

To: ALL EMPLOYERS

**PAYROLL TAXES**

**INCOME YEAR 2020-2021**

Employers are informed of the following changes in the operation of Payroll Taxes.

**1. Reliefs and deductions**

(a) Income Exemption Threshold

All categories of Income Exemption Threshold have increased as follows:

Category	2019-20	2020-21
A. Individual with no dependent	Rs 310,000	325,000
B. Individual with one dependent	Rs 420,000	435,000
C. Individual with two dependents	Rs 500,000	515,000
D. Individual with three dependents	Rs 550,000	600,000
E. Individual with four dependents	Rs 600,000	680,000

(b) Dependents

When claiming IET category B,C,D or E in his EDF, an individual may now claim as dependent a bed-ridden next of kin who is under his care.

A 'next of kin' is a person's father, mother, grand-father, grand-mother, brother or sister or that of his spouse provided the next of kin is eligible to the carer's allowance payable under the National Pensions Act.

**2. Employee Declaration Form (EDF)**

The MRA is consolidating its go-green initiatives and has made available an electronic EDF for the income year 2020/21. To fill in an EDF, employees should go onto MRA website, select e-EDF and get access to a blank electronic EDF form by inserting their National Identity Card Number, the card control number found on the verso of the ID card, their mobile phone number and their employer's Registration Number (ERN) or name. The employee will have to insert the OTP send to him on his mobile phone before he may proceed to fill the EDF.

Employers on the other hand will have to use their credentials as an employer (their ERN and the related password) to login to MRA e-services platform and download an excel file of the deductions claimed by their employees in their EDFs for PAYE purposes.

MRA will not issue any EDF in paper form. However, a PDF copy of the EDF is available on MRA's website for download by employers/employees who are unable to shift to the electronic system. Employers are kindly invited to communicate their ERN to employees and to encourage them to submit their EDF electronically through MRA website: [www.mra.mu](http://www.mra.mu)

### 3. Exempt Person

An exempt person means an employee whose emoluments in a month do not exceed Rs 25,000. An exempt person is not subject to PAYE tax deductions. However, it is to be noted that any fee paid by a company to its directors or by a statutory body to any member of its Board, Council, Commission or Committee, is subject to PAYE deduction at the rate of 15%.

### 4. Solidarity Levy

Employers should henceforth also deduct solidarity levy at the rate of 25% in respect of employees who derive emoluments in excess of Rs 3 million annually. The withholding of solidarity Levy would therefore have to be operated on the monthly emoluments in excess of Rs 230,769. However, the levy deducted must not exceed 10% of the total emoluments.

Any lump sum paid by way of commutation of pension, death gratuity or as consolidated compensation for death or injury under a Pension Act, Superannuation Fund or Personal Pension Scheme is not liable to Solidarity Levy. Additional guidance on computation of solidarity levy to be withheld from monthly emoluments is given in the annex hereto.

### 5. Return of Employees (ROE)

**ALL employers** are required to submit a ROE electronically, on or before **17 August 2020**, and include in the ROE the details of **ALL their employees**.

Employers are no more compulsorily required to insert the Tax Account Number (TAN) of their employees in the ROE. They should instead insert the National ID number of the employee or in case of non-Mauritian citizen, the non-Citizen ID number (NCID) issued by the Passport and Immigration Office. In case of non-resident employees an application for a Tax Account Number(TAN) should be made if not already available.

Employers submitting their monthly PAYE return through the Mauritius Network Services (MNS) system should submit their ROE through that system. Other employers should submit their ROE through the system made available by MRA on its website [www.mra.mu](http://www.mra.mu).

Household employers are not required to submit a ROE in respect of the employees in their domestic service.

### 6. National Pensions Contributions

#### (a) NPF ceiling

The ceiling of insurable salary for NPF has been revised with effect from 1<sup>st</sup> July 2020 as follows:

<i>Pay Period</i>	<i>MINIMUM WAGE</i>		<i>MAXIMUM WAGE</i>
	<i>For Private Household employees(only)</i>	<i>Employees in other sectors</i>	<i>For all employees</i>
<i>Daily</i>	<b>74</b>	<b>118</b>	<b>765</b>
<i>Weekly</i>	<b>447</b>	<b>705</b>	<b>4592</b>
<i>Fortnightly</i>	<b>893</b>	<b>1410</b>	<b>9185</b>
<i>Half Monthly</i>	<b>968</b>	<b>1528</b>	<b>9950</b>
<i>Monthly</i>	<b>1935</b>	<b>3055</b>	<b>19900</b>

## 8. PRGF

The obligation to submit monthly PRGF returns and make payment of contribution has been postponed to Jan 2022. However, employers may opt to file the monthly PRGF return and make payment of PRGF accordingly.

