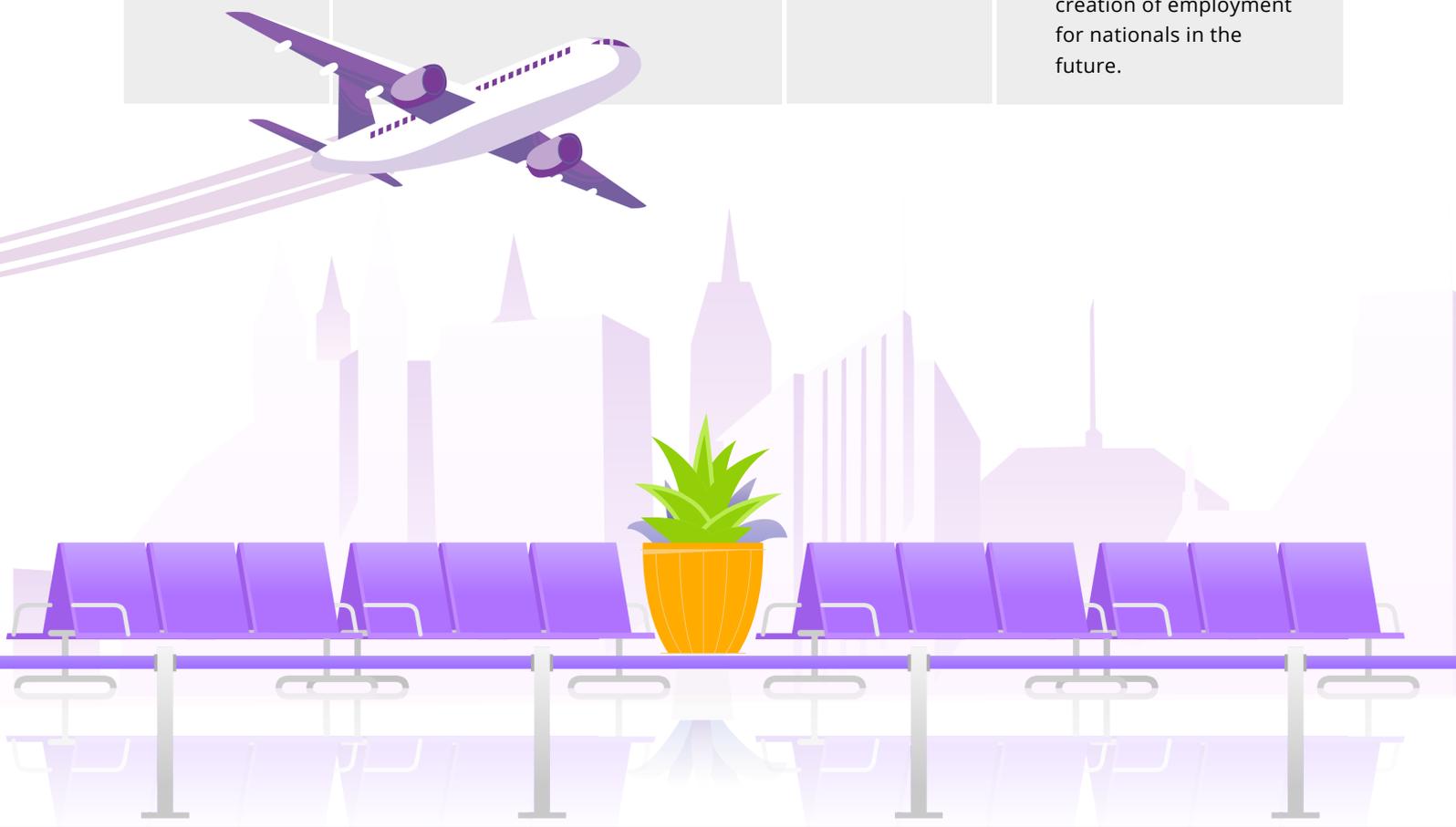
Immigration

- Visitors to Belize must possess a passport valid for at least three months after the date of arrival and a return ticket with sufficient funds to cover their stay.
- Visitors are given a one-month stay, after which an extension can be applied for with the Immigration Department.
- Visas are not required for citizens of the United States and its territories, Canada, United Kingdom and its territories, European Union, Caribbean and Central American countries.
- For visitors driving/boating into Belize from Guatemala or Mexico, a temporary importation permit must be secured at the point of entry. Vehicle/vessel permits are valid for 30 days.
- Belize's labor regulations are designed to protect the local job market to enable the employment of as many Belizeans as possible, and understandably so.
- Employment of foreign citizens is possible, however, under certain circumstances.
- There are two types of work permit applications in Belize:
 - Application for permission to employ a foreigner:
 - Any foreign citizen who wishes to work in Belize MUST be a legal resident (have resided in Belize for at least six months).
 - He/she must be in the country legally, with proper visas and/or permits issued by the Immigration Department.
 - Application for Temporary Self-Employment:
 - This category would apply to foreign investors, among others.
 - All applicants must be in the country legally, with proper visas and/or permits issued by the Immigration Department.
 - They are required to produce proof of reasonably sufficient funds for their proposed venture (i.e.: local bank statement of account).
 - Applicants must also obtain a reference from the relevant Ministry or Local Organization concerned with the category of work involved.
 - In such situations, the six-month residency requirement is waived, and it is assumed that the venture will lead to creation of employment for nationals in the future.
- The prospective employer must submit the application for the foreign worker he wishes to hire, along with three passport photos, \$20 in stamps, a valid passport, and proof that this individual is qualified for the job.
- At the same time, the Labor officer must be satisfied that all efforts to employ a national have been exhausted.
- This includes providing proof that the vacant position was advertised locally for at least three weeks, following which, no suitable applicant was found
- The permits are granted for a period of one year.

Type of Visa/ Permits	Documentation	Validity	Eligibility
<p>Work Permit (Application for permission to employ a foreigner)</p>	<ul style="list-style-type: none"> • Employment letter • Photocopy of applicant's passport • Sponsor's letter of Employer • Recent Bank Statement • \$20.00bz postage stamps • Police Record (6 months' validity) • Three job advertisement clippings from local newspaper (not applicable for self-employment) • Qualifications, Diplomas, Certificates to show proficiency in field of work • Three passport size photos • Letter of recommendations 	<p>1 year</p>	<ul style="list-style-type: none"> • Any foreign citizen who wishes to work in Belize MUST be a legal resident (have resided in Belize for at least six months). • He/she must be in the country legally, with proper visas and/or permits issued by the Immigration Department. • The prospective employer must submit the application for the foreign worker he wishes to hire, along with three passport photos, \$20 in stamps, a valid passport, and proof that this individual is qualified for the job. • At the same time, the Labor officer must be satisfied that all efforts to employ a national have been exhausted. • This includes providing proof that the vacant position was advertised locally for at least three weeks, following which, no suitable applicant was found



