

6 October 2025

To All Employers

**PERSONAL INCOME TAX – PAYE
INCOME YEAR 01 JULY 2025 TO 30 JUNE 2026**

Employers are informed that amendments have been brought by the Finance Act 2025 to the Income Tax Act and consequential amendments have been made to Income Tax Regulations 1996 bringing changes in the operation of Personal Income Tax and the Pay As You Earn (PAYE) system. These changes are as follows.

1. Deduction for dependent child with a disability

Where an individual claims a deduction in respect of a dependent child with a disability, any benefit or income derived with respect to that child under the National Pensions Act or the Social Contribution and Social Benefits Act shall be excluded in the calculation of the income –

- (a) of that child; and
- (b) of the person claiming the deduction for the dependent child.

2. Other deductions, reliefs and allowances

The following deduction, relief and allowance have been abolished with effect from the income year commencing on 1 July 2025 -

- (a) deduction of wage paid to a household employee;
- (b) relief for adoption of animals; and
- (c) angel investor allowance.

All other deductions, reliefs and allowances have remained unchanged.

3. Car Benefit

The value of car benefit has been amended, with effect from **1 October 2025** and are as follows:

Cylinder Capacity/Cost	Monthly Taxable Benefits (Rs)
(a) Car costing not more than Rs 3 million	
(i) Cylinder Capacity	
(A) up to 1,600cc	12,000
(B) 1,601 to 2,000cc	13,500
(C) Above 2,000cc	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

Table 1

Commitment beyond Revenue

4. Tax Rates

The tax rates applicable for individuals, as from the income year commencing on 01 July 2025, are as shown in the table below –

Chargeable Income (Rs)	Rate of Income Tax
First Rs 500,000	0%
Next Rs 500,000	10%
On the remainder	20%

Table 2

For the purposes of application of above tax rates for PAYE purposes, the monthly Chargeable Income brackets on which the different tax rates are applicable are as given in the table below -

Month	Cumulative Chargeable Income		
	Tax Rate	Tax Rate	Tax Rate
	0%	10%	20%
July	First Rs 38,462	Next Rs 38,462	Remainder
August	First Rs 76,924	Next Rs 76,924	Remainder
September	First Rs 115,386	Next Rs 115,386	Remainder
October	First Rs 153,848	Next Rs 153,848	Remainder
November	First Rs 192,310	Next Rs 192,310	Remainder
Prescribed end-of-year bonus	First Rs 230,772	Next Rs 230,772	Remainder
December	First Rs 269,234	Next Rs 269,234	Remainder
January	First Rs 307,696	Next Rs 307,696	Remainder
February	First Rs 346,158	Next Rs 346,158	Remainder
March	First Rs 384,620	Next Rs 384,620	Remainder
April	First Rs 423,082	Next Rs 423,082	Remainder
May	First Rs 461,544	Next Rs 461,544	Remainder
June	First Rs 500,000	Next Rs 500,000	Remainder

Table 3

5. Fair Share Contribution

An individual is liable to pay, in addition to his income tax liability, a Fair Share Contribution where, in an income year, his **Fair Share Contribution Income Threshold** exceeds 12 million rupees.

Fair Share Contribution Income Threshold means –

- (a) the net income;
- (b) the dividends derived from a resident company and a co-operative society; and
- (c) the share of dividend deemed to have been received from a resident société or succession.

The Fair Share Contribution payable is calculated at the rate of **15 per cent** of the **leviable income** in excess of 12 million rupees and is applicable for the income year starting on 1 July

2025 and the subsequent two income years.

Leviable Income means –

- (a) the chargeable income;
- (b) the dividends derived from a resident company and a co-operative society; and
- (c) the share of dividend deemed to have been received from a resident société or succession.

Both the **Fair Share Contribution Income Threshold** and the **Leviable Income** excludes –

- (a) dividends and distribution made by a global business entity; and
- (b) 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 or from a superannuation fund or under a personal pension scheme approved by the Director-General.

