MAURITIUS REVENUE AUTHORITY

GUIDE ON

PAY AS YOU EARN (PAYE)

December 2025

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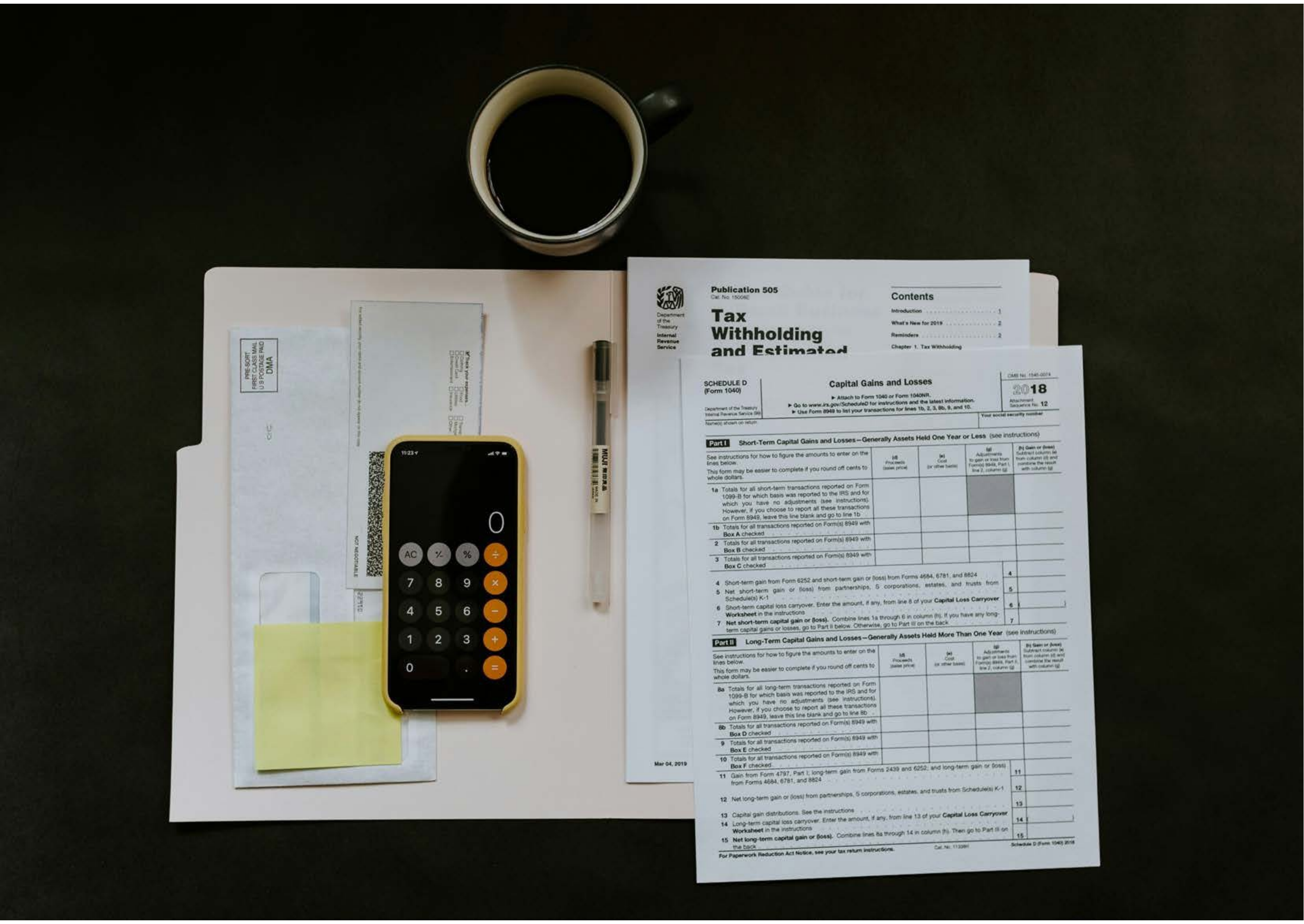
INTRODUCTION

Pay As You Earn (PAYE) is a system whereby employers are required to withhold tax from the emoluments of employees chargeable to tax at the time the emoluments are received by or made available to the employees. The tax withheld is then remitted to the Mauritius Revenue Authority (MRA) every month.

This PAYE system applicable in Mauritius is a cumulative PAYE system and aims at ensuring that the amount of tax withheld under PAYE for each month of an income year corresponds exactly to the amount of income tax payable by the employee on his total emoluments for that income year.

The purpose of this guide is to assist employers and employees in the operation of the PAYE system.

The notes in the guide are for information only and have no legal force.



1. MAIN CHARACTERISTICS OF THE PAYE SYSTEM

The main characteristics of the PAYE system are:

The PAYE system operates on the emoluments paid for the current period at the time those emoluments are received or made available to the employee. The Finance Act 2025 has brought changes to the Income Tax Act with a significant reform in the income tax system applicable to individuals and includes the following changes:

a. As from July 2025:

   i. A tax rate of 0 percent on the first Rs 500,000 of chargeable income is applicable. The next Rs 500,000 is taxable at the rate of 10% and the remainder is taxable at 20%.

   ii. Deduction in respect of dependents is available separately as follows:

   Table A: Amount of deduction (Rs.)

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

b. A progressive tax rate is now applicable on the cumulative chargeable income of an individual as shown in the table below. Employers are required to implement the new rates applicable on each chargeable income bracket as from the month of July 2025.

Table B: Rates of tax as from July 2025

Cumulative Chargeable Income bracket (Rs.)	Rate of income Tax (%)
First 500,000	0
Next 500,000	10
Remainder	20

- The Finance Act has introduced the Fair Share Contribution on High Income Earners. A high-income earner, earning annual net income exceeding Rs. 12 million, inclusive of dividend income, will be required to pay a Fair Share Contribution at the rate of 15 percent of his chargeable income after adding thereto any dividend income received during the year from domestic companies.
- The contribution will be collected under the PAYE system on income received by an individual as from 1 July 2025 and it will be applicable for 2 subsequent income years, i.e., up to 30 June 2028.

  The rate applicable is:

  - 15% of the leviable income in excess of 12 million rupees.
- Leviable income means the sum of the chargeable income of an individual, the dividends paid to that individual by a resident company and a co-operative society registered under the Co-operatives Act and the share of dividends of that individual in a resident societé or succession to which he would have been entitled as an associate of a societé or heir in a succession, had the dividends received by the societé or succession been wholly distributed among the associates or heirs, as the case may be.
- Leviable income does not include dividends and distribution made by a global business entity and any lump sum by way of commutation of pension or by way of death gratuity or as consolidated compensation for death or injury, and paid by virtue of any enactment; from a superannuation fund; and under a personal pension scheme approved by the Director-General.
- Each employer is required to apply the new tax rates under the PAYE system on the monthly emoluments of employees and remit same to the MRA electronically through a computer system approved by the Director-General.
- Employees are required to submit every year to their employer an Employee Declaration Form (EDF) claiming the reliefs, deductions and allowances to which they are entitled in an income year. An employee receiving emoluments from more than one employer cannot submit an EDF to more than one employer.
- Details of the reliefs, deductions and allowances are given in Annex IV.
- The amount of tax to be withheld from the emoluments of each pay period is calculated on a cumulative basis by cumulating both the emoluments and total reliefs, deductions and allowances pertaining to the current and previous pay periods of the income year concerned.
- Workers receiving their pay daily after each day's work are excluded from the operation of the PAYE system.
- No PAYE is required to be deducted from the monthly emoluments of an employee where such emoluments do not exceed Rs. 38,462 except where the emoluments constitute of fees payable to a company director or a member of a Board, Council, Commission, Committee of a statutory body. In such case,

PAYE is applicable at the flat rate of 15% 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%.

A person deriving pension, annuity or similar payments or any other emoluments below Rs. 500,000 of the Chargeable Income may request his employer/payer to withhold PAYE at the rate of 15% or 20% from such payments by completing the authorisation form to deduct PAYE, available on MRA website: **www.mra.mu**

- A non- citizen who is resident in Mauritius for Income Tax Purposes is required to submit an EDF to his employer in Mauritius.
- A non-resident in receipt of emoluments, including pension, irrespective of the amount, is not entitled to claim the exemption for self, deduction in respect of dependents, additional deduction for dependent child pursuing undergraduate or postgraduate course or relief for interest paid on housing.
- A non-resident citizen of Mauritius in receipt of any retirement pension is subject to PAYE on that part of his retirement pension which exceeds Rs 500,000 of Chargeable Income at the appropriate rate applicable on the Chargeable Income bracket in which his retirement pension falls.

2. REGISTRATION OF EMPLOYEES

The PAYE system requires an employer to register as an employer with the Director-General, MRA within 14 days of becoming an employer.

2.1 Who is an employer?

"Employer" is defined in the Income Tax Act. It means a person responsible for the payment of emoluments and includes an agent of that person (refer to annex V), but does not include an individual employing only household employees.

Person includes companies, trusts, trustees of unit trust schemes, societies, successions, local authorities, statutory corporations (including para-statal bodies), co-operative societies, individuals, clubs, associations, organisations and any other body of persons, whether corporate or unincorporate.

Any person who acts as an agent of an employer and is responsible for the payment of emoluments to an employee or to a former employee on behalf of that employer is also required to register as an employer e.g. an insurance company that pays pension on behalf of an employer under a superannuation fund (See definition of 'emoluments' at paragraph 3).

An employer having only exempt employees is also required to register as an employer.

An exempt employee is an employee whose monthly emoluments do not exceed Rs 38,462 but does not include the director of a company or the Board, Council, Commission, Committee member of a statutory body.

2.2 How and when to register?

Every person who becomes an employer should, within 14 days of his becoming an employer, register with the Director-General as an employer by submitting a PAYE Employer Registration Form (ERF) duly filled in by him by post or by email on registration@mra.mu.

On receipt of the registration form, the Director-General will inform the employer that he has been duly registered as an employer and will at the same time provide him with:

a. His PAYE Employer Registration Number (ERN) and password;

b. PAYE Employee Declaration Forms (EDF); refer to ***paragraph 5.1***

2.3 How to obtain an Employer Registration Form (ERF)?

The ERF may be downloaded from the MRA website: **www.mra.mu**

Employers in Rodrigues may obtain the forms from the Officer-in-Charge of the MRA Office, Clyderlex Building, Port Mathurin, Rodrigues.

2.4 What if, after registration, there is a change in particulars concerning registration?

Where after registration, there is a change in any of the particulars provided in the ERF, the employer should, within 14 days, notify the Director-General, in writing, of the change. Where the change is in respect of the number of employees, it need not be notified.

2.5 What happens if a person ceases to be an employer

Where a person ceases to be an employer, he should within 7 days give written notice to that effect to the Director-General and do all such acts and things (refer to paragraph 16) which, but for the fact of ceasing to be an employer, he would have been bound to do.

2.6 Failure to register as an employer

An employer who fails to register as an employer with the Director-General by the due date commits an offence and shall, on conviction, be liable to a fine not exceeding Rs. 5,000 and to imprisonment for a term not exceeding 8 years.

2.7 Failure to notify changes in circumstances

It is an offence for a person who ceases to be an employer not to give due notification to the Director- General. Failure to notify changes in the particulars concerning registration is also an offence under the Income Tax Act.

3. WHAT ARE 'EMOLUMENTS'?

"Emoluments" means any advantage in money or in money's worth which is:

▶ Salary, wages, leave pay, fee, overtime pay, perquisite, allowance, bonus, gratuity, commission or

- Other reward or remuneration in respect of or in relation to the office or employment of an individual and any fringe benefits;
- Superannuation, compensation for loss of office, pension (including a pension to a former employee or to the surviving spouse of that employee), retiring allowance, annuity or other reward in respect of or in relation to past employment or loss or reduction of future income of an individual, whether receivable by that individual or by any person who is or has been the spouse or dependent of that individual.

▶ Emoluments also include:

- A remuneration to the holder of any office and fees payable to the director of a company,
- An allowance under the National Assembly Allowances Act or a pension under the National Assembly (Retiring Allowances) Act,
- A remuneration payable to a Mayor, Chairman of a District Council or Chairman of a Village Council under the Local Government Act 1989,
- An allowance payable to an apprentice, and
- An allowance under the Rodrigues Regional Assembly (Allowances & Privileges) Act 2002.

3.1 Are all emoluments subject to tax?

All emoluments are subject to tax, except those specified at Annex 1 to this guide.

3.2 How are commissions treated?

All commissions paid by an employer to his employee form part of emoluments and are subject to PAYE e.g., commissions on sales paid to an employee. However, commissions paid to a person who is not an employee of the payer are not subject to PAYE, but are chargeable to tax, and should be declared by the recipient in his annual return of income.

3.3 In what circumstances are tips subject to PAYE?

Tips or any amount of a similar nature placed in a fund in the custody of the employer and eventually shared among his employees form part of emoluments and are therefore subject to PAYE.

Tips received directly by an employee in the performance of his duties are not subject to PAYE. However, the tips received are taxable in the hands of the employee and should be declared by him in his annual return of income.

3.4 Fringe benefits

3.4.1 What are fringe benefits?

A ‘fringe benefit’ is an “advantage” to an employee, and forms part of the employee’s emoluments. A “fringe benefit” therefore is the money’s worth of the advantage which is offered to an employee in respect of or relation to his employment.

3.4.2 Are fringe benefits taxable?

A fringe benefit includes rights, privileges or services in money’s worth that an employer provides to his employee and is taxable and must be included in the employee’s emoluments. However, a payment by an employer:

- to provide a pension or retiring allowance for the employee or his dependents; or
- to a scheme approved by the Director-General to provide against medical expenses for the employee or his dependents;
- does not constitute a taxable benefit.

3.4.3 Types and valuation of fringe benefits subject to PAYE?

Fringe benefits treated as emoluments for PAYE purposes include housing benefit, car benefit, tax benefit, full board and lodging to expatriates or Mauritian citizens, personal expenses of the employee which are borne by the employer and any other advantage in money’s worth.

