

MAURITIUS REVENUE AUTHORITY

Date: 28 December 2011

To: All Employers

Dear Sir/Madam

INCOME TAX – PAYE

Kindly be informed of the undermentioned changes brought in by the Finance Act 2011 in the operation of the PAYE system.

1. Exempt person

The threshold has been increased from Rs. 19,700 to Rs. 20,800. An employee deriving monthly emoluments not exceeding Rs. 20,800 is an exempt person and therefore not subject to tax deduction under the PAYE system.

2. Income Exemption Threshold (IET)

The deduction has been increased by Rs. 15,000 for each category and the IET amounts allowable for the year 2012 are as follows:

Category	A	Rs. 270,000	D	Rs. 480,000
	B	Rs. 380,000	E	Rs. 320,000
	C	Rs. 440,000	F	Rs. 430,000

3. Electronic Payment

Every employer who, at any time, has in his employment 25 employees or more, has a legal obligation, as from January 2012 to remit tax withheld under PAYE **electronically**. Employers falling under this category and who are presently not remitting tax withheld under PAYE electronically are kindly requested to contact our desk officer on phone number 207-6035 for registration and e-filing facilities. A penalty not exceeding Rs. 50,000 is applicable where an employer fails to join the electronic system.

4. Return of Employees (ROE)

Employers are required to file by 15 February of every year, a Return of Employees (ROE) in respect of their employees who, during the preceding income year, were paid emoluments exceeding Rs. 240,000 or from whose emoluments tax was deducted.

The ROE should henceforth be filed electronically from MRA website <http://www.mra.mu>. When filing the ROE, the Tax Account Number (TAN) of the employee should necessarily be inserted. Employers are therefore advised to ensure beforehand that they have in their payroll system, the TAN of the employees concerned or obtain the same from MRA.

It is also to be highlighted that the Income Tax Act as amended, now provides for a penalty of Rs. 5,000 per month or part of a month, up to a maximum of Rs. 20,000 to be applicable where the ROE is submitted after the due date of 15 February. Employers are kindly requested to ensure timely compliance.

For any further information or clarification, you may phone on our hotline 207-6010.

Yours faithfully



D. RAMDIN

For Director-General