



Objective

The Solidarity Levy <https://www.mra.mu/download/PayrollTaxes.pdf> was decided in September 2020 in order to make employees (Mauritians and foreigners) with an annual income of more than 3 million rupees contribute in a complementary way.

The income considered is the sum of taxable salaried income and any dividends received from Mauritian companies.

- **If the Employee has indeed filed an EDF** : Solidarity Levy (SL) has to be withheld from the emoluments of the employee on a cumulative basis at the rate of 25%. However, the maximum deduction is limited to 10% of the emoluments for the month.

The first Rs 3 million of an employee's leviable income is not liable to Solidarity Levy.

For monthly SL calculation, employees are allowed a Solidarity Levy Exemption Threshold (SLET) of Rs 230,769 (Rs 3M/13).

In December, in view of the end of year bonus, twice the monthly amount of SLET should be allowed.

Thus the SL is calculated as follows in the example :

		JUL	AUG	SEPT	OCT
1	Emoluments for the month	225,000	325,000	325,000	2,725,000
2	Cumulative emoluments	225,000	550,000	875,000	3,600,000
3	Less: taxable lump sum from pension fund				500,000
4	Less: Cumulative IET	<u>25,000</u>	<u>50,000</u>	<u>75,000</u>	<u>100,000</u>
5	Cumulative Leviable Income	200,000	500,000	800,000	3,000,000
6	Less: Cumulative SLET (Rs 3M/13)x number of pay periods	230,769	461,538	692,307	923,076
7	Cumulative Taxable Leviable Income	0	<u>38,462</u>	<u>107,693</u>	<u>2,076,924</u>
8	SL (25% of line 7)	0	9,615	26,923	519,231
9	Less: cumulative SL already charged	<u>0</u>	<u>0</u>	<u>9,615</u>	<u>26,923</u>
10	Balance		<u>9,615</u>	<u>17,308</u>	<u>492,308</u>
11	SL for the month (balance at line 10 or 10% of line1, whichever is lower)	0	9,615	17,308	272,500

.../...



- **If the Employee has not filed an EDF** : Where an employee has not submitted an EDF and his emoluments for any month exceed Rs 230,769, the employer should deduct Solidarity Levy at the rate of 25% of the amount in excess of Rs 230,769.

However, maximum deduction is limited to 10% of the emoluments for the current month as set out in table below.

		JUL	AUG	SEP	OCT
1	Emoluments for the month	225,000	325,000	325,000	2,725,000
2	Less: taxable lump sum from pension fund				500,000
3	Leviable Income	225,000	325,000	325,000	2,225,000
4	Less: SLET (Rs 3M/13)	230,769	230,769	230,769	230,769
5	Taxable Leviable Income	0	94,231	94,231	1,994,231
6	SL for the month (25% of line5 limited to 10% of line 1)	0	23,557	23,557	272,500

How to do this ?

In **Payroll Mauritius**, a new Payroll Section **4400 - Solidarity Levy** is implemented in order to manage this automatically. Based on the cumulated emoluments received since July, the calculation is automatically updated.

IMPORTANT - It is nevertheless your responsibility to indicate, for the month in which this is the case, the possible dividends received by the Employee by entering them for the said month in the Payroll section **3610 - Dividends** so that they are taken into account for the calculation of the Solidarity Levy to be retained.

This section will not appear in the Pay slip (as a fringe benefit).

This amount to be retained will be teletransmitted via MNS or the MRA website (PACO), at the same time as your usual monthly electronic declarations.