



How to regularize the total taxable amount on the following month in case of an error on my part

FAQEN123

Prerequisites: Average knowledge Payroll Mauritius

V1.1

Objective

If you have given a bonus to an Employee (being within the taxable threshold after deduction of his/her EIT) but have failed to make it subject to tax (PAYE), an adjustment is necessary as the Employee is liable to this tax and the cumulative taxable total being in fact erroneous, will alter the calculation of the amount withheld PAYE in **Payroll Mauritius**.

How to do this ?

2 cases :

- **If you have not already made your PAYE declaration to the MRA, nor paid the salary to the Employee:** any modification is still possible.

You can simply go back to the relevant payroll heading and submit it by ticking the 'Taxable' box and [Validate Section].

The screenshot shows the 'Payroll Section' window for '3400 : Special Allowance (5)'. The 'Calculation Details' tab is active. The 'Section Title' is 'Special Allowance 20%'. The 'PAYE' section has the 'Taxable' checkbox checked, indicated by a red arrow. Other options include 'Adjust Wage', 'Prepaid benefits', 'Calculate prorata', and 'Nearest Rupee'. The 'Employee Amounts' section shows 'Multiplier Fixed/Formula' as 'p.basic' and 'Value Fixed/Formula' as '0.20'. A 'Validate Section' button is visible in the top right corner.

then go to the calculation of the payslip in the section 'Salary Calculation' then [Calculate] : once selected the Employee in the list on the left, click on the button [**Recalculate**] and if it meets your expectations, click on [Validate] : **the payslip is regularized !**

- **if you have already made your PAYE declaration to the MRA, and/or paid the salary to the Employee:** any modification is then possible but complicated (regularization to be made to the MRA, return of salary of the Employee...), it is better (after agreement of the Employee) to make a regularization on the following month.

The premium having already been paid, you can't just go on this one is tick the box "Taxable" as before, it is of course advisable to do it in any case for the possible other identical premiums to come, but this will not regularize the past month !

To fix this situation, **go to the next period** and enter in the section 'Salary Calculation' and click on [**Timesheets**] (1), choose the concerned Employee (2) then click on the tab "**Sections for Current**



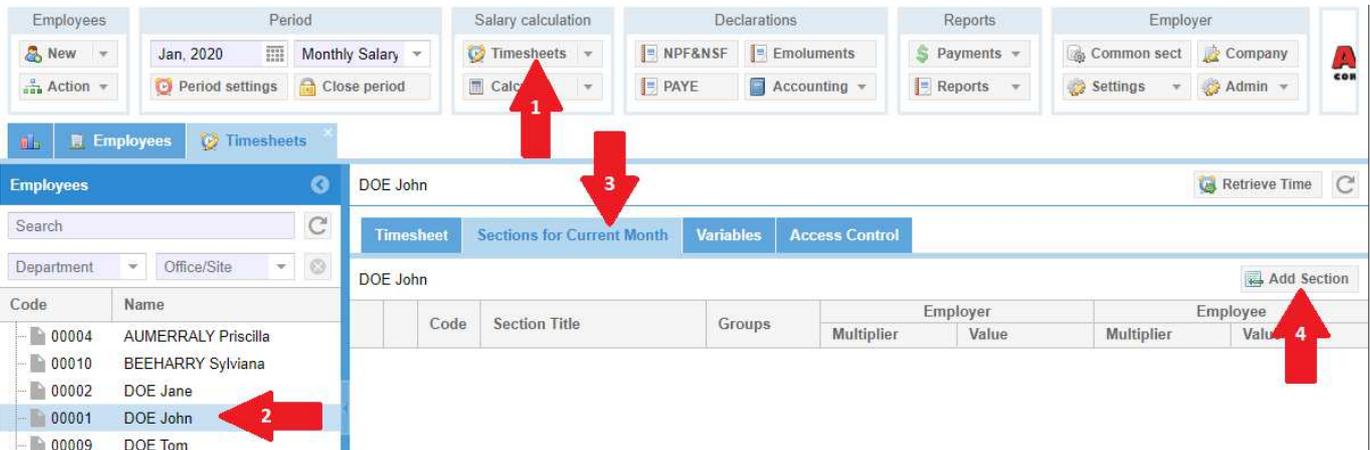
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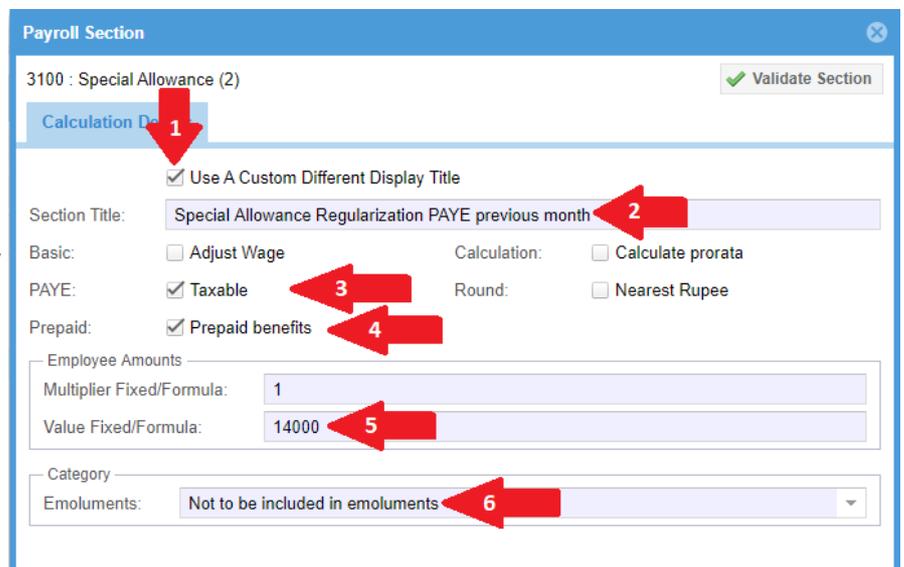
Month" (3) (which will allow us to add any payroll section which will be ONLY for this month) and the button [Add Section] (4) :



Select a **related payroll section type but not with identical code** to the payroll section you want to accrue (if your premium was 3000 Special Allowance, do not take 3000 as otherwise you would overwrite any 3000 for that month; take 3100 Special Allowance (2) for example if not already used).

On the screen presented to you: give an explicit heading name (1)(2) to keep track of your regularisation (it will never be printed) then tick that the regularisation will be **Taxable** (3) but as it does not have to be paid to the Employee (already paid the previous month), tick **Prepaid Benefits**(4).

Then enter the **exact amount** (5) of the bonus paid the previous month and indicate that this adjustment should **Not be included in the emoluments** (6) (as it was already included the previous month). **[Validate Section]**. It's done!



When you calculate the Payroll for the next month, this section will "silently" (not printed on the Payroll) adjust the Taxable Total calculated and stored in the system, and the PAYE amount will be automatically readjusted!