

19 June 2023

**Circular Letter No. 1**

**To All Employers**

**PERSONAL INCOME TAX - PAYE  
INCOME YEAR 01 JULY 2023 TO 30 June 2024**

Employers are informed that a reform of our income tax system has been announced in the Budget Speech 2023/2024. The new income tax system is applicable as from 1 July 2023 and employers are requested to proceed with the changes in their payroll systems and to apply the new system for the purposes of PAYE as from the month of July 2023.

**1. Income Exemption Thresholds (IET)**

The concept of Income Exemption Threshold (IET) is abolished and replaced by –

- (a) a tax rate of 0 percent is applicable on the first Rs 390,000 of chargeable income instead of an IET of Rs 325,000 previously granted to an individual with no dependent;
- (b) deduction for dependents is available separately and is as shown in Table 1 below –

**Table 1**

Dependent	Amount of Deduction (Rs)
1 dependent	110,000
2 dependents	190,000
3 dependents	275,000
4 or more dependents	355,000

**2. Other deductions, reliefs and allowances**

All other deductions reliefs and allowances remain unchanged.

**3. Tax Rates**

The tax rates applicable to individuals are shown in Table 2 below. Employers are urged to implement the new rates applicable on each chargeable income bracket as from the month of July 2023.

**Table 2**

Chargeable Income (Rs)	Rate of Income Tax	Chargeable Income (Rs)	Rate of Income Tax
First Rs 390,000	0%	Next Rs 300,000	12%
Next Rs 40,000	2%	Next Rs 300,000	14%
Next Rs 40,000	4%	Next Rs 400,000	16%
Next Rs 60,000	6%	Next Rs 500,000	18%
Next Rs 60,000	8%	On the remainder	20%
Next Rs 300,000	10%		



*Commitment beyond Revenue*



unless the director or board member makes a request to the company or the person responsible for the payment of the emoluments for PAYE to be withheld at the rate of 20%.

Where an employee who derives emoluments exceeding Rs 30,000 in a month and he has not submitted an EDF, the employer is required to deduct tax under PAYE at the flat rate of 15% unless the employee makes a request to the employer for PAYE to be withheld at the rate of 20%..

Where an employee deriving emoluments not exceeding Rs 30,000 in a month makes a request to his employer or the person responsible for the payment of the emoluments for income tax to be withheld, the employer or the person responsible for the payment of the emoluments is required to withhold PAYE at the rate of 15% or 20% as may be stated by the employee in his request.

#### 5. **Solidarity Levy**

Solidarity is abolished with effect from the income year commencing on 1 July 2023. Employers are required not to deduct PAYE for **Solidarity Levy** as from July 2023.

#### 6. **Employee Declaration Form (EDF)**

Electronic EDF for the income year 2023/2024 is available on MRA website [www.mra.mu](http://www.mra.mu). Employers should invite their employees to submit their EDFs by 30 June 2023. Employers are then requested to implement reliefs, allowances and deductions as per the new EDF as from the month of July 2023.

#### 7. **Return of Employees (ROE)**

**ALL employers** are required to submit a ROE electronically, on or before **15 August 2023**, and include in the ROE the details of **ALL their employees**. The necessary facility will be available on the MRA website [www.mra.mu](http://www.mra.mu) in July 2023.

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.

#### 8. **Statement of Emoluments and Tax Deduction (SOE)**

**ALL Employers** are required to give, on or before 15 August 2023, a **SOE** to all their employees. The template of the **SOE** is available on the MRA website.

#### 9. **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.