Type of Visa/ Permits	Documentation	Validity	Eligibility
Work Permit (Application for temporary Self- Employment)	<ul style="list-style-type: none"> • Registration/Trade License of Business • Photocopy of applicant's passport • Sponsor's letter of Employer • Recent Bank Statement • \$20.00bz postage stamps • Police Record (6 months' validity) • Three job advertisement clippings from local newspaper (not applicable for self-employment) • Qualifications, Diplomas, Certificates to show proficiency in field of work • Three passport size photos • Letter of recommendations 	1 year	<ul style="list-style-type: none"> • This category would apply to foreign investors, among others. • All applicants must be in the country legally, with proper visas and/or permits issued by the Immigration Department. • They are required to produce proof of reasonably sufficient funds for their proposed venture (i.e.: local bank statement of account). • Applicants must also obtain a reference from the relevant Ministry or Local Organization concerned with the category of work involved. • In such situations, the six-month residency requirement is waived, and it is assumed that the venture will lead to creation of employment for nationals in the future.



Value Added Tax (VAT)

- General Sales Tax (GST) in Belize is levied at a 12.5% rate.
- This applies to most goods, as well as services.
- There are a few exemptions, such as basic food items and basic medical supplies.

VAT Rates	
Standard Rate	12.5%
Exempt Rate	0%

Withholding Tax

- Dividends paid to non-residents, dividends paid to shareholders by entities licenses to provide telecommunication service that offer real time voice services are exempt from tax are subject to 15% withholding tax
- Gross contract payments in connection with contracts exceeding BZD 3,000 are subject to 3%
- Interest paid to non-residents is subject to 15% withholding tax
- Management fees, rental of plant and equipment and charges for technical services paid to non-residents is subject to 25% withholding tax

WHT	
Dividends	15%
Gross Contract Payments	3%
Interest	15%
Technical Service	25%



Termination

- On the termination of a contract of service lasting over one month, the employer shall at the worker's request, give to him a certificate stating the duration of the employment, the nature of the work or services performed and, the rate of wages paid under the contract.
- If period of employment is over 2 weeks to 6 months, notice period is of 1 week
- If period of employment is over 6 months to 2 years, notice period is of 2 weeks
- If period of employment is over 2 years to 5 years, notice period is of 4 weeks
- If period of employment is over 5 years, notice period is of 8 weeks
- Where an employee who has been continuously employed by any employer for a period of
 - five to ten years and
 - his employment is terminated by the employer, or
 - the worker retires on or after attaining the age of sixty years or on medical grounds, that worker shall be paid a severance pay of one week's wages in respect of each complete year of service; or
 - over ten years and his employment is
 - terminated by the employer for reasons, which do not amount to dismissal, or
 - ended because the worker retires on or after attaining the age of sixty years or on medical grounds,

- worker abandons the service of an employer for good and sufficient cause, or
- a worker who resigns after a minimum of 10 years is eligible for a gratuity equal to severance pay, or
- terminated on the expiration of a contract for a definite period.

that worker shall be paid a severance pay of two weeks' wages in respect of each complete year of service.

