



How to perform the mandatory annual government salary increase (compensation) in Payroll Mauritius

FAQEN125

Prerequisites : Knowledge of payroll section management / Administrator access

V1.13

Objective

Annually and as from January, the Government of Mauritius, following the recommendation of the National Wage Consultative Council, gives the minimum annual increase in the fixed salary of the Employees [https://labour.govmu.org/Documents/Legislations/THE%20WORKERS%20RIGHTS%20Act%202019/7_The%20Workers%27%20Rights%20\(Additional%20Remuneration\)\(2024\)%20Regulations%202024.pdf](https://labour.govmu.org/Documents/Legislations/THE%20WORKERS%20RIGHTS%20Act%202019/7_The%20Workers%27%20Rights%20(Additional%20Remuneration)(2024)%20Regulations%202024.pdf) , as salary compensation for the increase in the cost of living, as well as adjusting the minimum wage [https://labour.govmu.org/Documents/Legislations/NWCC/8_The%20National%20Minimum%20Wage%20\(Amendment\)%20Regulations%202024.pdf](https://labour.govmu.org/Documents/Legislations/NWCC/8_The%20National%20Minimum%20Wage%20(Amendment)%20Regulations%202024.pdf) .

For example, for the year 2024, the minimum wage for a full-time employee has been raised to Rs 15,000 beforehand, the increase for employees present on 1 January is + Rs 1,500 for monthly salaries to Rs 15,000 and + Rs 2,000 for salaries up to and including Rs 20,000, and +10% for salaries between 15,000 and 20,000.

Note: This increase is not automatically implemented by **Payroll Mauritius** as it is up to you to decide if you wish to give a higher increase per Employee. In this case, you will have to modify the Basic Salary by Employee by going to their Employee file, tab " Payroll Sections ", by Employee, indicating the desired amount, or even better by using the increase procedure (see FAQEN126).

How to do this ?

For this increase, a common Payroll Section should be added.

Go to the 'Employer' section and click on **[Common Sect.]** then on **[Add Section]** and select **Payroll Section 1010** in order to add a variable increase, since a condition of attribution is applicable (salary less than Rs 15,000 or more than Rs 20,000) and present on 1 January (= did not arrive during the month of January).

The screenshot shows the 'Select Section Type' dialog box with the following table:

| Code | Title | Description |
|------|-----------------------------|--|
| 1000 | Basic Salary | Basic Monthly Salary |
| 1000 | Basic Salary | Basic Daily Salary |
| 1010 | Government Salary Increment | Fixed Government Salary Increment |
| 1010 | Government Salary Increment | Variable Government Salary Increment |
| 1020 | Company Salary Increment | Company Salary Increment |
| 1050 | Arrival Adjustment | Arrival Adjustment when after pay period |
| 1060 | Departure Notice | Departure Notice Payment |
| 1070 | Non Payable Adjustment | Non Payable Adjustment |

Red arrows indicate the following steps:

- 1: Click on 'Common Sect.' in the Employer section.
- 2: Click on 'Add Section' in the Employee section.
- 3: Select 'Variable Government Salary Increment' in the 'Select Section Type' dialog box.



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Then enter a custom Section Title (1), an End date set at the end of the month in which you want the increase to take place (2), tick the same month (4) :

The screenshot shows the 'Payroll Section' configuration window for '1010 : Government Salary Increment 2024'. The 'Calculation Details' tab is active. Key fields are highlighted with red arrows and numbers:

- 1**: Section Title: Government Salary Increment 2024
- 2**: End Date: 31/01/2024
- 3**: Multiplier Fixed/Formula: $\text{MAX}(1500, \text{MIN}(2000, \text{p.basic} * 0.1)) + \text{max}(0, 15000 - \text{p.basic})$
- 4**: Applies On Selected Months Only: January (checked)
- 5**: Validate Section button

Enter formula (3) corresponding to if the Employee did not join after January 1st (= worked at least one month) and "If the basic salary is less than or equal to Rs 20,000, we take 10% or 2000 otherwise (greater than 20,000), except if less than 15,000, we take 1,500" and the minimum wage should be at least Rs 15,000 :

$$\text{MAX}(1500, \text{MIN}(2000, \text{p.basic} * 0.1)) + \text{max}(0, 15000 - \text{p.basic}) \times \text{if}(\text{e.months_worked} > 1, 1, 0)$$

Click on [Validate Section] button (5).

Note: This method can only be used for Basic Salaries expressed monthly (which is the case for the vast majority of Employees). If you are using a daily Base Salary, you should "manually" adjust the daily amount of the Basic Salary.



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If you have part time Employees, please have a look on the Government law for the amount to give them.

Going to the calculation of an Employee's Pay slip, now a new line is displayed:

| Payslip | | Variables | |
|------------------------|----------------------------------|---|---------------|
| WAGNER Richard [00003] | | 23/Dec/2023 - 22/Jan/2024 Add Section | |
| NIC: | W55115555 | Date Joined: | 02/Jul/2019 |
| Post: | Technicien | | |
| Code | Sections | Revenue | Deduction |
| 1000 | Basic Salary | 12,750.00 | |
| 1010 | Government Salary Increment 2024 | 3,750.00 | |
| 2000 | Transport | 3,000.00 | |
| 3000 | Prime de productivité | 1,500.00 | |
| 4010 | CSG | | 248.00 |
| 4100 | NSF | | 165.00 |
| Totals | | 21,000.00 | 413.00 |

Show All Net Pay: 20,587.00

In this example, the Employee have his minimal wage increased from 12,500 to 15,000 (+2,250) + the annual compensation (+1,500) = +3,750

For the following months:

As soon as you **close** the period of the month of the increase (here January), the amount of Payroll Section 1010 (here Rs 3,750) will be **automatically added to the Basic Salary** (Payroll Section 1000) and Section 1010 will no longer appear: there will then be only one line that will appear on the Payslip (in our example, with a Basic Salary of Rs 16,500 (=12750+3750)).