An employer provides fringe benefits irrespective of whether he is a sole trader, partnership, trusty, corporation, unincorporated association, government or government authority. The taxable value of fringe benefits is given in Annex II.

3.5 Queries as to whether an amount is part of emoluments

If there is any question or doubt as to whether an amount forms or does not form part of emoluments, the matter should be referred in writing to the Director-General setting out all the facts and providing all necessary particulars and documents.

On receipt of the letter, the Director-General will endeavour to give a decision in writing as soon as possible. The employer or the employee concerned may make written representations to the Assessment Review Committee if he is not satisfied with the decision. If, pending the determination of the representations, the amount in question is paid to the employee, the employer is required to comply with the decision of the Director-General.

4. WHO IS AN EMPLOYEE?

"Employee" is defined in the Act. It means a person who receives or is entitled to receive emoluments. Since emoluments include pension in relation to past employment, a person in receipt of such pension is treated as an employee for income tax purposes.

4.1 Employees affected by PAYE

Employees other than household employees and exempt persons receiving their pay weekly, fortnightly or monthly are subject to PAYE. However, workers receiving their pay daily after each day's work are excluded from the operation of PAYE

4.2 Income of a married woman

A married woman deriving emoluments is subject to PAYE in her own name.

5. DECLARATION BY EMPLOYEE TO EMPLOYER

Every employee who intends to have the reliefs, deductions and allowances to which he is entitled to be taken into account by his employer for the purpose of calculating the PAYE to be withheld from his emoluments, should submit an Employee Declaration Form (EDF) online on MRA website.

A person deriving pension, annuity or similar payments or other emoluments not exceeding Rs 38,462 in a month and wishing that PAYE be withheld at the rate of 15% or 20% may request his employer/payer to withhold PAYE from such payments by completing the authorisation form to deduct Income Tax under PAYE, available on MRA website. The employer/payer is then required to withhold PAYE at the rate of 15% or 20%.

5.1 PAYE Employee Declaration Form (EDF)

The MRA is consolidating its go-green policy and has made available an electronic EDF as from the income year 2021/2022. The EDF may be completed by employees by using their National Identity Card Number or Non-Citizen Card Number and the Employer Registration Number (ERN). Employers are kindly requested to communicate their ERN to employees and provide necessary facilities to help and assist employees to submit their EDF electronically. Alternatively, a copy of the EDF is available on MRA's website for download.

Employers are required to use their ERN and password to access the facility available on the MRA website and download an excel file showing the reliefs, deductions and allowances claimed by their employees in their EDFs. Employers should download the file on a monthly basis before processing their payroll so as to obtain the details of any new EDF submitted by their employees during the month.

Employers may download an excel file showing the EDFs submitted by their employees.

5.2 When should an employee submit an EDF?

An employee may submit an EDF at any time in an income year.

5.3 First employment

Where a person takes up employment for the first time, he should, as soon as possible, furnish an EDF online on MRA website to enable his employer to take into account his reliefs, deductions and allowances for the purpose of calculating the amount of tax to be withheld from his emoluments.

5.4 Where an employee leaves his employment and takes up another one

He should furnish another EDF to his new employer.

5.5 If an employee has more than one employer at any one time

He should furnish an EDF to only one of his employers. The other employer/s should withhold tax from his emoluments at the flat rate of 15 % or 20% as may be opted by the employee in his request.

5.6 Can an employee furnish a fresh EDF in an income year?

Yes. Where in any income year, an employee who has submitted an EDF to his employer is entitled to a lower or higher amount of reliefs, deductions and allowances for that income year, he may furnish to his employer a fresh EDF claiming therein the new amount of reliefs, deductions and allowances to which he is entitled.

This new total reliefs, deductions and allowances will then be taken into account by the employer for calculating tax under PAYE for that employee for the subsequent pay periods of that income year.

5.7 Does a non-citizen have to furnish an EDF?

A non-citizen who is resident in Mauritius has to furnish an EDF to his employer in Mauritius.

"**Resident**" is defined in the Income Tax Act. In relation to an individual and an income year, it means a person who -

a. Has his domicile in Mauritius, unless his permanent place of abode is outside Mauritius;
b. Has been present in Mauritius in that income year, for a period of, or an aggregate period of, 183 days or more; or
c. Has been present in Mauritius in that income year and the 2 preceding income years, for an aggregate period of 270 days or more.

5.8 Declaration by employee to employer

Employers may download an excel file of the EDFs submitted by their employees on MRA website. A form without any claim for reliefs, deductions and allowances should be considered by the employer as a declaration that the employee does not have any reliefs, deductions and allowances to claim and is valid

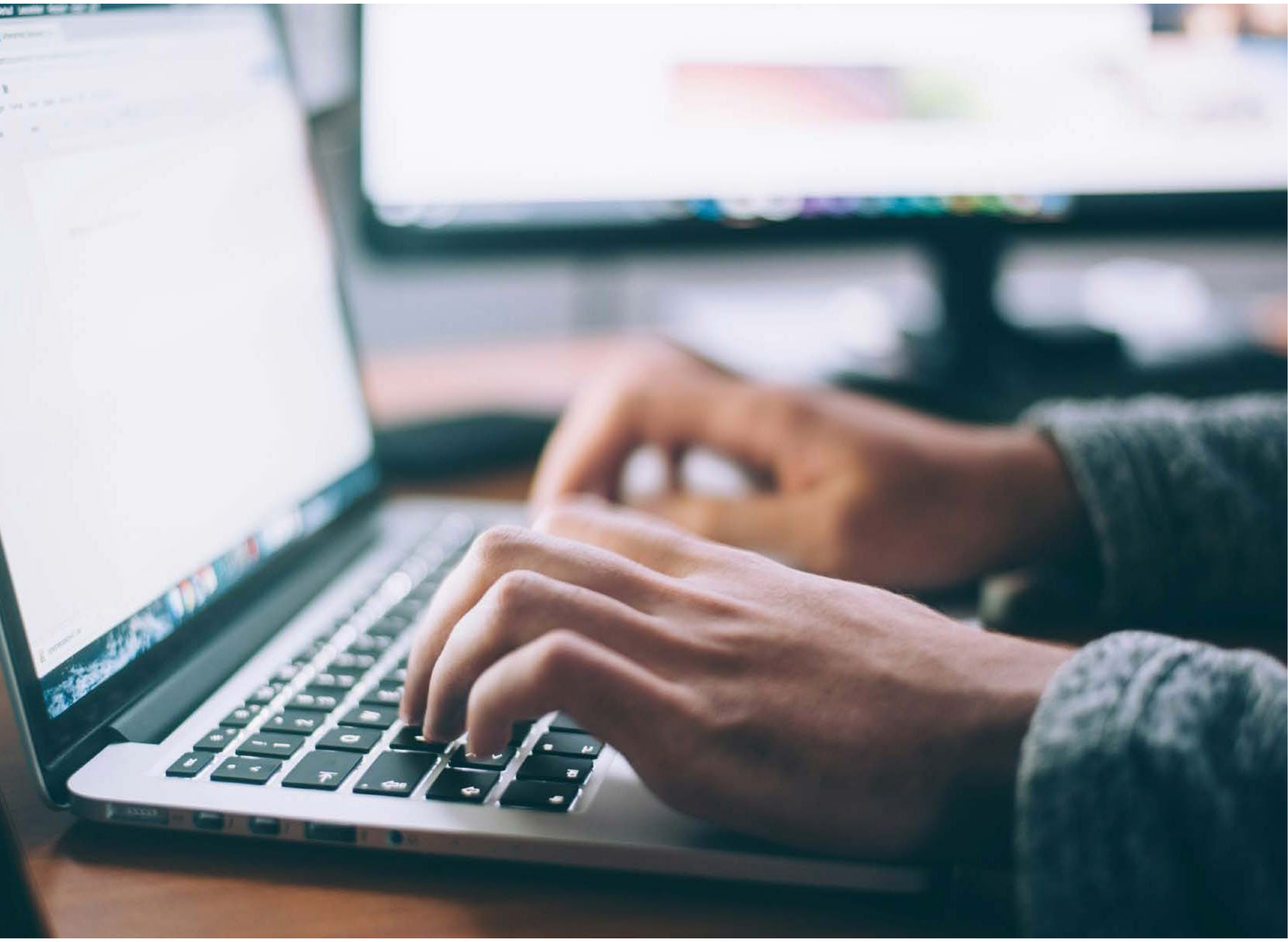
According to the law, it is an offence for an employer to divulge or communicate to any person other than the Director-General any information contained in the EDF furnished by an employee or any matter relating to PAYE and concerning that employee. However, the employer may disclose to the employee or, with his written consent, to any other person any information or matter relating to PAYE concerning that employee.

5.9 Employee has not submitted an EDF

5.9.1 Where an employee who derives emoluments exceeding Rs 38,462 in a month 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%.

5.9.2 Same principle as in 5.9.1 shall apply to emoluments consisting exclusively of fees payable to a company director or a member of a Board, Council, Commission, Committee of a statutory body.

Where the employee was in employment and had furnished an EDF for the Income Year immediately preceding the current Income Year and has not yet submitted an EDF for the current Income Year, the employer may consider the reliefs, deductions and allowances claimed in the EDF when computing the PAYE to be withheld from the employee's emoluments for the months of July and August of the current year.



6. CALCULATION AND WITHHOLDING OF TAX

Every employer should, at the time emoluments are paid or made available to his employees, withhold PAYE on those emoluments in accordance with the applicable legislative provisions.

The amount of tax to be withheld should be rounded down to nearest rupees. The employer shall apply the following formula when calculating the amount of tax to be withheld from emoluments of an employee in respect of a month:

Cumulative chargeable income (for that month) X TR

Where,

Cumulative chargeable income (for that month) is	EM - ET
EM is	Cumulative emoluments of the employee up to that month
ET is	Cumulative reliefs, deductions and allowances of the employee up to that month
TR are	Rates specified in the Fourteenth Schedule (please refer to Table C)

Table C: Fourteenth Schedule of Income Tax Regulations 1996

Cumulative Chargeable Income (Rs)													Rate of Income Tax (%)
July	Aug	Sept	Oct	Nov	Prescribed end-of-year bonus	Dec	Jan	Feb	Mar	Apr	May	June	
38,462	76,924	115,386	153,848	192,310	230,772	269,234	307,696	346,158	384,620	423,082	461,544	500,000	0
Next 38,462	Next 76,924	Next 115,386	Next 153,848	Next 192,310	Next 230,772	Next 269,234	Next 307,696	Next 346,158	Next 384,620	Next 423,082	Next 461,544	Next 500,000	10
Remainder	Remainder	Remainder	Remainder	Remainder	Remainder	Remainder	Remainder	Remainder	Remainder	Remainder	Remainder	Remainder	20

Table D: Fifteenth Schedule of Income Tax Regulations 1996

Cumulative Chargeable Income, exclusive of Lump Sum (Rs)												
July	Aug	Sept	Oct	Nov	Prescribed end-of-year bonus	Dec	Jan	Feb	Mar	Apr	May	June
923,077	1,846,154	2,769,231	3,692,308	4,615,385	5,538,562	6,461,538	7,384,615	8,307,692	9,230,769	10,153,846	11,076,846	12,000,000

6.1 Method to calculate chargeable income and tax to be withheld

The method to calculate Chargeable Income so as to obtain the amount of Income Tax, if any, to be withheld by the employer from the emoluments of his employees is shown below:

Table E: Method of PAYE computation for the month	Rs.	
Cumulative Emoluments	A	
Less Cumulative Reliefs, Deductions and Allowances	(B)	
CUMULATIVE CHARGEABLE INCOME (A-B):	C	
CALCULATION OF PAYE TO BE WITHHELD ON CUMULATIVE CHARGEABLE INCOME	Tax Rates (%)	Rs.
First 38,462 or 76,924 or 115,386, ... or 461,544 or 500,000 (Depending on the chargeable income bracket)	0	X
Next 38,462 or 76,924 or 115,386, ... or 461,544 or 500,000 (Depending on the chargeable income bracket)	10	X
Remainder	20	X
CUMULATIVE TAX PAYABLE		**X**
Less: Total Income Tax withheld in previous months		(X)
PAYE on emoluments to be withheld in current month		**X**

Please note that the total reliefs, deductions and allowances should be divided by 13. For cumulative calculation, **please refer to illustrations at annex III.**

Where the employee is paid monthly, the amount of tax to be withheld for the first month of the income year, i.e. July, is calculated as follows:

a. Deduct 1/13 of the total reliefs, deductions and allowances claimed in the EDF from the total emoluments to obtain the chargeable income for the month of July;

b. Apply the appropriate tax rate whichever is applicable, on the chargeable income calculated at (a). The amount obtained at (b) represents the tax to be withheld for July.

c. For calculating the amount of tax to be withheld in any of the subsequent months i.e. August to June, the following steps should be followed:

   i. Aggregate the emoluments derived for period starting 1 July of the income year up to and including the current month's emoluments on which tax has to be calculated (say November);

   ii. Aggregate the reliefs, deductions and allowances allowable for the months of July to November; (1/13 x 5 i.e. 5/13 of total reliefs, deductions and allowances as per EDF).

   iii. Calculate the difference between the results at (i) and (ii) above to arrive at the cumulative chargeable income for that period;

   iv. Apply the appropriate tax rate to the result at (iii) above. This will represent the total tax required to be withheld for the months of July to November (cumulative PAYE for that period);

   v. Deduct from the sum arrived at (iv) above the total amount of tax already withheld in the preceding months of the income year to arrive at the amount of tax to be withheld for the month of November

The same principle as described above for withholding tax under the PAYE system will apply to fortnightly paid or weekly paid employees, except that in such cases the proportion of total reliefs, deductions and allowances (claimed by the employee in his EDF) to be taken into account in respect of each pay period will be 1/28 and 1/56 respectively.

Note: When the operation described at (v) above is performed for any pay period. Circumstances may arise where the cumulative tax is less than the total amount of tax already withheld during the preceding pay periods of the income year. In such a case, no tax should be withheld from the emoluments of the current period while any excess withheld should be carried forward. In no circumstances the employer is allowed to refund to the employee any such excess.