However, where an employee resigns or his employment is terminated, the employer has a legal obligation to submit an exit statement to MRA in respect of that employee. The Ministry of Social Security will thereafter notify the employer of the amount of PRGF to be paid to MRA in respect of past services of that employee.

## 9. Contribution Social Généralisée (CSG)

The CSG will replace the NPF contribution as from 1<sup>st</sup> September 2020. Employers would have to file the last NPF contribution return in respect of the month of August 2020 by the due date of 30 September 2020.

The CSG is payable to MRA in respect of the month of September 2020 and every subsequent month. The rate of CSG, due date and other relevant details would be communicated to employers once the Regulations are finalised.

For any additional information, please visit MRA website or phone on our hotline **207 6000**.

Yours faithfully,



**D.Ramdin**  
**For Director-General**

**Date: 10<sup>th</sup> August 2020.**

## Solidarity Levy Tax Withholding

ANNEX

### 1. Employee has submitted an EDF

Solidarity Levy (SL) has to be withheld from the emoluments of the employee on a cumulative basis at the rate of 25%. However, the maximum deduction is limited to 10% of the emoluments for the month.

The first Rs 3 million of an employee's leviable income is not liable to Solidarity Levy. For monthly SL calculation, employees are allowed a Solidarity Levy Exemption Threshold (SLET) of Rs 230,769 (Rs 3M/13). In December, in view of the end of year bonus, twice the monthly amount of SLET should be allowed.

		JUL	AUG	SEPT	OCT
1	Emoluments for the month	225,000	325,000	325,000	2,725,000
2	Cumulative emoluments	225,000	550,000	875,000	3,600,000
3	Less: taxable lump sum from pension fund				500,000
4	Less: Cumulative IET	<u>25,000</u>	<u>50,000</u>	<u>75,000</u>	<u>100,000</u>
5	<b>Cumulative Leviable Income</b>	<b>200,000</b>	<b>500,000</b>	<b>800,000</b>	<b>3,000,000</b>
6	Less: Cumulative SLET (Rs 3M/13)x number of pay periods	230,769	461,538	692,307	923,076
7	<b>Cumulative Taxable Leviable Income</b>	<b>0</b>	<b>38,462</b>	<b>107,693</b>	<b>2,076,924</b>
8	SL (25% of line 7)	0	9,615	26,923	519,231
9	Less: cumulative SL already charged	<u>0</u>	<u>0</u>	<u>9,615</u>	<u>26,923</u>
10	Balance		<u>9,615</u>	<u>17,308</u>	<u>492,308</u>
11	<b>SL for the month (balance at line 10 or 10% of line1, whichever is lower)</b>	<b>0</b>	<b>9,615</b>	<b>17,308</b>	<b>272,500</b>

### 2. No EDF submitted

Where an employee has not submitted an EDF and his emoluments for any month exceed Rs 230,769, the employer should deduct Solidarity Levy at the rate of 25% of the amount in excess of Rs 230,769. However, maximum deduction is limited to 10% of the emoluments for the current month as set out in table below.

		JUL	AUG	SEP	OCT
1	<b>Emoluments for the month</b>	<b>225,000</b>	<b>325,000</b>	<b>325,000</b>	<b>2,725,000</b>
2	Less: taxable lump sum from pension fund				500,000
3	<b>Leviable Income</b>	<b>225,000</b>	<b>325,000</b>	<b>325,000</b>	<b>2,225,000</b>
4	Less: SLET (Rs 3M/13)	230,769	230,769	230,769	230,769
5	<b>Taxable Leviable Income</b>	<b>0</b>	<b>94,231</b>	<b>94,231</b>	<b>1,994,231</b>
6	<b>SL for the month (25% of line5 limited to 10% of line 1)</b>	<b>0</b>	<b>23,557</b>	<b>23,557</b>	<b>272,500</b>

*Commitment beyond Revenue*

