



WEEKLY CFU LABOUR BULLETIN

Commercial Farmers Union Bulletin #2



12th February 2026

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STATUTORY DEDUCTIONS

INTRODUCTION

As an employer, there are certain statutory deductions that must be made every time they run a payroll. These deductions must be made and if they are not, there are repercussions and punishments for not doing so which include fines or in some instances imprisonment, therefore it is important to pay those statutory deductions.

The statutory deductions that an employer/farmer must pay are:

1. PAYE
2. NSSA
3. NEC dues
4. Trade Union dues
5. Standards Development Fund levy
6. Aids levy
7. ZIMDEF

PAYE (PAY AS YOU EARN)

This is a method of paying Income Tax on remuneration. The employer is mandated to deduct tax from salary or pension earnings before paying the net salary or pension. However, there is remuneration which is exempt from paying PAYE. If an employee earns less than USD100 or ZWG2800 per month, they do not pay PAYE. The percentages that must be deducted are found in the Tax Tables that are released at the beginning of every year. Below are the current USD and ZWG tax tables

USD TAX TABLE

Level of taxable income (USD)	Specified Percentage	Monthly Tax Band
0 - 1200	0%	0 - 100
1201 - 3600	20%	100.01 - 300
3601 - 12000	25%	300.01 - 1000

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12001 - 24000	30%	1000.01 - 2000
24001 - 36000	35%	2000.01 - 3000
36001 and above	40%	3000.01 and above

ZWG TAX TABLE

Level of taxable income (ZWG)	Specified Percentage	Monthly Tax Band
0 - 33600	0%	0 – 2800
33601 - 100800	20%	2800.01 - 8400
100801 - 336000	25%	8400.01 - 28000
336001 - 672000	30%	28000.01 - 56000
672001 - 1008000	35%	56000.01 - 84000
1008001 and above	40%	84000.01 and above

The due date for the submission of PAYE returns and payment is the 10th of the following month. For salaries with both ZWG and USD components, use the USD tax tables and apportion the tax due accordingly.

NSSA

Registration for NSSA must be done within 30 days of becoming an employer using form P2 for the employer and P3 to register employees to access the schemes provided by NSSA. The schemes are Accident Prevention and Workers' Compensation Insurance (APWC formerly known as WCIF) governed by S.I 68 of 1990 and Pensions and Other Benefits Scheme (POBS)



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governed by S.I 393 of 1993 and they are made every month. The due date for the submission of NSSA returns and payment is the 10th of the following month.

ACCIDENT PREVENTION AND WORKERS' COMPENSATION INSURANCE (APWC)

This scheme covers all workers formally employed in any trade or profession, and they must be above the age of 16. The scheme is fully funded by the employer/farmer. According to the 6th schedule of S.I 68 of 1990, businesses are classified according to the industry that they operate in, and each industry has been given an Industrial Code (IC) and a percentage is assigned to each code that an employer/farmer must contribute from their total wage bill. The farming industry falls under IC 0110, and the current rate for this code is 1.38%.

PENSIONS AND OTHER BENEFITS SCHEME (POBS)

This scheme covers all workers employed in any trade or profession, and they must be above 16 years of age, but they should be below the age of 65. The scheme is compulsory even if the employee is covered by a private scheme. Employees who are contracted for less than 18 days a month do not contribute to the scheme. However, if the casual worker works for 5 days or more days in a month, but the contract runs for several months, such an employee is obliged to contribute to the scheme. Contributions to this scheme are made by both the employer and the employee, but it is the duty of the employer to make these deductions. The POBS contributions are 9% of your monthly basic wage bill (maximum of the pensionable amount is currently published every month – Employer contributes 4.5% and Employee 4.5%).

The employer must ensure that all employees have IDs.

NEC DUES

The National Employment Council for the Agriculture Industry regulates the agriculture industry in Zimbabwe, and it derives its mandate from section 56 to 63A of the Labour Act. In terms of section 58 (d) of the Labour Act, there are dues that are payable to the NEC, and it is the duty of the employer to deduct them. Contributions shall be made by every employer and employee in the industry as stipulated in section 28 of S.I 41 of 2022, and the current rate is 3% of the employees' wage, 1.5% by the employer, and 1.5% by the employee as stipulated in S.I 96 of 2024.



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TRADE UNION DUES

Employees are free to join a Trade Union of their choice and when they join, they must pay Trade Union dues, and the employer must deduct these dues as soon as they receive a stop order form from the employee as governed by section 54 of the Labour Act. The stop order forms can be found in S.I 41 of 2022.

STANDARDS DEVELOPMENT FUND (SDF) LEVY

It is a statutory fund established under the Standards Development Fund Act [Chapter 14:19] of Zimbabwe. The SDF's main objective is to finance the development, promotion, and enforcement of national standards through the Standards Association of Zimbabwe (SAZ) and other related institutions. The SDF Levy is calculated as 0.5% (half a percent) of the gross wage bill of an employer for each month.

AIDS LEVY

The AIDS Levy is an additional payroll tax designed to fund the National AIDS Trust Fund (ZNATF), calculated as 3% of the employee's PAYE amount. Employers must collect this levy along with the PAYE deductions and remit it to ZIMRA.

ZIMDEF

The Zimbabwe Manpower Development Fund (ZIMDEF) was established by section 23 of the Manpower Planning and Development Act of 1984 (now revised Manpower Planning and Development Act, Chapter 28:02 of 1996) with the mandate of funding the development of critical and highly skilled human capital in Zimbabwe. It is a statutory requirement that all registered companies operating in Zimbabwe register to remit 1% Training Levy calculated from their monthly gross wage bill in terms of section 53 of the Manpower Planning and Development Act (Chapter 28:02). Failure to do so is a criminal offence.

CONCLUSION

These are the current statutory deductions that must be made by the employer whenever they do their payroll. It is the responsibility of the employer/farmer to ensure that these deductions are made.



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Disclaimer: This article is issued to serve as a general guide to farmers and does not substitute legal advice that may be required to address a particular situation with peculiar circumstances.



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