Refer to annex III for illustrations on the calculation of tax under PAYE in different scenarios.

6.2 Fees payable to Board Members

Tax is to be withheld under PAYE at the flat rate of 15% on all fees payable to a company director or a member of a Board, Council, Commission, Committee of a statutory body, unless the director 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%, even where the fee is less than Rs. 38,462 per month.

Where a member is an employee of the statutory body and receives BOTH emoluments (including fringe benefits) and fees, he shall be treated as any other employee for PAYE purposes, and the fees received should be aggregated with the emoluments he derives as an employee.

6.3 Fees payable to a Director of a company

Where any fees, irrespective of the amount, are payable to a director of a company and that director does not receive any emoluments from that company, tax at the flat rate of 15% is applicable on such fees unless the director 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%, through a PAYE Authorisation form.

However, where a director is an employee of the company and receives BOTH emoluments (including fringe benefits) and fees, he shall be treated as any other employee for PAYE purposes, and the director's fees should be aggregated with the emoluments he derives as an employee.

Fees payable to a non-citizen director of a company who is also resident in Mauritius is subject to PAYE at the flat rate of 15% or 20% at his option.

The PAYE Authorisation form can be accessed on MRA website: **www.mra.mu**

6.4 Tax on prescribed bonus

Where an end-of-year bonus prescribed by an enactment is received or made available to an employee, the instructions at 6.4.1 to 6.4.2 should be followed for the purpose of withholding tax under PAYE.

6.4.1 Prescribed bonus and salary for the pay period paid at the same time

The bonus shall be aggregated with the emoluments of the pay period in which the bonus is received, if payment of the prescribed bonus and emoluments of the relevant pay period is effected at the same time; and 2/13, 3/28 or 5/56 of the total reliefs, deductions and allowances shall be taken into account for that pay period, depending upon the pay period being a month, a fortnight or a week respectively. See Illustration 11 at annex III.

6.4.2 Prescribed bonus and salary for the pay period paid separately

In this case, tax should be calculated twice for that pay period, once on the first payment and then on the second payment irrespective of whether payment of bonus occurs before payment of salary for that pay period or otherwise. The appropriate fraction of the total reliefs, deductions and allowances applicable to the pay period shall be applied a first time to the first payment, and a second time to the second payment. The fraction applicable as deduction from bonus for the purpose of the exercise shall be 1/13, 2/28 or 4/56 depending on whether the pay period for the employee is monthly, fortnightly or weekly. See Illustration 10 at annex III.

Where a prescribed bonus is payable in any of the remaining pay periods, the remaining pay periods for the exercise shall be increased by:

- 1 additional pay period if the pay period is a month;
- 2 additional pay periods if the pay period is a fortnight; and
- 3 additional pay periods if the pay period is a week.

The appropriate fraction of the total reliefs, deductions and allowances will then be allowed as deduction for the pay period in with the prescribed bonus is paid.

No tax shall be withheld from the prescribed bonus of an exempt employee.

6.5 Employee furnishing a fresh EDF with variance

Where in the course of an income year, an employee furnishes a fresh EDF, the employer should, after ensuring that there is a variance between the amount of the total reliefs, deductions and allowances being claimed and the amount already claimed, adjust the chargeable income of the employee for each of the remaining pay periods of the income year by taking into account the amount of the variance (Please refer to illustration 12 at annex III).

6.6 Non-resident drawing emoluments including pension

A non-resident in receipt of emoluments, including pension, irrespective of the amount, is not entitled to any reliefs, deductions and allowances. His gross emoluments for any pay period shall represent his chargeable income for that pay period.

A non-resident is a person who is not resident in Mauritius. The definition of 'resident' in relation to an individual is given at paragraph 5.7.

6.7 Employee receiving salary monthly but overtime pay or any other allowance separately

Where an employee who has furnished an EDF receives salary monthly but is paid overtime or other allowance separately in the same pay period, cumulative PAYE shall apply to each payment after aggregating it with any previous payment in the pay period but accounting, against the aggregated amount, only once, for the appropriate fraction of total reliefs, deductions and allowances to which the employee is entitled for that pay period. The total tax to be deducted and remitted to the Director-General on account of PAYE withheld for that pay period shall be the sum of the amounts computed as tax to be withheld from each payment effected.

The same principle shall apply where the pay period is a fortnight or a week with the appropriate fraction for each specific pay period being taken for computing tax to be withheld, viz. 1/28 for a fortnight and 1/56 for a week respectively. See note of Illustration 9 at annex III.

6.8 Employee receiving emoluments relating to two or more pay periods in one pay period

Where an employee who has furnished an EDF receives emoluments for one pay period together with his emoluments for the following or preceding pay period/s, cumulative PAYE shall apply on the total emoluments for these pay periods but taking also into account the sum of the fractions of the relevant deductions, reliefs and allowances for these pay periods. See Illustration 11 at annex III.

6.9 Employee receiving a tax benefit, viz. tax is paid by employer

An employee enjoys a tax benefit when his tax liability is borne by his employer. This tax benefit is treated as a fringe benefit (please refer to Annex II) and is valued in accordance with the Regulations to the Act and applicable regulation which read as follows:

"Tax benefit is arrived at by dividing the tax payable on the actual emoluments by a factor which varies according to the marginal tax rate applicable."

For the purposes of calculating the tax benefit, the tax payable on the employee's emoluments (exclusive of the tax benefit) is divided by a factor based on the marginal tax rate applicable on the tax benefit.

The factor is derived using the formula (1-t), where "t" is the marginal tax rate applicable on the tax benefit. The illustrations to show calculation of Tax on employee's emoluments (inclusive of tax benefit) using derivation of factor is as follows:

Table F: Calculation of Tax on employee's emoluments (inclusive of the tax benefit) on a yearly basis

Year of Assessment 2026/2027				
Details	Rs.		Total (Rs.)	
Basic Salary	780,000			780,000
Allowances	100,000			100,000
Tax Benefit	-		27,000 ÷ (1 - 0.10)	*30,000
Total Emoluments	880,000			910,000
Less: Deduction for dependent	110,000			110,000
Chargeable Income (CI)	770,000			800,000
Tax Rate	CI	Tax	CI	Tax
0%	500,000	0	500,000	0
10%	270,000	27,000	300,000	30,000
20%	0	-	0	-
	770,000	27,000	800,000	*30,000

Table G: Calculation of Tax on employee's emoluments (inclusive of the tax benefit) on a monthly basis

Month: July 2025				
Details	Rs.		Total (Rs.)	
Basic Salary		60,000		60,000
Allowances		5,500		5,500
Tax Benefit		-	1,858 ÷ (1-0.10)	*2064
Total Emoluments		65,500		67,564
Less: Deduction for dependent (110,000/13)		8,462		8,462
Chargeable Income (CI)		57,038		59,102
Tax Rate	CI	Tax	CI	Tax
0%	38,462	0	38,462	0
10%	18,576	1,858	20,640	2,064
20%	0	-	0	-
	57,038	1,858	59,102	*2064

*The verification for tax-on-tax computation is that the tax payable should equal the tax benefit.

With the introduction of a progressive tax rate as from the year of assessment 2024/25, the derivation of the "factor" is complex as there may be more than one tax rate applicable on the tax benefit.

6.10 Tax-on-Tax (Long Method)

Alternatively, instead of using derivation of factor (in case of tax benefit falls within one tax rate), another method can be used known as the Long-method. The steps applicable for the long-method are as follows:

- Calculate the tax payable on the emoluments (exclusive of tax benefits).
- Calculate the additional tax payable on the tax benefit.
- That additional tax payable, tax borne by the employer, becomes itself a tax benefit on which the additional tax payable is calculated again.
- The process is repeated until the additional tax payable is near zero.

Table H and Table I show the tax-on-tax calculation using long-method.

Table H: Tax-on-Tax calculation using Long-Method (whereby the tax rate in computing the tax benefit falls under one tax rate).

Year of Assessment: 2026/2027																
Details	Calculation of CI (Exc. of Tax Benefit) Rs.		Tax Benefit												Calculation of CI (Inc. of Tax Benefit) Rs.	
Basic Salary	780,000														780,000	
Allowances	100,000														100,000	
Tax Benefit	-		**27,000**		**2700**		**270**		**27**		**3**		**0**		30,000	
Total Emoluments	880,000														910,000	
Less: Deduction for dependent	110,000														110,000	
Chargeable Income (CI)	770,000														800,000	
Rate	Computation of Tax		Computation of Tax												Computation of Tax	
	CI	TAX	CI	TAX	CI	TAX	CI	TAX	CI	TAX	CI	TAX	CI	TAX	CI	TAX
0%	500,000	-													500,000	-
10%	270,000	27,000	27,000	2,700	2,700	270	270	27	27	3	3	0	0	0	300,000	30,000
20%	0	0													0	0
Cum CI / Tax on Cum CI	**770,000**	**27,000**	**27,000**	**2,700**	**2,700**	**270**	**270**	**27**	**27**	**3**	**3**	**0**	**0**	**0**	**800,000**	**30,000**

Table I: Tax-on-Tax calculation using Long-Method (whereby the tax rate in computing the tax benefit falls under one tax rate).

Month: July 2025																
Details	Calculation of CI (Exc. of Tax Benefit) Rs.		Tax Benefit												Calculation of CI (Inc. of Tax Benefit) Rs.	
Basic Salary	60,000														60,000	
Allowances	5,500														5,500	
Tax Benefit			**1,858**		**186**		**19**		**1**		**0**		**0**		2,064	
Total Emoluments	**65,500**														67,564	
Less: Deduction for dependent	8,462														8,462	
Chargeable Income (CI)	**57,038**														59,102	
Rate	Computation of Tax		Computation of Tax												Computation of Tax	
	CI	TAX	CI	TAX	CI	TAX	CI	TAX	CI	TAX	CI	TAX	CI	TAX	CI	TAX
0%	38,462	-													38,462	-
10%	18,576	1,858	1858	186	186	19	19	1	1	0	0	0	0	0	20,640	2064
20%	0	-													0	-
Cum CI / Tax on Cum CI	**57,038**	**1,858**	**1,858**	**186**	**186**	**19**	**19**	**2**	**2**	**0**	**0**	**0**	**0**	**0**	**59,102**	**2064**

As mentioned earlier, given the complexity of using the derivation of factor when computing tax benefit in cases where more than one tax rate is involved, the long method is preferred. Table J illustrates the calculation of tax on the employee’s emoluments (exclusive of the tax benefit).

Table J: Tax-on-Tax calculation using Long-Method (whereby more than one tax rate is involved)

Year Of Assessment 2026/ 2027

Details	Calculation of Tax on Employee's Emoluments (Exclusive of Tax Benefit)	Tax Benefit										Total
Basic Salary	3,500,000											3,500,000
Car Benefit	120,000											120,000
Tax Benefit		**624,400**	**132,368**	**34,121**	**7,507**	**1,651**	**363**	**80**	**18**	**4**	**1**	**800,513**
Total Emoluments	**3,620,000**											**4,420,513**
House Benefit (10%)	**362,000**	**62,440**	**13,237**	**3,412**	**751**	**165**	**36**	**8**	**2**	**0**	**0**	**442,051**
Total Emoluments	**3,982,000**											**4,862,564**
Less: Deduction for dependent	110,000											110,000
Chargeable Income	**3,872,000**	**686,840**	**145,605**	**37,533**	**8,257**	**1,817**	**400**	**88**	**19**	**4**	**1**	**4,752,564**

Rate	Computation of Tax		Computation of Tax											Computation of Tax	
	CI	**TAX**	**CI**	**TAX**	**TAX**	**TAX**	**TAX**	**TAX**	**TAX**	**TAX**	**TAX**	**TAX**	**TAX**	**CI**	**TAX**
0%	500,000	-												500,000	-
10%	500,000	50,000	50,000	5,000	5,000									500,000	50,000
20%	2,872,000	574,400	636,840	127,368	29,121	**7,507**	**1,651**	**363**	**80**	**18**	**4**	**1**	**0**	3,752,564	750,513
Total	**3,872,000**	**624,400**	**686,840**	**132,368**	**34,121**	**7,507**	**1,651**	**363**	**80**	**18**	**4**	**1**	**0**	**4,752,564**	**800,513**

Table K: Tax-on-Tax calculation using Long-Method (Fair Share Contribution)

Month: July 2025																		
Details	**Calculation of Tax on Employee's Emoluments (Exclusive of Tax Benefit)**		**Tax Benefit**														**Total**	
Basic Salary	1,900,000																1,900,000	
Allowances	23,077																23,077	
Tax Benefit			**150,000**		**22,500**		**3,375**		**506**		**76**		**11**		**2**		**176,470**	
Total Emoluments	1,923,077																**2,099,547**	
Deduction for dependent	0																0	
Chargeable Income (CI)	1,923,077																**2,099,547**	
Rate	**Computation of Tax**		**Computation of Tax**														**Computation of Tax**	
	CI	**Tax**	**CI**	**Tax**	**CI**	**Tax**	**CI**	**Tax**	**CI**	**Tax**	**CI**	**Tax**	**CI**	**Tax**	**CI**	**Tax**	**CI**	**Tax**
0%	923,077	-															923,077	-
15%	1,000,000	150,000	150,000	22,500	22,500	3,375	3,375	506	506	76	76	11	11	2	2	0	1,176,470	176,471
Total		**150,000**	**150,000**	**22,500**	**22,500**	**3,375**	**3,375**	**506**	**506**	**76**	**76**	**11**	**11**	**2**	**2**	**0**	**2,099,547**	**176,471**

Table L: Tax-on-Tax calculation using Long-Method (Fair Share Contribution)

Year Of Assessment 2026/ 2027																				
Details	Calculation of Tax on Employee's Emoluments (Exclusive of Tax Benefit)		Tax Benefit																Total	
Basic Salary		13,000,000																		13,000,000
Allowances		23,077																		23,077
Tax Benefit				**1,815,000**		**272,250**		**40,838**		**6,126**		**919**		**138**		**21**		**3**		**2,135,294**
Total Emoluments		13,023,077																		**15,158,371**
Deduction for dependent		0																		0
Chargeable Income (CI)		13,023,077																		**15,158,371**
Rate	**Computation of Tax**																**Computation of Tax**		**Computation of Tax**	
	CI	**Tax**	**CI**	**Tax**	**CI**	**Tax**	**CI**	**Tax**	**CI**	**Tax**	**CI**	**Tax**	**CI**	**Tax**	**CI**	**Tax**	**CI**	**Tax**	**CI**	**Tax**
0%	923,077	-																	923,077	-
15%	12,100,000	1,815,000	1,815,000	272,250	272,250	40,838	40,838	6,126	6,126	919	919	138	138	21	21	3	3	0	14,235,294	2,135,294
Total	**13,023,077**	**1,815,000**	**1,815,000**	**272,250**	**272,250**	**40,838**	**40,838**	**6,126**	**6,126**	**919**	**919**	**138**	**138**	**21**	**21**	**3**	**3**	**0**	**15,158,371**	**2,135,294**

7. DIRECTION NOT TO WITHHOLD TAX

Where tax is required to be withheld from the emoluments of an employee during an income year and the employee proves to the satisfaction of the Director-General that he is not chargeable to income tax for that income year, the Director-General may, by written notice inform the employer, that no tax shall be withheld from the emoluments of that employee. On receipt of the written notice from the Director-General, the employer should give effect to the direction.

