



GOVERNMENT OF BERMUDA  
Ministry of Finance  
Office of the Tax Commissioner

## **Payroll Tax Relief for Employers with New Bermudian Hires as per the Payroll Tax Amendment Act 2013**

**Employers who hire Bermudians from 1 April 2013 – 31 March 2015 inclusive are eligible to pay the reduced rate of tax of 5.25% for that employee the first two years of his/her employment.**

In order to benefit from the reduced rate the following conditions must be met:

- Statements of Eligible Employees must be completed and submitted to the Office of the Tax Commissioner for each new hire. Forms can be obtained on our website at [www.taxbermuda.gov.bm](http://www.taxbermuda.gov.bm) or from our office located on the 1st Floor, F.B. Perry Building, 40 Church Street, Hamilton HM12.
- Employers must not be in arrears at the time of application and must remain current with their payroll tax payments to continue to benefit from the reduced rate.
- New hires must have Bermudian status.
- At the time the new employee becomes employed by the employer, he or she must have been unemployed for a period of at least three immediately preceding months.
- The reduced rate will not be given with respect to Self-Employed/Deemed Employees.
- The employment of the new employee must not be as a result of payroll tax avoidance arrangements.
- Declarations are subject to audit by the Office of the Tax Commissioner. Penalties for non-compliance will be based on the full amount of tax due at the standard rate. Non-compliance may also be considered an offence of Criminal Tax Evasion which is an indictable offence per Section 37 of the Taxes Management Act 1976.

**“Any person who, by fraud, evades or attempts to evade payment of tax is guilty of an offence and is liable on conviction on indictment to imprisonment for five years or a fine of \$10,000.”**

For further information on the terms of the Payroll Tax Relief for New Bermudian Hires please contact the Office of the Tax Commissioner at [www.taxenquiry@gov.bm](mailto:www.taxenquiry@gov.bm). Tel: 298-6353 or 298-6352.