

Contribution Sociale Généralisée (CSG)

With the changes brought by the Finance (Miscellaneous Provisions) Act 2020, the Contribution Sociale Généralisée (CSG), has been introduced and is applicable as from the month of September 2020. This new system of social contributions replaces the National Pensions Fund (NPF).

The last month in respect of which contributions to the National Pensions Fund is applicable is August 2020 and the due date on which employers are required to submit NPF returns and pay the NPF contributions for the month of August to the MRA is 30 September 2020.

Under the **CSG**, employers are required to deduct, where applicable, the employee's contribution from his wage or salary and pay that contribution together with the employer's contribution to the MRA. The rate of contribution applicable is shown in the table below.

| Category of employee | Rate applicable on the basic wage or salary of the employee and to be deducted from the wage or salary of the employee | Rate applicable on the basic wage or salary of the employee and payable by the employer |
|---|--|---|
| An employee, other than a Public Sector employee, earning a basic wage or salary NOT exceeding Rs 50,000 in a month | 1.5 per cent | 3 per cent |
| An employee other than a Public Sector employee earning a basic wage or salary exceeding Rs 50,000 in a month | 3 per cent | 6 per cent |
| Public Sector employee earning a basic wage or salary not exceeding Rs 50,000 in a month | Not applicable | 4.5 per cent |
| Public Sector employee earning a basic wage or salary exceeding Rs 50,000 in a month | Not applicable | 9 per cent |
| An employee who is in the domestic service earning a basic wage or salary NOT exceeding Rs 3,000 in aggregate in a month, from one or more employers | Not applicable | 3 per cent |

Employee means a person who works under an agreement or a contract of apprenticeship whether by way of casual work, manual labour, clerical work or otherwise, on a part-time or full-time basis and whether in a position which is of a permanent nature or on a contract of fixed duration.

Employee does not include a non-citizen employee employed by an export manufacturing enterprise who has resided in Mauritius for a continuous period of less than 2 years.

“Public Sector employee” means –

- a) a public officer or other employee of a Ministry or Government department; or
- b) an employee of a local authority, the Rodrigues Regional Assembly or a statutory body; or
- c) a constituency clerk or a driver employed by a member of the National Assembly paid out of public funds.

“self-employed” means an individual, working on his own account, including a non-citizen, who is a professional such as an accountant, an architect, an attorney, a solicitor, a barrister, an engineer, a land surveyor, a legal consultant, a medical service provider, a project manager, a property valuer, a quantity surveyor, a tax adviser or any other individual carrying out similar type of activity or a person in business or carrying on a trade or activities such as mason, cabinet maker, plumber, hairdresser, artist or other similar activities but does not include an individual who derives exclusively passive income.

An individual who is a self-employed is required to pay CSG of Rs 150 per month.

An individual who is a self-employed may, with respect to a financial year, opt to submit an annual return and pay the CSG payable in advance, not later than 31 July in that financial year.

“domestic service” means employment in a private household and includes employment as a cook, driver, gardener, garde malade or maid.

Basic wage or salary includes any additional remuneration but excludes overtime, bonus and allowances.

Every employer, other than a person who employs an individual in his domestic service and who has opted to submit his contribution return on an annual basis, is required to submit electronically to the MRA a monthly return giving the details of each of his employees as well as the basic wage or salary and CSG payable and at the same time pay the CSG electronically to the MRA.

The monthly return and payment of CSG with respect to a month is required to be made on or before the end of the following month failing which a penalty of 10 per cent and interest of 1 percent per month or part of a month is applicable.

Exceptionally, the last date for submission of the return and payment of CSG for the month of September 2020 to the MRA is **30 November 2020**.

The facilities for the electronic submission of the return for the month of September 2020 will be available on the MRA website, www.mra.mu, in due course and employers will have to use their user name (ERN) and password which was applicable for the NPF return to submit the new return. The new return will have the same format as the previous contribution (NPF) return with NPF being replaced by CSG.

For any further information or clarification, employers may call us on 207 6000 or e-mail us on paye@mra.mu