8. TAX TO BE WITHHELD IN PRIORITY

The obligation of an employer to withhold tax from emoluments prevails over any right or obligation to withhold any other amount from such emoluments or any law providing that such emoluments should not be reduced or be subject to attachment. In other words, tax to be withheld ranks first among deductions from emoluments.

9. EMPLOYER NOT WITHHOLDING THE REQUIRED AMOUNT OF TAX

An employer who fails to withhold the required amount of tax is liable to pay to the Director-General the amount of tax which has not been so withheld but the employer is entitled to recover that amount from the employee.

10. NO REFUND OF TAX BY EMPLOYER

Refund of income tax can only be made by the Director-General and not by the employer. In no circumstances can an employer refund part or whole of the amount of tax already withheld from the emoluments of an employee and remitted to the MRA.

11. REMITTANCE OF TAX WITHHELD

The tax required to be withheld under PAYE should be remitted electronically through such computer system as the Director-General may approve;

a. by direct debit;

b. through such other means as the Director-General may approve;

and at the same time, submit a monthly PAYE return, electronically in respect of ALL employees whether PAYE has been withheld or not, giving:

a. the full name;

b. the NIC number where the employee is a citizen of Mauritius or the identification number issued by the Passport and Immigration Office, where the employee is not a citizen of Mauritius;

c. Where a non-citizen is not entitled to a NCID, the Tax Account Number (TAN) should be inserted

d. the salary, wages, overtime pay, leave pay and other allowances excluding travelling and end of year bonus; and

e. the amount of tax withheld.

Tax withheld by an employer under PAYE should be remitted electronically to the Director-General on or before the end of the month immediately following the month in which the tax is withheld.

Since the tax withheld from the emoluments of employees is held on behalf of the Government and is not subject to attachment in respect of a debt or liability of the employer, remittance of tax to the MRA should not be delayed for any reason whatsoever and should always be remitted by the due date.

11.1 Penalty for late payment

Failure to pay the amount of tax required to be withheld on or before the last payable date renders the employer liable to a penalty of 10% of the amount of the tax remaining unpaid w.e.f 07 September 2016.

In addition, interest at the rate of 0.5% for each month or part of the month will be added on any amount of tax (excluding any penalty for late payment) not remitted by the due date. The amount of tax not remitted together with the penalty and interest is payable without demand.

Example: Tax withheld (Rs. 20,000) on emoluments for the month of August 2025, due to be remitted on or before the 30 September 2025, is remitted to the Director General on the 26th of December 2025. The amount to be remitted together with penalty and interest for late payment would be computed as follows:

Table M: Computation of penalty for late payment

Details	Rs.
Amount of tax required to be withheld	**20,000**
Penalty for late payment (10%)	**2,000**
Interest for late payment (0.5% for 3 months)	**300**
Total amount to be remitted	**22300**

Payment of tax and penalty should be made in whole rupees.

11.2 Requirement to join the Electronic System

Employers are required by law to submit the monthly PAYE return and remit tax withheld under PAYE electronically through a computer system approved by the Director General. All employees should be declared on the PAYE return whether PAYE has been withheld or not on the emoluments of the employee. A penalty of Rs. 5,000 per month up to a maximum of Rs. 50,000 is applicable where an employer fails to join the electronic system.

For any further information about electronic submission of returns and payment of tax, please refer to the MRA website: **www.mra.mu**

12. OBLIGATION OF EMPLOYER TO SUBMIT MONTHLY PAYE RETURNS

Every employer having employees is required by the Income Tax Act to register himself as an employer with the Director-General and submit monthly PAYE returns irrespective of whether PAYE has been withheld or not.

An exempt person may submit an EDF to his employer at any time if his emoluments are likely to exceed Rs 38,462 for any pay period in an income year. The employer is required to apply the reliefs, deductions and allowances and operate the PAYE system and withhold tax at the appropriate rate, if any, from the emoluments of the employee.

13. STATEMENT OF EMOLUMENTS AND TAX DEDUCTION

Not later than 15 August following an income year, an employer should give to all employees employed by him during that income year a Statement of Emoluments and Tax Deduction in duplicate. The format is available on MRA website. The emoluments should relate to the emoluments received by or made available to the employee in the income year. Where the employee is in receipt of fringe benefits, details of each benefit (e.g., car benefit, housing benefit, tax benefit etc.) should be shown. As from July 2025, employers are required to include in the statement of emoluments, the contributions to Portable Retirement Gratuity Fund (PRGF).

Any correction in the entries originally made on the Statement of Emoluments and Tax Deduction should be made by striking out the word or figure and writing the correct one alongside. Each correction should be duly signed. In no circumstances should there be any over-writing. No liquid paper or correcting fluid should be used to make any correction.

Employee Identification Number

Every employee should have his National Identity Card (NIC) number or the Non-Citizen Identification Number (NCID) issued by the Passport and Immigration Office in the payroll system of the employer. Employees are required to produce their NIC or NCID issued by the Passport and Immigration Office to their employers.

14. RETURN OF EMPLOYEES

All employers having at least one employee or who have paid emoluments shall, not later than 15 August in every year, submit a Return of Employees (ROE) electronically to the Director-General in respect of the preceding income year, specifying (refer to Annex VI);

In respect of the employer;

i. his business registration number.

In respect of every employee:

i. the full name;
ii. the NIC number where the employee is a citizen of Mauritius or NCID issued by the Passport and Immigration Office where the employee is not a citizen of Mauritius;
iii. Where a non-citizen is not entitled to a NCID, the Tax Account Number (TAN) should be inserted
iv. the particulars of the emoluments and reliefs, deductions and allowances claimed in his Employee Declaration Form;
v. the total amount of reliefs, deductions and allowances claimed in his Employee Declaration Form; and.
vi. the total amount of tax withheld and remitted to the Mauritius Revenue Authority, if any.

15. BOOKS AND RECORDS

15.1 Keeping of records

Every person carrying on business or deriving income other than emoluments should -

a. Keep sufficient books and records in the English or French language to enable his gross income and allowable deductions to be readily ascertained by the Director-General;

b. Keep records showing emoluments paid to each employee and tax withheld from those emoluments; and

c. Keep the Employee Declaration Forms (EDFs) furnished by his employees. Employers may download an excel file of the EDFs submitted by their employees.

Every book, record or document should be kept for a period of at least 5 years after the completion of the transaction, act or operation to which it relates.

15.2 Audit Procedures

Officers of the MRA may inspect employers' payroll system at any time during the year to ensure that employers are operating the PAYE system correctly and to provide proper guidelines wherever necessary.

Officers visiting an employer should disclose to the latter the appropriate signed authority, which authorises them access to the employer's premises and relevant records. Employers will be expected to make all such records available to these officers for inspection and to also provide the necessary facilities that would enable them to properly discharge their duties.

The audit process will include, inter alia, a check that:

a. The employer has included in his payroll all his employees' emoluments, cash allowances and fringe benefits;

b. The employer has deducted the correct amount of tax; and

c. The tax deducted has been duly remitted to the MRA.

15.3 Power of the Director-General to require information

Every employer should, when so required by notice in writing, furnish to the Director-General in such manner and in such form as may be approved by him, within the time specified in the notice, information and particulars relating to the operation of PAYE, e.g., annual return of employees, etc. which the Director-General considers necessary or relevant and which may be in his possession or custody or under his control.

16. PERSON CEASING TO BE AN EMPLOYER

Where a person ceases to be an employer, he should within 7 days:

a. Give written notice to the Director-General to that effect;

b. Submit the monthly PAYE return and pay to the Director-General any amount of tax required to be withheld but not remitted;

c. Give to his employees their Statement of Emoluments and Tax Deduction; and

d. Submit a Return of Employees (ROE) covering the period 1 July to the date of cessation.

In the event of the liquidation or bankruptcy of the employer, the amount of tax withheld does not form part of the estate in liquidation or bankruptcy and must be paid in full to the Director-General before any distribution of property is made.

17. OFFENCES IN RELATION TO PAYE

a. Where an employee claims additional deduction in respect of dependent child pursuing undergraduate course and/or interest relief or other reliefs or deductions and it is found that the claim/s is/are unjustified or in excess by more than 10% of the amount to which he is entitled, he shall be liable to a penalty of up to 25% of the amount of tax underpaid under PAYE.

b. An employer is liable to prosecution if:

    i. he fails to register as an employer;

    ii. he fails to pay the amount of tax required to be withheld;

    iii. he fails to pay the amount of tax in arrears required to be deducted;

    iv. he fails to give the Statement of Emoluments and Tax Deduction to his employee.

18. PAYE ILLUSTRATIONS (SEE ANNEX III)

Refer to	For an example of
Illustration 1	A monthly paid employee furnishes an EDF to his employer at the start of the income year 1 July 2025. He has no dependent and he has claimed a total deduction amounting to Rs 100,000 in his EDF.
Illustration 2	An employee, paid fortnightly, furnishes an EDF to his employer at the start of the income year 1 July 2025. Employee has no dependent.
Illustration 3	An employee, paid weekly, furnishes an EDF to his employer at the start of the income year 1 July 2025. Employee has no dependent. He receives overtime.
Illustration 4	A monthly paid employee furnishes an EDF to his employer at the start of the income year 1 July 2025. Employee has two dependents and receives allowances, bonus and has other deductions.
Illustration 5	An employee takes up his first employment at the beginning of February and draws a monthly salary of Rs 150,000. In his EDF, he has claimed deduction for 1 dependent.
Illustration 6	EDF furnished after some months An employee takes up his first employment at the beginning of August and draws a monthly salary of Rs 125,000. An EDF is submitted in October indicating deduction for 1 dependent and is effective as from that month. Of note that tax withheld prior to submission of EDF is 15%.
Illustration 7	An employee takes up employment with a new employer in October and advises his new employer that this is not his first employment. He draws a monthly salary of Rs 54,000 plus a bonus in December. He has claimed total deduction of Rs 210,000 in his EDF, of which Rs 110,000 is in respect of 1 dependent and Rs 100,000 in respect of other deductions.
Illustration 8	An employee takes up employment with a new employer in August and advises his new employer that this is not his first employment. He draws a monthly salary of Rs 80,000 plus a bonus of Rs 80,000 in December. He submits an EDF in October claiming deductions in respect of 2 dependents amounting to Rs 190,000.
Illustration 9	An employee receives his salary monthly but overtime is being paid separately. Employee has one dependent.
Illustration 10	An employee receives payment of prescribed bonus and salary separately. Employee also receives transport allowance and has other deductions amounting to Rs 50,000. In his EDF, he has claimed deduction for 1 dependent.
Illustration 11	An employee receiving emoluments of 2 or more pay periods, all received in one period.
Illustration 12 (i)	Employee furnishes a new EDF. A new EDF is furnished in November where deduction for dependent changed from 0 to 1 as from end November.
Illustration 12 (ii)	Employee furnishes a new EDF. A new EDF is furnished in November where deduction for dependents changed from 1 to 2 as from end November. Other deduction is Rs 125,000.
Illustration 13	Employee is a non-resident employee whose tax liability is borne by the employer. He is not eligible for deductions in respect of dependent and any other deductions.

Illustration 14	Employee is a non-resident employee whose tax liability is borne by the employer. The person is entitled to a housing benefit = 10% of emoluments. He is not eligible for deductions in respect of dependent and any other deductions.
Illustration 15	Employee is a non-resident employee whose tax liability is borne by the employer. The person is entitled to a housing benefit = 15% of emoluments. He is not eligible for deductions in respect of dependent and any other deductions
Illustration 16	Fair Share Contribution calculated on a yearly basis.
Illustration 17	Employee is chargeable to Fair Share Contribution from the start of the income year 1 July 2025. The employee has no dependent and has claimed a total deduction amounting to Rs 100,000
Illustration 18	Employee is chargeable to Fair Share Contribution from the start of income year 1 July 2025. The employee has two dependents and has claimed a total deduction amounting to Rs 290,000.

Note: Employers who are referring the above illustrations for the calculation of PAYE should use the updated Reliefs, Deductions and Allowances as specified in the Income Tax Act.

