



Law Establishes Special Contribution for the Protection of Social Security Pensions

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In the *Official Gazette* of the Bolivarian Republic of Venezuela No. 6,806 Extraordinary of May 8, 2024, the "Law for the Protection of Social Security Pensions Against the Imperialist Blockade" was published, in which a special contribution is established for private legal entities that carry out activities in the territory of the Republic, intended for the protection of pensions provided for in the special law that regulates social security.

Among the relevant aspects regarding the contribution in question are the following.

- **Amount of the Contribution:** The amount of the contribution will be a maximum of 15 percent of the total payments made to workers for salary and non-salary bonuses.

Furthermore, it is specified that:

- the basis for calculating the payments made to each worker may not be less than the indexed comprehensive minimum income defined by the national executive.
- the president of the Republic will establish annually the percentage of the contribution, within the limits provided for in the law, according to the type of economic activity.

By virtue of the above, Decree No. 4,952, published in the *Official Gazette* of the Bolivarian Republic of Venezuela No. 42,880 dated May 16, 2024, established the amount of the special contribution provided for in the Social Security Pensions Protection Law, 9 percent of the total payments made by the taxpayer to workers for salary and non-salary bonuses.

- **Exemptions:** The president of the Republic may exempt, totally or partially, the payment of the contribution to certain special taxpayers and strategic sectors for foreign investment and national development.

In this sense, in Decree No. 4,952, the exemption from payment of the special contribution was established for enterprises duly registered with the National Registry of Entrepreneurship (RNE). This exemption benefit will be valid for one year, counted from the date of its publication in the *Official Gazette*.

- **Collection:** The special contribution will be declared and paid monthly. In this sense:
 - the National Integrated Customs and Tax Administration Service (SENIAT) is responsible for collecting the special contribution, as well as ensuring compliance with the formal and material duties related to it.
 - the declaration and payment of the special contribution must be made in accordance with the form, place and conditions established by the National Tax Administration, through a general administrative ruling.



In response to the above, the SENIAT issued Administrative Ruling No. SNAT/2024/000042, published in the *Official Gazette* of the Bolivarian Republic of Venezuela No. 42,881, on May 17, 2024, in which the rules for the declaration and payment of the special contribution for the protection of social security pensions are established.

- **Obligation to Report:** In Administrative Ruling No. SNAT/2024/000042, it is established that taxpayers must report the number of active workers they keep on the payroll on a quarterly basis, following the technical specifications established in the tax portal.
- **Independence of Social Security Contributions:** The special contribution is different and independent from the contributions made by employers to the Venezuelan Social Security Institute.
- **Sanctions:** Private legal entities that do not present the declaration of the special contribution referred to in the law or present it outside the period established by the Tax Administration, will be sanctioned with a fine of 1,000 times the official exchange rate of the currency with the highest value, published by the Central Bank of Venezuela. Furthermore, the omission or delay in the payment of the special contribution, as well as the commission of any criminal offense, will be sanctioned in compliance with the provisions of the Organic Tax Code.

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