

10 August 2022

Circular Letter No. 2

To All Employers

PAYROLL TAXES
INCOME YEAR 01 JULY 2022 TO 30 JUNE 2023

Following the enactment of the Finance (Miscellaneous Provisions) Act 2022, employers are informed of the following changes in the operation of Payroll Taxes.

1. Tax rates

As from the income year 01 July 2022 to 30 June 2023, the new tax rates applicable for individuals are as follows -

Annual Net Income	Rate
Not exceeding Rs 700,000	10%
Exceeding Rs 700,000 but not exceeding Rs 975,000	12.5%
Exceeding Rs 975,000	15%

For the purpose of calculating the amount of tax to be withheld from the emoluments of employees under the PAYE system, the tax rate applicable, where the employee has submitted an Employee Declaration Form (EDF), shall be based on the Average Cumulative Monthly Salary (ACMS) of an employee as follows:-

Average Cumulative Monthly Salary (ACMS)	Rate
Not exceeding Rs. 53,846	10%
Exceeding Rs 53,846 but not exceeding Rs 75,000	12.5%
Exceeding Rs 75,000	15%

Where the employee has not submitted an EDF and the emoluments derived by him in a month exceed Rs 25,000, the tax rate applicable is 15%.

2. Reliefs and Deductions

(a) Income Exemption Threshold (IET)

There is no change with respect to IET for the income year 2022-2023. The IET amount remains as follows:-

Category	2022-2023
A. Individual with no dependent	Rs 325,000
B. Individual with one dependent	Rs 435,000
C. Individual with two dependents	Rs 515,000
D. Individual with three dependents	Rs 600,000
E. Individual with four dependents	Rs 680,000

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(b) Dependents

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

A “**Bedridden next of kin**” with respect to a person is the person’s bedridden spouse, father, mother, grand-father, grand-mother, brother or sister or of his spouse provided the bedridden next of kin is eligible to the carer’s allowance payable under the National Pensions Act.

In such case, the net income and exempt income of the bed-ridden next of kin shall not include the benefits derived by him under the National Pensions Act.

(c) Relief for Medical Insurance premium or contribution

The maximum relief in respect of Medical Insurance premium or contribution has been increased by Rs 5,000 and is shown in the table below:-

Category	2021/2022	2022/2023
A. An individual with respect to himself	Rs 20,000	Rs 25,000
B. With respect to an individual’s first dependent	Rs 20,000	Rs 25,000
C. With respect to an individual’s second dependent	Rs 15,000	Rs 20,000
D. With respect to an individual’s third dependent	Rs 15,000	Rs 20,000
E. With respect to an individual’s fourth dependent	Rs 15,000	Rs 20,000

(d) Additional exemption in respect of dependent child pursuing undergraduate and postgraduate courses

The additional exemption in respect of a dependent child pursuing a non-sponsored full-time undergraduate at a recognised institution in or outside Mauritius has been increased from Rs 225,000 to Rs 500,000. The deduction will, as from the income year 2022/2023, also be available with respect to postgraduate courses.

(e) Deduction for donation to charitable institutions including Religious Body

The maximum amount of deduction with respect to donations to a charitable institution including a Religious Body has been increased from Rs 30,000 to Rs 50,000.

(f) Deduction for contribution made to approved personal pension schemes

The maximum amount of deduction with respect contributions to an individual pension scheme approved by the Financial Services Commission for the provision of a pension has been increased from Rs 30,000 to Rs 50,000.

(g) Travelling Allowance

The maximum exemption of petrol or travelling allowance have increased from Rs 11,500 to Rs 20,000 provided the employee uses his private car registered in his own name for attending duty and for the performance of the duties of his office or employment.

3. Solidarity Levy - PAYE

An individual whose emoluments in a month do not exceed Rs 230,769 and who has **not submitted an EDF** to his employer may request the latter to withhold PAYE at the rate of 25% or 10% for solidarity levy.

Where, in a month, the emoluments exceed Rs 230,769 and the employee **has not submitted an EDF**, the employer is required to withhold PAYE for Solidarity Levy at the rate of 25% of that part of the emoluments that exceeds Rs 230,769 or 10% of the emoluments, whichever is lower.

4. Employee Declaration Form (EDF)

All employees are required to submit their EDFs electronically using the facility available on MRA website (www.mra.mu). The procedure for the electronic submission of the EDF is also available on MRA website.

Employers are required to use their Employer Registration Numbers (ERN) and password to access the facility available on the MRA website and download an excel file showing the reliefs and deductions claimed by their employees in their e-EDFs. Employers should download the file every month before processing their payroll so as to obtain the details of any new EDF submitted by their employees during the month.

Employers are kindly requested to communicate their ERN to employees and provide the necessary facilities to help and assist their employees to submit their EDF electronically. MRA will not issue any EDF in paper form.

5. Exempt Person

Employers are not required to withhold PAYE from the emoluments of an exempt person. An exempt person means an employee whose emoluments in a month do not exceed Rs 25,000. However, employers are required to withhold PAYE at the rate of 15% from **any** fee paid by a company to its directors or by a statutory body to any member of its Board, Council, Commission or Committee.

6. Return of Employees (ROE)

ALL employers are required to submit a ROE electronically, on or before **16 August 2022**, and include in the ROE the details of **ALL their employees**. The necessary facility is available on the MRA website www.mra.mu.

Employers submitting their monthly PAYE return using the system made available by the Mauritius Network Services (MNS) should submit their ROE through that system. Other employers should submit their ROE through the system made available by MRA on its website.

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

Commitment beyond Revenue

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7. Statement of Emoluments and Tax Deduction (SOE)

ALL Employers are required to give, on or before **Tuesday, 16 August 2022**, a **SOE** to all their employees. The template of the **SOE** is available on the MRA website.

8. Monthly PAYE return

Employers are reminded that they are required to include the details of all their employees in their monthly PAYE return whether or not PAYE has been withheld.

9. Employers of Household Employees

Employers of household employees are reminded that they are required to submit a Social Contribution (CSG) Return and pay the Contribution in respect of the employees in their domestic service. Those who have not submitted a monthly Social Contribution (CSG) return may opt to submit the return and pay the Social Contribution on an annual basis. The deadline for the submission of the Social Contribution (CSG) return and for the payment of the Contribution for the months July 2021 to June 2022 is 31 July 2022. However, where the return has not been submitted or the Contribution has not been paid, no penalty or interest shall be applied provided the return and/or payment is made on or before 30 September 2022.

10. National Savings Fund (NSF) - NSF ceiling

The ceiling of basic wage or salary on which NSF is applicable has been revised **with effect from 1 July 2022** as follows:-

Pay Period	Minimum Wage		Maximum Wage
	For Private Household employees (only)	Employees in other sectors	For all employees
Daily	80	127	832
Weekly	482	760	4,947
Fortnightly	965	1,521	9,893
Half Monthly	1,045	1,648	10,718
Monthly	2,090	3,295	21,435

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



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Director
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