

The Mauritius Revenue Authority has issued a new Employee Declaration Form (EDF) to employers for distribution to their employees so that the new personal reliefs and deductions may be allowed as from 01 July 2019. Click [here](#) for the EDF form

Employers are informed of the following changes in the operation of the PAYE system:

1. Income Exemption Threshold (IET)

The amount of deduction in respect of IET has increased as per table below:

		Rs
Category A	No dependent	310,000
Category B	1 dependent	420,000
Category C	2 dependents	500,000
Category D	3 dependents	550,000
Category E	4 or more dependent	600,000

2. Retired Person/Disabled person

A retired person or a disabled person shall, irrespective of his IET category, 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.

A retired person or a disabled person may choose categories A to E. Categories F and G no longer exist.

3. Additional Exemption in respect of dependent child pursuing undergraduate course

The above additional exemption is now available to an individual in respect of his 4th dependent, instead of 3.

4. Relief for Medical or Health Insurance Premium

An individual is now entitled to deduct from his net income the premium paid in respect of a medical or health insurance policy for his 4th dependent also. Previously up to 3 dependent.

The maximum relief allowable in respect of himself and his first dependent is Rs 15,000 each and that in respect of his second, third and fourth dependent is Rs 10,000 each.

5. Tax rate applicable for PAYE

Employees whose average cumulative monthly salary (ACMS) does not exceed Rs50,000 are taxable at the rate of 10% whereas employees whose ACMS in a month exceeds Rs 50,000 are taxable at the rate of 15%.

Where, for the month of July, the basic salary, including compensation, of an employee does not exceed Rs50,000, the tax rate applicable under PAYE system for that month and subsequent Operational months of the income year is 10% provided the ACMS of the employee does not exceed Rs 53,846.

6. Fast charger for electric car investment allowance (new deduction)

Where an individual has in an income year acquired a fast charger for his electric car, he shall be entitled to deduct from his net income, the expenditure incurred for the acquisition of the charger.