19. ADDITIONAL INFORMATION

For additional information on the law or procedures relating to the operation of PAYE, kindly email us on headoffice@mra.mu

ANNEX I

LIST OF EXEMPT INCOME

1. Emoluments derived from the office of the President or Vice- President.
2. Any rent allowance payable to a person appointed to an office in-
   a. The Police Force;
   b. The Fire Services;
   c. The Forests Division of the Ministry of Agriculture and Natural Resources;
   d. The Prisons and Industrial School Service;
   e. The Ministry of Fisheries;
   f. The Department of Civil Aviation; or
   g. The Fire Unit of the Mauritius Marine Authority.
3. Any housing allowance not exceeding 100 rupees per month payable by an employer to an employee under any enactment or by virtue of an award made under an enactment.
4. Any transport allowance payable by an employer to an employee by virtue of the terms and conditions of service equivalent to -
   a. the return bus fare between residence and place of work;
   b. petrol allowance, commuted travelling allowance and travel grant payable by the Government of Mauritius and the local authority to their employees; or
   c. the actual petrol or travelling allowance paid or 25% of the monthly basic salary up to a maximum of 20,000 rupees, whichever is the lesser, provided that the employee makes use of a private car registered in his own name for attending duty and for the performance of the duties of his office or employment.
5. Passage benefits provided under a contract of employment not exceeding 6% of the basic salary.
6. The first 3 million rupees of the aggregate amount received
   a. As lump sum by way of commutation of pension or by way of death gratuity or as consolidated compensation for death or injury, and paid -
      i. by virtue of any enactment;
      ii. from a superannuation fund; and
      iii. under a personal pension scheme approved by the Director-General;
   b. As lump sum under the National Savings Fund Act;
   c. By way of retiring allowance; and
   d. By way of severance allowance determined in accordance with the Labour Act, on such conditions as may be prescribed.
   e. as compensation negotiated under section 42 of the Employment Rights Act, limited to the amount of severance allowance referred to in section 46(5)(i) and (ii) of that Act.
7. Any payment of foreign service allowance, reimbursement of the cost or payment of personal and private expenses including medical expenses, to home-based staff of overseas mission.

8. Any advantage in money or in money’s worth received as lump sum by an employee voluntarily terminating his contract of employment in the context of a factory closure pursuant to the Cane Planters and Millers Arbitration and Control Board Act or under the Voluntary Retirement Scheme under the Sugar Industry Efficiency Act 2001.
9. Any benefit to an employee for a payment by his employer to provide a pension or retiring allowance for the employee or his dependents and which is an allowable deduction under section 22 or 61 of the Income Tax Act, as the case may be.
10. Any benefit to an employee for a payment by his employer to a scheme approved by the Director- General to provide against medical expenses for the employee or his dependents and which is an allowable deduction under section 22 or 61 of the Income Tax Act, as the case may be.
11. Emoluments of a non-citizen who holds office in Mauritius as an official of a Government other than the Government of Mauritius and is posted to Mauritius for that purpose.
12. Any foreign service allowance payable under a contract of employment to staff of statutory bodies posted abroad, as may be approved by the Director-General.
13. Any retirement pension not exceeding the first Rs 500,000 of chargeable income payable to a citizen of Mauritius who is not resident in Mauritius.
14. Any car allowance payable in lieu of duty exemption on a car, to a public officer, an officer of a local authority, or officer of a statutory body, whose terms and conditions of service are governed by the 2013 report of the Pay Research Bureau.
15. Salaries and emoluments derived by an employee who is a citizen of Mauritius or who holds a permanent residence permit under the immigration Act from his employment with the liaison office located in Mauritius, of a bank referred to in the International Financial Organisation Act.
16. Emoluments derived by a seafarer from his employment on a vessel registered in Mauritius or on a foreign vessel.
17. (1) Subject to paragraph (2), emoluments derived by an employee from his employment with a corporation licensed by the Financial Services Commission established under the Financial Services Act, provided that the employee manages an asset base of not less than USD 50 million and is issued with -
    a. an Asset Manager Certificate;
    b. a Fund Manager Certificate; or
    c. an Asset and Fund Manager Certificate,

    on or after 1 September 2016, by the Financial Services Commission established under the Financial Services Act.

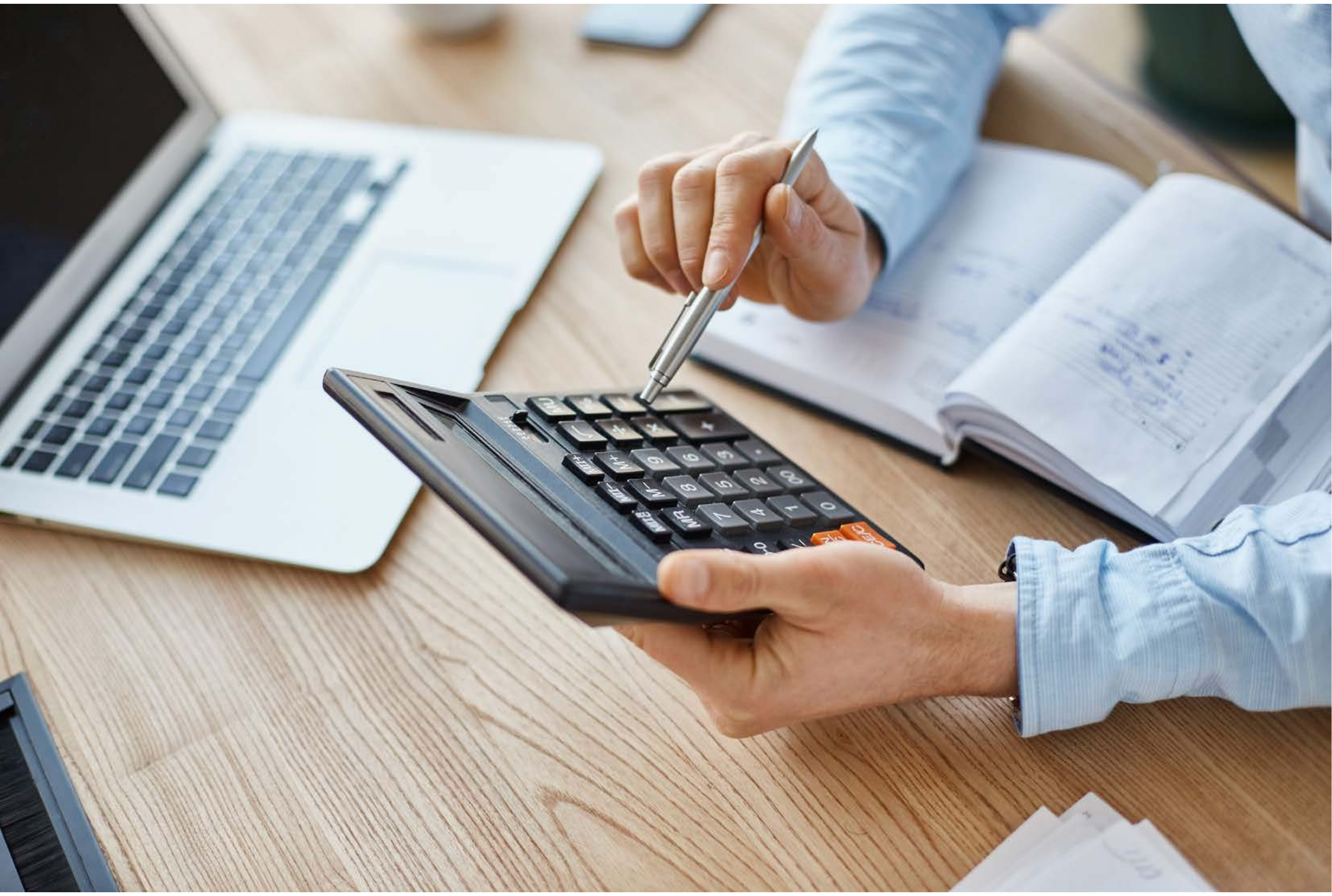
    (2) The exemption shall be for a period of 10 income years as from the income year in which the employee was granted the certificate referred to in paragraph (1).

18. An allowance not exceeding 15,000 rupees payable to an officer or employee who has been required to work on the frontline during the COVID-19 period where such allowance
    a. is payable by the Government; or
    b. is financed by the COVID-19 Solidarity Fund.

19. Income derived from within and outside Mauritius by a member of the Mauritian Diaspora under the Mauritian Diaspora Scheme prescribed under the Investment Promotion Act, during 10 succeeding income years in which he returns to Mauritius. However, the exemption shall be limited to the specific employment, business, trade, profession, or investment for which the member of the Mauritian Diaspora was registered.

20. Any monthly allowance paid by an employer to an employee equivalent to the amount payable by the employee as social contribution under section 3 of the Social Contribution and Social Benefits Act 2021.

21. Social Contribution Income Allowance received by a person under Sub-part III A of Part III of The Social Contribution and Social Benefits Act.



ANNEX II

Value of fringe benefits

	Monthly taxable benefits (Rs.)
1. Car Benefits -	
a) Car Costing not more than Rs 3 million	
(i) Cylinder capacity -	
(A) up to 1600cc	12,000
(B) 1601 to 2000cc	13,500
(C) Above 2000cc	15,000
(ii) Electric Car	13,500
b) Car costing more than Rs 3 million	
(i) more than Rs 3 million up to Rs 5 million	25,000
(ii) more than Rs 5 million up to Rs 8 million	35,000
(iii) more than Rs 8 million	50,000
2. Housing benefit where property is	
a) owned by the employer	10 percent of employee's total emoluments for unfurnished property 15 percent of employee's total emoluments for furnished property
(b) rented by the employer	Actual rent paid
3. Accommodation benefit provided by hotels -	
a) Full board and lodging -	
i. Single	11,500
ii. Married	15, 700
iii. Accommodation -	
iv. For managing and supervisory staff	4, 400
v. Other staff	2, 200
4. Interest free loans or loans at reduced rates	Difference between the amount of interest for the month, calculated at 2% above the repo rate, prevailing at the end of that month and the amount of interest paid by the employee in that month.

5. Tips received by an employee from a pool managed by the employer	Actual amount received in the month by the employee
6. Repayment or write-off of employees' debt by the employer	Amount of debt repaid or written off in the month
7. Domestic and private expenses borne by employer including utilities, wages of housemaids, school fees of children, club membership fee and any other domestic and private expenses.	Actual amount paid for the month
8. Tax paid by the employer	Tax benefit is arrived at by dividing the tax payable on the actual emoluments by a factor which varies according to the marginal tax rate applicable.

Note:

1. For the purposes of items 1 and 2, any contribution made by an employee to his employer shall be deducted from the car benefit or housing benefit, as the case may be.
2. For the purposes of item 2, total emoluments shall exclude the yearly bonus and housing benefit.

ANNEX III

ILLUSTRATIONS

Illustration 1

A monthly paid employee furnishes an EDF to his employer at the start of the income year 1 July 2025. He has no dependent and he has claimed a total deduction amounting to Rs 100,000 in his EDF.

Number Of Dependents	0											
Deductions For Dependents	0											
Total Other Deductions	100,000											
Total Deductions	**100,000**											
Month	**Jul-25**		**Aug-25**		**Sep-25**		**Oct-25**		**Nov-25**		**Dec-25 & Bonus**	
Basic Salary	50,000		50,000		50,000		50,000		50,000		50,000	
Taxable Travelling Allowance	10,000		10,000		10,000		10,000		10,000		10,000	
Statutory EOY Bonus	0		0		0		0		0		50,000	
Fringe Benefits	0		0		0		0		0		0	
Total Emoluments	**60,000**		**60,000**		**60,000**		**60,000**		**60,000**		**110,000**	
Cumulative Emoluments	**60,000**		**120,000**		**180,000**		**240,000**		**300,000**		**410,000**	
Less: Cumulative Deductions/ Reliefs	**(7,692)**		**(15,385)**		**(23,077)**		**(30,769)**		**(38,462)**		**(53,846)**	
Cumulative Chargeable Income	52,308		104,615		156,923		209,231		261,538		356,154	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	115,386	0	153,848	0	192,310	0	269,234	0
10%	38,462	1,385	76,924	2,769	115,386	4,154	153,848	5,538	192,310	6,923	269,234	8,692
20%	0	0	0	0	0	0	0	0	0	0	0	0
Tax on Cumulative Chargeable Income		**1,385**		**2,769**		**4,154**		**5,538**		**6,923**		**8,692**
Less: Tax withheld in previous periods		0		1,385		2,769		4,154		5,538		6,923
Tax withheld for the month		**1,385**		**1,385**		**1,385**		**1,385**		**1,385**		**1,769**

Cumulative deductions and reliefs: 1/13*100,000

Illustration 2								
An employee, paid fortnightly, furnishes an EDF to his employer at the start of the income year 1 July 2025. Employee has no dependent.								
Number Of Dependents	0							
Deductions For Dependents	0							
Total Other Deductions	15,000							
Total Deductions	**15,000**							
Period	**Fortnight 1**		**Fortnight 2**		**Fortnight 3**		**Fortnight 4**	
Basic Salary	48,000		48,000		48,000		48,000	
Taxable Travelling Allowance	0		0		0		0	
Statutory EOY Bonus	0		0		0		0	
Fringe Benefits	0		0		0		0	
Total Emoluments	**48,000**		**48,000**		**48,000**		**48,000**	
Cumulative Emoluments	**48,000**		**96,000**		**144,000**		**192,000**	
Less: Cumulative Deductions / Reliefs	**(536)**		**(1,071)**		**(1,607)**		**(2,143)**	
Cumulative Chargeable Income	47,464		94,929		142,393		189,857	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	17,857	0	35,715	0	53,572	0	71,429	0
10%	17,857	1,786	35,715	3,571	53,572	5,357	71,429	7,143
20%	11,750	2,350	23,499	4,700	35,249	7,050	46,998	9,400
Tax on Cumulative Chargeable Income		**4,136**		**8,271**		**12,407**		**16,543**
Less: Tax withheld in previous periods		0		4,136		8,271		12,407
Tax withheld for the month		**4,136**		**4,136**		**4,136**		**4,136**

Cumulative deductions and reliefs: 1/28*15,000

Illustration 3												
An employee, paid weekly, furnishes an EDF to his employer at the start of the income year 1 July 2025. Employee has no dependent. He receives overtime.												
Number Of Dependents	0											
Deductions For Dependents	0											
Total Other Deductions	0											
Total Deductions	**0**											
Month	**Week 1**		**Week 2**		**Week 3**		**Week 4**		**Week 5**		**Week 6**	
Basic Salary	14,000		14,000		14,000		14,000		14,000		14,000	
Taxable Travelling Allowance	0		0		0		0		0		0	
Statutory EOY Bonus	0		0		0		0		0		0	
Fringe Benefits	0		0		3,000		4,000		2,000		0	
Total Emoluments	**14,000**		**14,000**		**17,000**		**18,000**		**16,000**		**14,000**	
Cumulative Emoluments	**14,000**		**28,000**		**45,000**		**63,000**		**79,000**		**93,000**	
Less: Cumulative Deductions / Reliefs	**0**		**0**		**0**		**0**		**0**		**0**	
Cumulative Chargeable Income	14,000		28,000		45,000		63,000		79,000		93,000	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	8,929	0	17,857	0	26,786	0	35,715	0	44,643	0	53,572	0
10%	5,071	507	10,143	1,014	18,214	1,821	27,285	2,729	34,357	3,436	39,428	3,943
20%	0	0	0	0	0	0	0	0	0	0	0	0
Tax on Cumulative Chargeable Income		**507**		**1,014**		**1,821**		**2,729**		**3,436**		**3,943**
Less: Tax withheld in previous periods		0		507		1,014		1,821		2,729		3,436
Tax withheld for the month		**507**		**507**		**807**		**907**		**707**		**507**

Illustration 4

A monthly paid employee furnishes an EDF to his employer at the start of the income year 1 July 2025. Employee has two dependents and receives allowances, bonus and has other deductions.

