

Employers' Relief eases pressure

Soon after the first wave of the COVID-19 pandemic last year, various relief measures were implemented by the Fiji National Provident Fund for its members, pensioners and employers.

The COVID-19 Relief was activated for members and pensioners while measures were put in place to help employers navigate through the uncertain period.

These measures included the reduction in compulsory contribution rates from 18% to 10% (5% each from employers and employees).

The revised rate was effective from 1 April 2020 and will end on 31 December 2021. It will increase to 12% from 1 January 2022 to 31 December 2022 (6% from employers and employees).

Other measures that were effective from 1 January 2020 to 30 June 2021, were:

- **Waiver of penalties** – contributions paid late did not incur penalties (usually \$100 per member for late payments)
- **Time payment arrangements** – 10% of contribution debt to be cleared, while the remaining balance to be paid over a 12 month period.
- **Conditional compliance letters** – these were issued to employers who were unable to resolve their FNPF issues due to the impact of COVID-19.
- **Other third party recoveries** – reduction of third party notices to 50% of the value of the invoice due and payable to the employer for old and new notices.
- **Departure Prohibition Order (DPO)** – employers on DPO were required to pay 20% of the contribution debt owed prior to any travel. Further travel requests thereafter required the payment of 40% of the debt owed.



A staff of FNPF and Facility Services Limited going through FSL's wages record.

These measures were aimed at relieving some pressure that employers faced due to the impact of the COVID-19 pandemic.

One of many employers or companies that accessed the Employers Relief was Facility Services Limited (FSL) – a building services contractor specializing in electrical, fire protection, hydraulics (plumbing), communication, mechanical and building maintenance services.

The company has been involved in multiple projects such as the redevelopment of Albert Park, relocation of the Fiji TV headquarters, new Navosa Hospital, Nasinu court house and Harbourview Apartments.

The border lockdown and travel restrictions, reduced and even halted investments in the construction sector. That meant that there were fewer projects, especially in 2020.

Finance Manager Nikhil Nair said with 38 employees, the company had to rely on

their limited reserves to help their staff and pay their creditors and it didn't help that they had to shut down operations for two months this year, following the second wave of the pandemic.

“We have been extremely fortunate to have suppliers and banks that were understanding and exuded patience in allowing us additional time to pay off our accounts.”

“We negotiated extended credit terms with suppliers, financial institutions, and regulatory bodies like FNPF and FRCS, who allowed us to pay off our accounts once operations resumed.”

“Our company also carried out an extensive analysis on administrative and overhead costs and implemented cost cutting measures, including reducing mobile postpay plan benefits for employees, requesting staff to work from home to reduce office utility bills, additional reduction in salaries for administrative and management staff,” said Mr. Nair.

The COVID-19 relief measures, he said, could not have come at a better time and was quite beneficial for companies like FSL, that depend on progressive revenue to sustain operations.

“The relief offered by FNPF allowed us to meet our trade supplier debts and pay out some funds for our staff during the extended lockdown first and subsequently make plans and pay off the accrued FNPF balances once operations were picking up traction again.”

“This relieved a lot of the immediate financial pressure our company had

been facing, especially towards the beginning of the lockdown period.”

“The company made use of the extended time allowed for payment of superannuation arrears and was also able to meet its obligations towards other debtholders due to the reduction in employer's contribution.”

Like many other businesses, FSL was forced to reduce working hours for its staff working in the field, as well as the wages for its administration and managerial staff.

They also assisted staff access the COVID-19 Relief for members.

“It (relief) was particularly useful, especially for staff with reduced hours, as it allowed them to somewhat bridge the gap between what they could have been paid if the business was unaffected by COVID and what they were actually paid.”

With things slowly returning to normal, Mr. Nair said the company was optimistic but cautious in terms of the future of its operations.

“The pandemic has solidified the importance of being well prepared for any unexpected event that may hit our shores.” “At present, we do note that operations have begun to pick up and we hope that once tourism picks up again and more investments are done in the construction sector, there will be more opportunities for our firm to carry out projects in the near future.”



Staff of Facility Services Limited at work.