Statutory Benefits

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

Statutory Benefits
Probationary Period
Annual Leave
Public Holidays
Sick Leave
Maternity Leave
Overtime Pay
Notice Period
Social Security Benefits



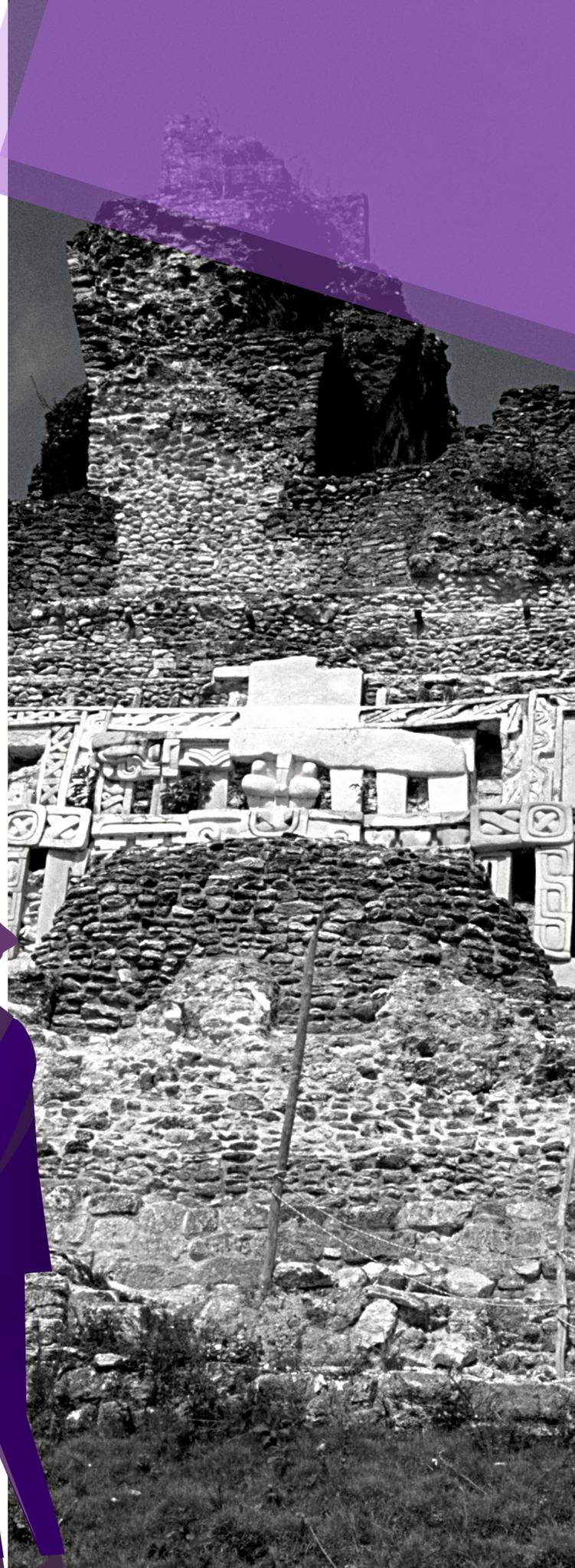
Payments and Invoicing

- The Business Tax Return along with the Tax Due must be filed by the 15th day of each month, covering all receipts for the previous month
- The penalties for not complying with the filing and payment deadlines are as follows:
 - Late or Non-filing
10% of the tax due for every month or part of the month that the return remains outstanding, minimum of \$10.00 for a maximum of 24 months.
 - Late or Non-payment
1.5% per month on all unpaid balance from the time it was due up to the date of payment.
 - Failure to file a return
A fine on summary conviction not exceeding \$10,000.00, and in default, imprisonment not exceeding Two (2) years.
- Persons, who are not exempt from the payment of Business Tax must register with the Income Tax Department in order to file and pay.
- On completion of the registration process a Tax Identification Number (TIN) will be issued.
- The TIN number is the same number that is to be used for General Sales Tax and Customs and Excise processes.



Ease of Doing Business

- The ease of doing business index is an index created by Simeon Djankov, an economist at the Central and Eastern Europe sector of the World Bank Group.
- Higher rankings (a low numerical value)
- indicate better, usually simpler, regulations for businesses and stronger protections of property rights.
- According to the World Bank Belize ranked 135th in the World in 2019 in terms of ease of doing business.



GLOBAL EMPLOYER GUIDE

BELIZE



An Equus Software Company