Number Of Dependents	2											
Deductions For Dependents	190,000											
Total Other Deductions	100,000											
Total Deductions	**290,000**											
Month	**Jul-25**		**Aug-25**		**Dec-25 & Bonus**		**Jan-26**		**Feb-26**		**Jun-26**	
Basic Salary	100,000		100,000		100,000		100,000		100,000		100,000	
Taxable Travelling Allowance	5,000		5,000		5,000		5,000		5,000		5,000	
Statutory EOY Bonus	0		0		100,000		0		0		0	
Fringe Benefits	0		0		10,000		0		0		0	
Total Emoluments	**105,000**		**105,000**		**215,000**		**105,000**		**105,000**		**105,000**	
Cumulative Emoluments	**105,000**		**210,000**		**740,000**		**845,000**		**950,000**		**1,370,000**	
Less: Cumulative Deductions / Reliefs	**(22,308)**		**(44,615)**		**(156,154)**		**(178,462)**		**(200,769)**		**(290,000)**	
Cumulative Chargeable Income	82,692		165,385		583,846		666,538		749,231		1,080,000	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	269,234	0	307,696	0	346,158	0	500,000	0
10%	38,462	3,846	76,924	7,692	269,234	26,923	307,696	30,770	346,158	34,616	500,000	50,000
20%	5,768	1,154	11,537	2,307	45,378	9,076	51,146	10,229	56,915	11,383	80,000	16,000
Tax on Cumulative Chargeable Income		**5,000**		**10,000**		**35,999**		**40,999**		**45,999**		**66,000**
Less: Tax withheld in previous periods		0		5,000		24,999	0	35,999	0	40,999	0	60,998
Tax withheld for the month		**5,000**		**5,000**		**11,000**		**5,000**		**5,000**		**5,002**

Cumulative deductions and reliefs: 1/13*290,000

Illustration 5										
An employee takes up his first employment at the beginning of February and draws monthly salary of Rs 150,000. In his EDF, he has claimed deduction for 1 dependent. Tax to be withheld for the months of February to June will be calculated as follows.										
Number Of Dependents	1									
Deductions For Dependents	110,000									
Total Other Deductions	0									
Total Deductions	**110,000**									
Month	**Feb-26**		**Mar-26**		**Apr-26**		**May-26**		**Jun-26**	
Basic Salary	150,000		150,000		150,000		150,000		150,000	
Taxable Travelling Allowance	10,000		10,000		10,000		10,000		10,000	
Statutory EOY Bonus	0		0		0		0		0	
Fringe Benefits	14,000		14,000		14,000		14,000		14,000	
Total Emoluments	**174,000**		**174,000**		**174,000**		**174,000**		**174,000**	
Cumulative Emoluments	**174,000**		**348,000**		**522,000**		**696,000**		**870,000**	
Less: Cumulative Deductions / Reliefs	**(22,000)**		**(44,000)**		**(66,000)**		**(88,000)**		**(110,000)**	
Cumulative Chargeable Income	152,000		304,000		456,000		608,000		760,000	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	346,158	0	384,620	0	423,082	0	461,544	0	500,000	0
10%	346,158	0	384,620	0	32,918	3,292	146,456	14,646	260,000	26,000
20%	0	0	0	0	0	0	0	0	0	0
Tax on Cumulative Chargeable Income		**0**		**0**		**3,292**		**14,646**		**26,000**
Less: Tax withheld in previous periods	0	0	0	0	0	0	0	3,292	0	14,646
Tax withheld for the month		**0**		**0**		**3,292**		**11,354**		**11,354**

Cumulative deductions and reliefs: 1/5*110,000

Illustration 6

EDF furnished after some months.
An employee takes up his first employment at the beginning of August and draws a monthly salary of Rs 125,000. An EDF is submitted in October indicating deduction for 1 dependent and is effective as from that month. Tax to be withheld for the months of August to December will be calculated as follows. Of note that tax withheld prior to submission of EDF is 15%.

Number Of Dependents	1									
Deductions For Dependents	110,000									
Total Other Deductions	0									
Total Deductions	**110,000**									
Month	**Aug-25**		**Sep-25**		**Oct-25**		**Nov-25**		**Dec-25 & Bonus**	
Basic Salary	125,000		125,000		125,000		125,000		125,000	
Taxable Travelling Allowance	0		0		0		0		0	
Statutory EOY Bonus	0		0		0		0		125,000	
Fringe Benefits	0		0		0		0		0	
Total Emoluments	**125,000**		**125,000**		**125,000**		**125,000**		**250,000**	
Cumulative Emoluments	**125,000**		**250,000**		**375,000**		**500,000**		**750,000**	
Less: Cumulative Deductions / Reliefs	**0**		**0**		**(27,500)**		**(36,667)**		**(55,000)**	
Cumulative Chargeable Income	125,000		250,000		347,500		463,333		695,000	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	76,924	0	115,386	0	153,848	0	192,310	0	269,234	0
10%	76,924	0	115,386	0	153,848	15,385	192,310	19,231	269,234	26,923
20%	0	0	0	0	39,804	7,961	78,713	15,743	156,532	31,306
15%		18,750		37,500						
Tax on Cumulative Chargeable Income		**18,750**		**37,500**		**23,346**		**34,974**		**58,230**
Less: Tax withheld in previous periods		0		18,750		37,500		37,500		37,500
Tax withheld for the month		**18,750**		**18,750**		**0**		**0**		**20,730**

Cumulative deductions and reliefs: 3/12*110,000

Illustration 7														
An employee takes up employment with a new employer in October and advises his new employer that this is not his first employment. He draws a monthly salary of Rs 54,000 plus a bonus in December. He has claimed total deduction of Rs 210,000 in his EDF of which Rs 110,000 is in respect of 1 dependent and Rs 100,000 in respect of other deduction. For the months of October to June, PAYE will be calculated as follows.														
Number Of Dependents	1													
Deductions For Dependents	110,000													
Total Other Deductions	100,000													
Total Deductions	**210,000**													
Month	**Oct-25**		**Nov-25**		**Dec-25 & Bonus**		**Mar-26**		**Apr-26**		**May-26**		**Jun-26**	
Basic Salary	54,000		54,000		54,000		54,000		54,000		54,000		54,000	
Taxable Travelling Allowance	5,000		5,000		5,000		5,000		5,000		5,000		5,000	
Statutory EOY Bonus	0		0		54,000		0		0		0		0	
Fringe Benefits	0		0		0		0		0		0		0	
Total Emoluments	**59,000**		**59,000**		**113,000**		**59,000**		**59,000**		**59,000**		**59,000**	
Cumulative Emoluments	**59,000**		**118,000**		**231,000**		**408,000**		**467,000**		**526,000**		**585,000**	
Less: Cumulative Deductions / Reliefs	**(16,154)**		**(32,308)**		**(64,615)**		**(113,077)**		**(129,231)**		**(145,385)**		**(161,538)**	
Cumulative Chargeable Income	42,846		85,692		166,385		294,923		337,769		380,615		423,462	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	153,848	0	269,234	0	307,696	0	346,158	0	384,620	0
10%	4,384	438	8,768	877	12,537	1,254	25,689	2,569	30,073	3,007	34,457	3,446	38,842	3,884
20%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax on Cumulative Chargeable Income		**438**		**877**		**1,254**		**2,569**		**3,007**		**3,446**		**3,884**
Less: Tax withheld in previous periods		0		438		877		2,130	0	2,569	0	3,007	0	3,446
Tax withheld for the month		**438**		**438**		**377**		**438**		**438**		**438**		**438**

Cumulative deductions and reliefs: 1/13*210,000

Illustration 8

An employee takes up employment with a new employer in August and advises his new employer that this is not his first employment. He draws a monthly salary of Rs 80,000 plus a bonus of Rs 80,000 in December. He submits an EDF in October claiming deductions in respect of 2 dependents amounting to Rs 190,000. For the months of August to December, PAYE will be calculated as follows.

Number Of Dependents	2									
Deductions For Dependents	190,000									
Total Other Deductions	0									
Total Deductions	**190,000**									
Month	**Aug-25**		**Sep-25**		**Oct-25**		**Nov-25**		**Dec-25 & Bonus**	
Basic Salary	80,000		80,000		80,000		80,000		80,000	
Taxable Travelling Allowance	0		0		0		0		0	
Statutory EOY Bonus	0		0		0		0		80,000	
Fringe Benefits	0		0		0		0		0	
Total Emoluments	**80,000**		**80,000**		**80,000**		**80,000**		**160,000**	
Cumulative Emoluments	**80,000**		**160,000**		**240,000**		**320,000**		**480,000**	
Less: Cumulative Deductions / Reliefs	**0**		**0**		**(43,846)**		**(58,462)**		**(87,692)**	
Cumulative Chargeable Income	80,000		160,000		196,154		261,538		392,308	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	115,386	0	153,848	0	230,772	0
10%	38,462	0	76,924	0	115,386	8,077	153,848	10,769	230,772	16,154
20%	0	0	0	0	0	0	0	0	0	0
15%		12,000		24,000						
Tax on Cumulative Chargeable Income		**12,000**		**24,000**		**8,077**		**10,769**		**16,154**
Less: Tax withheld in previous periods		0		12,000		24,000		24,000		24,000
Tax withheld for the month		**12,000**		**12,000**		**0**		**0**		**0**

Cumulative deductions and reliefs: 3/13*190,000

Illustration 9												
An employee receives his salary monthly but overtime is being paid separately. Employee has one dependent.												
Number Of Dependents	1											
Deductions For Dependents	110,000											
Total Other Deductions	25,000											
Total Deductions	**135,000**											
Month	**Jul-25**		**Aug-25**		**Sep-25**		**Oct-25**		**Oct-25**		**Oct-25**	
Basic Salary	100,000		100,000		100,000		0		0		100,000	
Overtime	0		0		50,000		50,000		40,000		0	
Taxable Travelling Allowance	0		0		0		0		0		0	
Statutory EOY Bonus	0		0		0		0		0		0	
Fringe Benefits	0		0		0		0		0		0	
Total Emoluments	**100,000**		**100,000**		**150,000**		**50,000**		**40,000**		**100,000**	
Cumulative Emoluments	**100,000**		**200,000**		**350,000**		**400,000**		**440,000**		**540,000**	
Less: Cumulative Deductions / Reliefs	**(10,385)**		**(20,769)**		**(31,154)**		**(41,538)**		**(41,538)**		**(41,538)**	
Cumulative Chargeable Income	89,615		179,231		318,846		358,462		398,462		498,462	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	115,386	0	153,848	0	153,848	0	153,848	0
10%	38,462	3,846	76,924	7,692	115,386	11,539	153,848	15,385	153,848	15,385	153,848	15,385
20%	12,691	2,538	25,383	5,077	88,074	17,615	50,766	10,153	90,766	18,153	190,766	38,153
Tax on Cumulative Chargeable Income		**6,384**		**12,769**		**29,153**		**25,538**		**33,538**		**53,538**
Less: Tax withheld in previous periods		0		6,384		12,769		29,153		25,538		33,538
Tax withheld for the month		**6,384**		**6,384**		**16,384**		**0**		**8,000**		**20,000**

Cumulative deductions and reliefs: 1/13*135,000

Illustration 10

An employee receives payment of prescribed bonus and salary separately. Employee also receives transport allowance and has other deductions amounting to Rs 50,000. In his EDF, he has claimed deduction for 1 dependent.

Number Of Dependents	1
Deductions For Dependents	110,000
Total Other Deductions	50,000
Total Deductions	**160,000**

Month	**Jul-25**	**Aug-25**	**Sep-25**	**Oct-25**	**Nov-25**	**Dec-25**	**Bonus**
Basic Salary	60,000	60,000	60,000	60,000	60,000	60,000	0
Taxable Travelling Allowance	5,000	5,000	5,000	5,000	5,000	5,000	0
Statutory EOY Bonus	0	0	0	0	0	0	60,000
Fringe Benefits	0	0	0	0	0	0	0
Total Emoluments	**65,000**	**65,000**	**65,000**	**65,000**	**65,000**	**65,000**	**60,000**
Cumulative Emoluments	**65,000**	**130,000**	**195,000**	**260,000**	**325,000**	**390,000**	**450,000**
Less: Cumulative Deductions / Reliefs	**(12,308)**	**(24,615)**	**(36,923)**	**(49,231)**	**(61,538)**	**(73,846)**	**(86,154)**
Cumulative Chargeable Income	52,692	105,385	158,077	210,769	263,462	316,154	363,846

Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	115,386	0	153,848	0	192,310	0	230,772	0	269,234	0
10%	38,462	1,423	76,924	2,846	115,386	4,269	153,848	5,692	192,310	7,115	230,772	8,538	269,234	9,461
20%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax on Cumulative Chargeable Income		**1,423**		**2,846**		**4,269**		**5,692**		**7,115**		**8,538**		**9,461**
Less: Tax withheld in previous periods		0		1,423		2,846		4,269		5,692		7,115	0	8,538
Tax withheld for the month		**1,423**		**1,423**		**1,423**		**1,423**		**1,423**		**1,423**		**923**

Cumulative deductions and reliefs: 1/13*160,000

Illustration 11

An employee receiving emoluments of 2 or more pay periods, all received in one period.

