



GMS Flash Alert

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Guatemala - COVID-19: Social Security Deferment Options for Employers

In an effort to provide relief to businesses affected by the COVID-19 crisis, the Guatemalan government has introduced a measure¹ that provides employers with the option to defer their share of social security contributions (IGSS) for the months of March, April, and May 2020, without being assessed any penalties, fines, or interest on the deferred payments.

WHY THIS MATTERS

The optional deferral of social security contributions may be welcome relief to some employers, as it offers businesses an opportunity to preserve their cash-flow and provides additional time to organize their financial and tax affairs and meet their compliance obligations in this difficult period.

More Details

While employers are not required to defer the payments and can choose to pay their social security contributions for the months of March, April, and May 2020, on a monthly basis as usual, they also have the option to:

- 1) defer the payments until July, August, and September 2020; or
- 2) pay the outstanding liability for March, April, and May 2020, in 18 monthly installments beginning in July 2020.

Please note that the options detailed above only apply to employer contributions, as there is no option to defer employee contributions for March, April, and May 2020.

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FOOTNOTE:

1 See (in Spanish) the official announcement on the Instituto Guatemalteco de Seguridad Social's (IGSS) website: [Acuerdo 1472 de Junta Directiva: Pago diferido a la seguridad social por concepto de cuota patronal](#) .

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Contact us

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