

BVI enacts legislation to change work permit fee calculation

The BVI Government has enacted a measure regarding the fees payable for work permits in the Territory.

The Statutory Rates, Fees and Charges (Amendment of Schedule) (No 2) Order 2017 amends part 45 of the Schedule to the Statutory Rates, Fees and Charges Act 2005 which governs statutory work permit fees. The Amendment Order came into force on 1 July 2017.

Previously, most applicants had to pay a flat fee established by the band of salary they would receive: for example the fee for employees earning between \$20,000 and \$25,000 p/a was \$600, and the fee for employees earning anything over \$25,000 was \$1,000. This scheme was subject to various exceptions: domestic workers (whose fee was only a nominal sum); employees closely related to persons holding a “controlling interest” in the relevant company; self-employed persons; and a special weekly rate for persons or groups of people engaged in the performing arts.

The Amendment Order replaces the employee flat fee system with an incremental calculation based on salary bands, which in general now assume a higher gross salary. The fees are essentially:

- 3 per cent of gross annual salary for annual salary up to \$25,000
- 5 per cent of gross annual salary for annual salary between \$25,001 and \$50,000
- 7 per cent of gross annual salary for annual salary above \$50,001

There is a maximum fee cap of \$10,000.

By way of example, a person who earns \$100,000 annual salary will pay a work permit fee of \$5,500 calculated as follows:

- \$25,000 calculated at 3 per cent = \$750
- \$25,000 calculated at 5 per cent = \$1,250
- \$50,000 calculated at 7 per cent = \$3,500

The Amendment Order also replaces most of the exceptions, keeping only the exception for domestic workers (whose fee is fixed at 1 per cent of gross salary regardless of level). The previous exception for persons engaged in the performing arts is now essentially replaced by a general provision for temporary work permit fees, which are simply a proportionate percentage of the above calculation.

There is also now a set application fee for all work permits of \$50.

If you have questions please contact Sheila George, Johann Henry or your usual Harneys contact.

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