Number Of Dependents	1											
Deductions For Dependents	110,000											
Total Other Deductions	50,000											
Total Deductions	**160,000**											
Month	**Jul-25**		**Aug-25**		**Sep-25**		**Oct-25**		**Nov-25**		**Dec-25 & Bonus**	
Basic Salary	80,000		80,000		0		0		240,000		80,000	
Taxable Travelling Allowance	15,000		15,000		0		0		45,000		15,000	
Statutory EOY Bonus	0		0		0		0		0		80,000	
Fringe Benefits	0		0		0		0		0		20,000	
Total Emoluments	**95,000**		**95,000**		**0**		**0**		**285,000**		**195,000**	
Cumulative Emoluments	**95,000**		**190,000**		**190,000**		**190,000**		**475,000**		**670,000**	
Less: Cumulative Deductions / Reliefs	**(12,308)**		**(24,615)**		**(36,923)**		**(49,231)**		**(61,538)**		**(86,154)**	
Cumulative Chargeable Income	82,692		165,385		153,077		140,769		413,462		583,846	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	115,386	0	153,848	0	192,310	0	269,234	0
10%	38,462	3,846	76,924	7,692	37,691	3,769	0	0	192,310	19,231	269,234	26,923
20%	5,768	1,154	11,537	2,307	0	0	0	0	28,842	5,768	45,378	9,076
Tax on Cumulative Chargeable Income		**5,000**		**10,000**		**3,769**		**0***		**24,999**		**35,999**
Less: Tax withheld in previous periods		0		5,000		10,000		3,769		0		24,999
Tax withheld for the month		**5,000**		**5,000**		**0**		**0**		**24,999**		**11,000**

* Tax withheld for the month of October 2025 is zero, given that no emoluments were paid and tax has already been withheld in the previous months.

Cumulative deductions and reliefs: 1/13*160,000

Illustration 12(i)

Employee furnishes a new EDF
A new EDF is furnished in November where deduction for dependent changed from 0 to 1 as from end November.

Number Of Dependents	0											
Deductions For Dependents	0											
Total Other Deductions	0											
Total Deductions	**0**											
Month	**Jul-25**		**Aug-25**		**Sep-25**		**Oct-25**		**Nov-25**		**Dec-25 & Bonus**	
Basic Salary	50,000		50,000		50,000		50,000		50,000		50,000	
Taxable Travelling Allowance	10,000		10,000		10,000		10,000		10,000		10,000	
Statutory EOY Bonus	0		0		0		0		0		50,000	
Total Emoluments	**60,000**		**60,000**		**60,000**		**60,000**		**60,000**		**110,000**	
Cumulative Emoluments	**60,000**		**120,000**		**180,000**		**240,000**		**300,000**		**410,000**	
Less: Cumulative Deductions / Reliefs	**0**		**0**		**0**		**0**		**0**		**0**	
New EDF submitted - 1 Dependent									**(12,222)**		**(36,667)**	
Cumulative Chargeable Income	60,000		120,000		180,000		240,000		287,778		373,333	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	115,386	0	153,848	0	192,310	0	269,234	0
10%	21,538	2,154	43,076	4,308	64,614	6,461	86,152	8,615	95,468	9,547	104,099	10,410
20%	0	0	0	0	0	0	0	0	0	0	0	0
Tax on Cumulative Chargeable Income		**2,154**		**4,308**		**6,461**		**8,615**		**9,547**		**10,410**
Less: Tax withheld in previous periods		0		2,154		4,308		6,461		8,615		9,547
Tax withheld for the month		**2,154**		**2,154**		**2,154**		**2,154**		**932**		**863**

Cumulative deductions and reliefs: 1/9*110,000 (1 dependent)

Cumulative deductions and reliefs:Illustration 12(ii)

Employee furnishes a new EDF
A new EDF is furnished in November where deduction for dependents changed from 1 to 2 as from end November. Other deduction is Rs 125,000.

Number Of Dependents	1											
Deductions For Dependents	110,000											
Total Other Deductions	125,000											
Total Deductions	**235,000**											
Month	**Jul-25**		**Aug-25**		**Sep-25**		**Oct-25**		**Nov-25**		**Dec-25 & Bonus**	
Basic Salary	78,000		78,000		78,000		78,000		78,000		78,000	
Taxable Travelling Allowance	10,000		10,000		10,000		10,000		10,000		10,000	
Statutory EOY Bonus	0		0		0		0		0		78,000	
Fringe Benefits	0		0		0		0		0		0	
Total Emoluments	**88,000**		**88,000**		**88,000**		**88,000**		**88,000**		**166,000**	
Cumulative Emoluments	**88,000**		**176,000**		**264,000**		**352,000**		**440,000**		**606,000**	
Less: Cumulative Deductions / Reliefs	**(18,077)**		**(36,154)**		**(54,231)**		**(72,308)**		**(90,385)**		**(126,539)**	
New EDF submitted - 2 Dependents									**(8,889)**		**(26,667)**	
Cumulative Chargeable Income	69,923		139,846		209,769		279,692		340,726		452,794	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	115,386	0	153,848	0	192,310	0	269,234	0
10%	38,462	3,146	76,924	6,292	115,386	9,438	153,848	12,584	192,310	14,842	269,234	18,356
20%	0	0	0	0	0	0	0	0	0	0	0	0
Tax on Cumulative Chargeable Income		**3,146**		**6,292**		**9,438**		**12,584**		**14,842**		**18,356**
Less: Tax withheld in previous periods		0		3,146		6,292		9,438		12,584		14,842
Tax withheld for the month		**3,146**		**3,146**		**3,146**		**3,146**		**2,257**		**3,514**

Cumulative deductions and reliefs in 1st EDF: 1/13*235,000
Cumulative deductions and reliefs in 2nd EDF: 1/9*80,000

Illustration 13

Employee is a non-resident employee, whose tax liability is borne by the employer. He is not eligible for deductions in respect of dependent and any other deductions.

Number Of Dependents	N/A											
Deductions For Dependents	N/A											
Total Other Deductions	N/A											
Total Deductions	**N/A**											
Month	**Jul-25**		**Aug-25**		**Sep-25**		**Oct-25**		**Nov-25**		**Dec-25 & Bonus**	
Basic Salary	150,000		150,000		150,000		150,000		150,000		150,000	
Taxable Travelling Allowance	4,000		5,000		5,000		5,000		5,000		5,000	
Housing Benefit	15,000		15,000		15,000		15,000		15,000		15,000	
Statutory EOY Bonus	0		0		0		0		0		150,000	
Total Emoluments	**169,000**		**170,000**		**170,000**		**170,000**		**170,000**		**320,000**	
Cumulative Emoluments	**169,000**		**339,000**		**509,000**		**679,000**		**849,000**		**1,169,000**	
Less: Cumulative Deductions / Reliefs	**0**		**0**		**0**		**0**		**0**		**0**	
Cumulative Chargeable Income Before Tax Benefit	**169,000**		**339,000**		**509,000**		**679,000**		**849,000**		**1,169,000**	
Tax Benefit - (20% on chargeable income)/**0.80**	**42,250**		**84,750**		**127,250**		**169,750**		**212,250**		**292,250**	
Cumulative Chargeable Income	211,250		423,750		636,250		848,750		1,061,250		**1,461,250**	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	115,386	0	153,848	0	192,310	0	269,234	0
10%	38,462	3,846	76,924	7,692	115,386	11,539	153,848	15,385	192,310	19,231	269,234	26,923
20%	134,326	26,865	269,902	53,980	405,478	81,096	541,054	108,211	676,630	135,326	922,782	184,556
Tax on Cumulative Chargeable Income		**30,711**		**61,673**		**92,634**		**123,596**		**154,557**		**211,480**
Less: Tax withheld in previous periods		0		30,711		61,673		92,634		123,596		154,557
Tax withheld for the month		**30,711**		**30,961**		**30,961**		**30,961**		**30,961**		**56,923**

Illustration 14

Employee is a non-resident employee, whose tax liability is borne by the employer. The person is entitled to a housing benefit = 10% of emoluments. He is not eligible for deductions in respect of dependent and any other deductions.

Number Of Dependents	N/A											
Deductions For Dependents	N/A											
Total Other Deductions	N/A											
Total Deductions	**N/A**											
Month	**Jul-25**		**Aug-25**		**Sep-25**		**Oct-25**		**Nov-25**		**Dec-25 & Bonus**	
Basic Salary	150,000		150,000		150,000		150,000		150,000		150,000	
Taxable Travelling Allowance	4,000		5,000		5,000		5,000		5,000		5,000	
Housing Benefit	15,000		15,000		15,000		15,000		15,000		15,000	
Statutory EOY Bonus	0		0		0		0		0		150,000	
Total Emoluments	**169,000**		**170,000**		**170,000**		**170,000**		**170,000**		**320,000**	
Cumulative Emoluments	**169,000**		**339,000**		**509,000**		**679,000**		**849,000**		**1,169,000**	
Less: Cumulative Deductions / Reliefs	**0**		**0**		**0**		**0**		**0**		**0**	
Cumulative Chargeable Income Before Tax Benefit	**169,000**		**339,000**		**509,000**		**679,000**		**849,000**		**1,169,000**	
Tax Benefit - (20% on Chargeable Income)/**0.80**	**42,250**		**84,750**		**127,250**		**169,750**		**212,250**		**292,250**	
Housing Benefit adjustment - (10% of total tax benefit)	**4,225**		**8,475**		**12,725**		**16,975**		**21,225**		**29,225**	
Cumulative Chargeable Income	215,475		432,225		648,975		865,725		1,082,475		1,490,475	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	115,386	0	153,848	0	192,310	0	269,234	0
10%	38,462	3,846	76,924	7,692	115,386	11,539	153,848	15,385	192,310	19,231	269,234	26,923
20%	138,551	27,710	278,377	55,675	418,203	83,641	558,029	111,606	697,855	139,571	952,007	190,401
Tax on Cumulative Chargeable Income		**31,556**		**63,368**		**95,179**		**126,991**		**158,802**		**217,325**
Less: Tax withheld in previous periods		0		31,556		63,368		95,179		126,991		158,802
Tax withheld for the month		**31,556**		**31,811**		**31,811**		**31,811**		**31,811**		**58,523**

Illustration 15

Employee is a non-resident employee, whose tax liability is borne by the employer. The person is entitled to a housing benefit = 15% of emoluments. He is not eligible for deductions in respect of dependent and any other deductions.

Number Of Dependents	N/A											
Deductions For Dependents	N/A											
Total Other Deductions	N/A											
Total Deductions	**N/A**											
Month	**Jul-25**		**Aug-25**		**Sep-25**		**Oct-25**		**Nov-25**		**Dec-25 & Bonus**	
Basic Salary	150,000		150,000		150,000		150,000		150,000		150,000	
Taxable Travelling Allowance	4,000		5,000		5,000		5,000		5,000		5,000	
Housing Benefit	15,000		15,000		15,000		15,000		15,000		15,000	
Statutory EOY Bonus	0		0		0		0		0		150,000	
Total Emoluments	**169,000**		**170,000**		**170,000**		**170,000**		**170,000**		**320,000**	
Cumulative Emoluments	**169,000**		**339,000**		**509,000**		**679,000**		**849,000**		**1,169,000**	
Less: Cumulative Deductions / Reliefs	**0**		**0**		**0**		**0**		**0**		**0**	
Cumulative Chargeable Income Before Tax Benefit	**169,000**		**339,000**		**509,000**		**679,000**		**849,000**		**1,169,000**	
Tax Benefit - (20% on Chargeable Income)/**0.80**	**42,250**		**84,750**		**127,250**		**169,750**		**212,250**		**292,250**	
Housing Benefit adjustment - (15% of total tax benefit)	**6,338**		**12,713**		**19,088**		**25,463**		**31,838**		**43,838**	
Cumulative Chargeable Income	217,588		436,463		655,338		874,213		1,093,088		1,505,088	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	115,386	0	153,848	0	192,310	0	269,234	0
10%	38,462	3,846	76,924	7,692	115,386	11,539	153,848	15,385	192,310	19,231	269,234	26,923
20%	140,664	28,133	282,615	56,523	424,566	84,913	566,517	113,303	708,468	141,694	966,620	193,324
Tax on Cumulative Chargeable Income		**31,979**		**64,215**		**96,452**		**128,688**		**160,925**		**220,247**
Less: Tax withheld in previous periods		0		31,979		64,215		96,452		128,688		160,925
Tax withheld for the month		**31,979**		**32,236**		**32,236**		**32,236**		**32,236**		**59,323**

Illustration 16				
Fair Share Contribution calculated on a yearly basis				

Income and Deductions starting 1 July 2025	
Emoluments	20,000,000
Car Benefit	200,000
Dividend Income from Resident Companies	1,000,000
Deduction for dependents	(110,000)
Chargeable Income for Income Tax (excluding Dividends)	20,090,000
Leviable Income (including Dividends)	21,090,000

Computation of Tax for Year of Assessment 2025/2026				
Tiers	**Upper Value**	**Rate**	**Taxable component**	**Tax Charged**
1	500,000	0%	500,000	0
2	500,000	10%	500,000	50,000
3	Remainder	20%	19,090,000	3,818,000
Income Tax			**20,090,000**	**3,868,000**

Computation of Fair Share Contribution for Year of Assessment 2025/2026				
Tiers	**Net Income Upper Value**	**Rate**	**Taxable component**	**Tax Charged**
Fair Share Contribution	12,000,000	15%	9,090,000	1,363,500
Total Yearly				**5,231,500**

Illustration 17

Employee is chargeable to Fair Share Contribution from the start of the income year 1 July 2025. The employee has no dependent and has claimed a total deduction amounting to Rs 100,000. PAYE and Fair Share Contribution will be calculated as follows:

Number Of Dependents	0
Deductions For Dependents	0
Total Other Deductions	100,000
Total Deductions	**100,000**