For the purposes of deducting tax under the PAYE system for **Fair Share Contribution (FSC)** the monthly **Cumulative FSC Income Threshold** for each of the months of July to June is given in the table below. The employer is required to apply PAYE at the rate of **15%** on the portion of the Cumulative Chargeable Income (excluding any lump sum) that **exceeds** the Cumulative FSC Threshold. –

Month	Cumulative FSC Income Threshold
July	923,077
August	1,846,154
September	2,769,231
October	3,692,308
November	4,615,385
Prescribed end-of-year bonus	5,538,562
December	6,461,538
January	7,384,615
February	8,307,692
March	9,230,769
April	10,153,846
May	11,076,923
June	12,000,000

Table 4

6. Exempt employee

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 rate of 15% unless the director or board member makes a request to the person responsible for the payment of the emoluments for PAYE to be withheld at the rate of 20%.

Commitment beyond Revenue

7. Employee not submitting an EDF

Where an employee who has not submitted an EDF derives emoluments exceeding Rs 38,462 in a month, the employer or the person responsible for the payment of the emoluments is required to deduct tax under PAYE at the flat rate of 15% unless the employee makes a request for income tax to be withheld at the rate of 20%.

Where an employee who has not submitted an EDF derives emoluments, excluding any lump sum, exceeding **Rs 923,077** in a month, the employer or the person responsible for the payment of the emoluments is required to deduct, **in addition to the PAYE deduction** specified in the above paragraph, tax under PAYE at the rate of 15% of the **excess** for the purposes of **Fair Share Contribution**.

Where an individual who derives emoluments **NOT** exceeding Rs 38,462 in a month has not submitted an EDF, he may make a request for income tax to be withheld, at his option, at the rate of 15% or 20%.

8. Employee Declaration Form (EDF)

Electronic EDF for the income year 2025/2026 is available on MRA website www.mra.mu.

Employers are requested to kindly inform their employees who have not submitted an EDF to submit same electronically.

9. Return of Employees (ROE)

ALL employers were required to submit a ROE electronically, on or before **Friday 15 August 2025**, and include in the ROE the details of **ALL their employees**. The necessary facility is available on the MRA website www.mra.mu.

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

A penalty of Rs 5,000 per month or part of a month, up to a maximum of Rs 20,000, is applicable for late submission of ROE. Employers who have not yet submitted their ROE are requested to submit same forthwith in order to avoid further penalties.

10. Statement of Emoluments and Tax Deduction (SOE)

ALL Employers were required to give, on or before **Friday 15 August 2025**, a **SOE** to all their employees. The template of the **SOE** is available on the MRA website. Two new items have been added -

- Start date of employment
- Contributions to Portable Retirement Gratuity Fund (PRGF)

Employers who have not yet provided the SOE to their employees are requested to do so forthwith.

11. Employers of household employees

Employers of household employees are reminded that they are required to submit a Social Contribution (CSG) Return and pay the Contribution in respect of the employees in their domestic service. Those who have not submitted a monthly Social Contribution (CSG) return may opt to submit the return and pay the Social Contribution on an annual basis. The deadline for the submission of the Social Contribution (CSG) return and for the payment of the Contribution for the months July 2024 to June 2025 is **15 October 2025**.

12. National Savings Fund (NSF) ceiling

The ceiling of basic wage or salary for the purposes of payment of NSF has been revised with effect from 01 July 2025 as shown in the table below -

Pay Period	Minimum Wage (Rs)		Maximum Wage (Rs)
	For Private Household employees (only)	Employees in other sectors	For all employees
Daily	108	169	1,099
Weekly	645	1,015	6,593
Fortnightly	1,290	2,031	13,186
Half Monthly	1,398	2,200	14,285
Monthly	2,795	4,400	28,570

Table 5

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



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For Director-General