Month	**Jul-25**	**Aug-25**	**Dec-25 Statutory Bonus**	**Dec-25**	**Jan-26**	**Feb-26**
Basic Salary	1,500,000	1,500,000	0	1,500,000	1,500,000	1,500,000
Taxable Travelling Allowance	0	0	0	0	0	0
Statutory EOY Bonus	0	0	1,500,000	0	0	0
Fringe Benefits	100,000	100,000	0	100,000	100,000	100,000
Total Emoluments	**1,600,000**	**1,600,000**	**1,500,000**	**1,600,000**	**1,600,000**	**1,600,000**
Cumulative Emoluments	**1,600,000**	**3,200,000**	**9,500,000**	**11,100,000**	**12,700,000**	**14,300,000**
Less: Cumulative Deductions / Reliefs	**(7,692)**	**(15,385)**	**(46,154)**	**(53,846)**	**(61,538)**	**(69,231)**
Cumulative Chargeable Income	1,592,308	3,184,615	9,453,846	11,046,154	12,638,462	14,230,769

Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	230,772	0	269,234	0	307,696	0	346,158	0
10%	38,462	3,846	76,924	7,692	230,772	23,077	269,234	26,923	307,696	30,770	346,158	34,616
20%	1,515,384	303,077	3,030,767	606,153	9,084,610	1,816,922	10,499,994	2,099,999	12,023,070	2,404,614	13,538,453	2,707,691
Tax on Cumulative Chargeable Income		**306,923**		**613,846**		**1,839,999**		**2,126,922**		**2,435,384**		**2,742,306**
Fair Share PAYE computation												
Cumulative Leviable Income		**1,592,308**		**3,184,615**		**9,453,846**		**11,046,154**		**12,638,462**		**14,230,769**
Cumulative FSC Income Threshold		**923,077**		**1,846,154**		**5,538,562**		**6,461,538**		**7,384,615**		**8,307,692**
Cumulative Taxable Leviable Income		**669,231**		**1,338,462**		**3,915,284**		**4,584,616**		**5,253,846**		**5,923,077**
Fair Share (15%)		**100,385**		**200,769**		**587,293**		**687,692**		**788,077**		**888,462**
Total Tax withheld		**407,308**		**814,615**		**2,427,292**		**2,814,615**		**3,223,460**		**3,630,768**
Less Tax withheld in previous periods		0		407,308		2,036,538		2,427,292		2,814,615		3,223,460
Tax withheld for the month		**407,308**		**407,307**		**390,754**		**387,323**		**408,846**		**407,308**

Cumulative deductions and reliefs: 1/13*100,000

Illustration 18

Employee is chargeable to Fair Share Contribution from the start of the income year 1 July 2025. The employee has two dependents and has claimed a total deduction amounting to Rs 290,000. PAYE and Fair Share Contribution will be calculated as follows:

Number Of Dependents	2											
Deductions For Dependents	190,000											
Total Other Deductions	100,000											
Total Deductions	**290,000**											
Month	**Jul-25**		**Aug-25**		**Dec-25 Statutory Bonus**		**Dec-25**		**Jan-26**		**Feb-26**	
Basic Salary	1,000,000		1,000,000		0		1,000,000		1,000,000		1,000,000	
Taxable Travelling Allowance	0		0		0		0		0		0	
Statutory EOY Bonus	0		0		1,000,000		0		0		0	
Fringe Benefits	0		0		0		0		0		0	
Total Emoluments	**1,000,000**		**1,000,000**		**1,000,000**		**1,000,000**		**1,000,000**		**1,000,000**	
Cumulative Emoluments	**1,000,000**		**2,000,000**		**6,000,000**		**7,000,000**		**8,000,000**		**9,000,000**	
Less: Cumulative Deductions / Reliefs	**(22,308)**		**(44,615)**		**(133,846)**		**(156,154)**		**(178,462)**		**(200,769)**	
Cumulative Chargeable Income	977,692		1,955,385		5,866,154		6,843,846		7,821,538		8,799,231	
Calculation of PAYE	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**	**Bracket**	**Tax**
0%	38,462	0	76,924	0	230,772	0	269,234	0	307,696	0	346,158	0
10%	38,462	3,846	76,924	7,692	230,772	23,077	269,234	26,923	307,696	30,770	346,158	34,616
20%	900,768	180,154	1,801,537	360,307	5,404,610	1,080,922	6,305,378	1,261,076	7,206,146	1,441,229	8,106,915	1,621,383
Tax on Cumulative Chargeable Income		**184,000**		**368,000**		**1,103,999**		**1,287,999**		**1,471,999**		**1,655,999**
Fair Share PAYE computation												
Cumulative Leviable Income		**977,692**		**1,955,385**		**5,866,154**		**6,843,846**		**7,821,538**		**8,799,231**
Cumulative FSC Income Threshold		**923,077**		**1,846,154**		**5,538,462**		**6,461,538**		**7,384,615**		**8,307,692**
Cumulative Taxable Leviable Income		**54,615**		**109,231**		**327,692**		**382,308**		**436,923**		**491,538**
Fair Share (15%)		**8,192**		**16,385**		**49,154**		**57,346**		**65,538**		**73,731**
Total Tax withheld		**192,192**		**384,384**		**1,153,153**		**1,345,345**		**1,537,537**		**1,729,730**
Less Tax withheld in previous periods		0		192,192		960,961		1,153,153		1,345,345		1,537,537
Tax withheld for the month		**192,192**		**192,192**		**192,192**		**192,192**		**192,192**		**192,192**

Cumulative deductions and reliefs: 1/13*290,000

ANNEX IV

Deductions, reliefs and allowances

i. Deduction for dependents for the income year 2025-2026

To arrive at his chargeable income, an individual is entitled to deduct from his net income the appropriate deduction for dependents as follows:

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

An individual is not entitled to claim for the income year ending 30 June 2026 deduction for dependents-

a. If the net income and exempt income of his dependent exceeds 110,000 rupees

b. If the net income and exempt income of his second dependent exceeds 80,000 rupees

c. If the net income and exempt income of his third dependent exceeds 85,000 rupees

d. If the net income and exempt income of his forth dependent exceeds 80,000 rupees

Where a person claims deduction for dependent, the spouse of that person is not entitled to claim for that year any deduction for dependents.

A retired person or a disabled person shall be entitled to an additional deduction of Rs 50,000. The retired person shall not be entitled to the additional deduction of Rs 50,000 where he derives income from employment exceeding Rs 50,000 or he derives income from business.

"Dependent" means either:

a. a spouse;

b. a child under the age of 18 or

c. a child over the age of 18 and who is pursuing full-time education or training or who cannot earn a living because of a physical or mental disability; and

d. a bedridden next of kin under his care.

"Child" means

a. an unmarried child, stepchild or adopted child of a person;

b. an unmarried child whose guardianship or custody is entrusted to the person by virtue of any other enactment or of an order of a court of competent jurisdiction;

c. an unmarried child placed in foster care of the person by virtue of an order of a court of competent jurisdiction.

“Bedridden next of kin”, in respect of a person, means the bedridden spouse, father, mother, grandfather, grandmother, brother or sister of that person or of his spouse, provided the bedridden next of kin is:

a. eligible to the carer’s allowance payable under the National Pensions Act; and

b. under the care of that person

“Retired person” means a person who attains the age of 60 at any time prior to 1 July 2025 and who, during the income year ending 30 June 2026, is not in receipt of any business income or emoluments exceeding Rs 50,000, other than retirement pension.

“Disabled person” means a person suffering from permanent disablement.

Other Deductions:

Additional deduction in respect of dependent child pursuing undergraduate course or postgraduate course.

1. Where a person has claimed deduction in respect of a dependent child pursuing a non-sponsored full-time undergraduate course or postgraduate at a tertiary educational institution recognized by the Tertiary Education Commission established under the Tertiary Education Commission Act or at a recognized tertiary educational institution, outside Mauritius, the person may claim an additional deduction in respect of that child pursuing tertiary education of Rs 500,000.The additional deduction is not allowable :-
   a. where the tuition fees, excluding administration and student union fees, are less than Rs 34,800 for a child following an undergraduate course in Mauritius.
   b. in respect of the same child for more than 6 consecutive years;

Interest Relief on secured housing loan

1. A person who has contracted a housing loan, which is secured by a mortgage or fixed charge on immoveable property and which is used exclusively for the purchase or construction of his house, may claim a relief in respect of the interest paid on loan.
2. The relief to be claimed in the EDF is the amount of interest payable in the income year ending 30 June2026. In the case of a couple where neither spouse is a dependent spouse, the relief may be claimed by either spouse or at their option, divide the claim equally between them.
3. The loan must have been contracted from:
   a. a bank, a non-bank deposit taking institution, an insurance company, or the Sugar Industry Pension Fund;
   b. the Development Bank of Mauritius by its employees; or
   c. the Statutory Bodies Family Protection Fund by its members.
   d. an Islamic Financing Arrangement.

4. The relief is not allowable where the person or his spouse:
    a. is, at the time the loan is contracted, already the owner of a residential building; or
    b. derives in the income year ending 30 June 2026, total income (net income plus interest and dividends received) exceeding Rs 4 million; or
    c. has benefited from any new housing scheme set up on or after 1 January 2011 by a prescribed competent authority.

Relief for Medical insurance premium or contribution

- A person may claim a relief for premium or contribution payable:
    a. on a medical or health insurance policy; or
    b. to an approved provident fund which has its main object the provision for medical expenses, for himself or his dependents in respect of whom he has claimed a deduction.

The relief is limited to the amount of premium or contribution payable for the income year up to a maximum of:

- Rs. 25,000 for self
- Rs. 25,000 for first dependent
- Rs. 20,000 for second dependent
- Rs. 20,000 for third dependent
- Rs. 20,000 for fourth dependent

No relief should be claimed where the premium or contribution is payable by the employer or under a combined medical and life insurance scheme.

Deduction for Solar Energy Investment Allowance

A person is allowed to deduct the total amount invested in a solar energy unit during the income year. In the case of a couple where neither spouse is a dependent spouse, the relief may be claimed by either spouse or at their option, divide the claim equally between them.

Rainwater Harvesting Investment Allowance

A person who has invested in a rainwater harvesting system during the income year ending 30 June 2026 may deduct the amount invested. In the case of a couple where neither spouse is a dependent spouse, the relief may be claimed by either spouse or at their option, divide the claim equally between them.

Deduction for fast charger investment allowance in respect of electric car

A person may deduct the total amount invested in the acquisition of a fast charger for an electric car during the income year ending 30 June 2026.

Donation to charitable institutions

Where, in an income year, an individual has made a donation through electronic means to a charitable institution, he shall be entitled to deduct from his net income for that income year, the amount donated or Rs 100,000, whichever is lower.

No deduction shall be allowed under this section in an income year where, in respect of that income year, the charitable institution has failed to submit a return under section 123F, unless the individual making the donation provides evidence that such donation has been made.

Contribution to approved personal pension schemes

Where, in an income year, an individual has contributed to an individual pension scheme approved by the Financial Services Commission under the Insurance Act for the provision of a pension for himself, he shall be entitled to deduct from his net income for that income year, the amount contributed or Rs. 50,000, whichever is lower.

Deduction for dependent Child with a disability

As from 01 July 2025, a person will be able to claim in respect of a child with a disability, the full deduction for a dependent child, irrespective of any financial assistance provided to the child under the National Pensions Act or the Social Contribution and Social Benefits Act.

Deduction for Household Employees, Relief for adoption of animals and Angel investor allowance previously granted to a person were applicable up to the income year ended 30 June 2025.

ANNEX V

TR 281 (Issued on 29 March 2025)

Facts

A is a company incorporated in Mauritius and is engaged in the provision of payment services to banks and financial institutions locally and abroad. A is a wholly owned subsidiary of B, a company based in Morocco and listed on the Moroccan Stock Exchange.

In 2019, B decided to grant stock-option to its employees worldwide, based on duration of service and position held within the Group. This stock-option plan was subject to obtaining corporate authorisations to increase in capital and obtaining approvals from relevant Moroccan authority for the transaction. At the time of application, the offer price was set at MAD 1,500 whereas the prevailing market price was MAD 4,200. B received the required approvals in August 2020.

Pursuant to Moroccan regulations, B had to elect an independently regulated financial body for the attribution of shares, settlement and management of both bank and securities accounts. The elected body was C.

The beneficiaries of this stock-option were given the right, at their own discretion, to accept or reject this attribution of the shares of B.

Beneficiaries who were willing to purchase any undersubscribed shares had to signify their intention in the first attribution process. These undersubscribed shared were reallocated on a pro-rata basis to the shareholders who had elected this option.

B received the approval of relevant Moroccan authorities in April 2023 to proceed with the subscription exercise and the beneficiaries were required to exercise their rights by effecting payment by 12 July 2023.

All exchanges relating to the attributions, payments and shares transfers were made in strict confidentiality between C and the beneficiaries.

A received the list of beneficiaries and number of shares attributed in September 2023. The beneficiaries received 10 shares for each share held after the subscription date.

No PAYE has been withheld as at date in respect of benefit arising from this stock-option plan.

A has no indication about whether the beneficiaries have sold or are still holding their shares.

Points at issue

(1) Whether the benefit in kind should be calculated as the difference between the offer price and:
(i) market price at date of application, or
(ii) market price at date of subscription.

(2) Whether the PAYE on resulting benefit in kind has to be paid: -
(i) at once, or
(ii) can be spread over a defined period of time, or
(iii) can be deferred until such shares are disposed of by beneficiaries?

(3) How to ensure that beneficiaries of share option scheme who are no longer employees of A comply with the PAYE requirements?

Ruling

On the basis of the facts mentioned above, it is ruled that:

(1) The value of the taxable benefit is the difference between the purchase consideration and the market value of the shares at the date the employee exercises the share options.

(2) A ought to have withheld PAYE on the taxable benefit arising in the month in which the employee exercises the share options under section 99 of the Income Tax Act. The PAYE amount due had to be remitted to this Office before the end of the month following which the tax ought to have been withheld.

(3) A was responsible for withholding PAYE on the taxable benefit at the time the options were exercised, irrespective of whether the beneficiaries are no longer employees. A will also be liable to the penalties and interest on any tax not withheld.

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