

Contribution Sociale Généralisée (CSG)

Background

As from 1 September 2020, the National Pension Fund has been abolished and replaced by the Contribution Sociale Généralisée (“**CSG**”).

Every participant and every employer of a participant are liable to pay CSG to the Mauritius Revenue Authority (“**MRA**”) on the participant’s remuneration at the below prescribed rates.

Rates of CSG

Participant earning remuneration < MUR50,000	Private Sector	Public Sector
Employee Rate	1.5%	–
Employer Rate	3%	4.5%

Participant earning remuneration > MUR50,000	Private Sector	Public Sector
Employee Rate	3%	–
Employer Rate	6%	9%

Other Employees	CSG Rate
Self-employed	MUR150 per month

Important Definitions

- **Remuneration:** Basic wage or salary –
 - (i) Which has the same meaning as in the Workers’ Rights Act 2019; and
 - (ii) Includes any payable additional remuneration
- **Participant:**
 - ✓ Includes a person who enters into, or works under an agreement or contract of apprenticeship, other than a contract of apprenticeship regulated under the Mauritius Institute of Training and Development Act, whether by way of casual work, manual labour, clerical work, or otherwise, and however remunerated;
 - ✓ Employed on a part-time or full-time basis; and
 - ✓ Includes a public sector employee, a share worker as defined in the Workers’ Rights Act 2019, a non-citizen employee, a person employed in the domestic service, a person aged 65 and above, a person performing atypical work as defined in the Workers’ Rights Act 2019, an executive director of a company and a self-employed, but

Does not include:

 - × A non-citizen employee employed by an export manufacturing enterprise who has resided in Mauritius for a continuous period of less than 2 years, including any absence which does not exceed 9 consecutive weeks or during which he maintains a residence in Mauritius;
 - × A non-citizen who holds a work permit and is an employee of a foreign contractor engaged in the implementation of a project which is funded by a foreign State up to not less than 50% of the estimated project value, from grant or concessional financing, as the Minister may determine; A person taking part in a training scheme set up by the Government or under a joint public-private initiative with a view to facilitating the placement of jobseekers in gainful employment; and
 - × A non-executive director of a company.
- **Employer:** A person who employs a participant and is responsible for the payment of remuneration to the participant; and includes –
 - ✓ An individual;
 - ✓ A job contractor;
 - ✓ A person, other than a share worker, who shares the profit or gross earnings of another share worker; and
 - ✓ A person who employs a participant who is in the domestic service.
- **Self-employed:** An individual, working on his own account, including a non-citizen, who is –
 - ✓ A professional such as an accountant, an architect, an attorney, a solicitor, a barrister, an engineer, a land surveyor, a legal consultant, a medical service provider, a project manager, a property valuer, a quantity surveyor, a tax adviser or any other individual carrying out similar type of activity;
 - ✓ In business; or
 - ✓ A trade person carrying out activities such as mason, cabinet maker, plumber, hairdresser, artist or other similar activities; but
 - ✓ Does not include an individual who derives exclusively passive income.

Filing of monthly CSG returns

Every employer should submit a monthly return as follows:

Monthly CSG Return	Details
How to submit	Every employer shall submit to the MRA, electronically through such computer system as the MRA may approve.
Participant's details in approved form	<ul style="list-style-type: none"> — National Identity Card number — Identification number issued by immigration officer, for non-citizens — Full name of participant — Pay period — Remuneration of participant — CSG rate — CSG payable by participant — Total CSG payable — Such other participants as the MRA may determine
Payment	<ul style="list-style-type: none"> — The monthly return shall be submitted to the MRA, together with the payment of CSG. — An employer who remunerates a participant more than once in the course of a month shall, for the purpose of submitting a monthly return, aggregate the remuneration so paid and the CSG payable.

Filing of annual CSG returns

The below employer can elect to file the CSG returns annually:

The employer should be an individual and who:

- a) employs a participant in his domestic service; or
- b) is a member of the National Assembly and employs a constitutional clerk or a driver, or both, and the constituency clerk or driver is, or both are, as the case may be, paid out of public funds.

Where an employer has submitted a monthly return for any month of a financial year, he shall not be entitled to elect to submit an annual return in respect of the same financial year.

The employer shall electronically submit an annual return, together with the payment of CSG, in an approved form specifying the particulars mentioned in the above table and relating to each month of the financial year and a quarterly statement in an approved form, in respect of each quarter of the financial year.



Due dates

An employer shall, at the end of every completed month in respect of which CSG is payable, pay electronically to the MRA through such computer system as may be approved, the total amount of CSG payable by the following due dates:

Returns	Filing and payment due dates
Payment for CSG for the month of September 2020	Not later than the end of November 2020
Any monthly return except for the months of May and November	Not later than the end of the month following that month in respect of which CSG is payable
Payment of CSG for the months of May and November in each year	Two days, excluding Saturdays and public holidays, before the end of June and December each year, respectively — Due date for November 2020 monthly return: 29 Dec 2020 Due date for May 2021 monthly return: 28 June 2021
A participant who is a self-employed shall, at his option, pay electronically to the MRA through such computer system as the MRA may approve, the total amount of CSG payable	a) Not later than the end of the month following that month in respect of which CSG is payable; or b) In respect of a financial year, in advance, not later than 31 July in the financial year.
Where an employer has elected to submit his return on an annual basis, the CSG payable shall be paid to the MRA	Annual Return: Not later than the end of the month immediately following the end of the financial year Quarterly statement: At latest 1 month after the end of the quarter

Arrears of CSG

Where an employer has been assessed to pay any arrears of CSG, penalty or interest, he shall not be entitled to recover that amount from the participant.

Maximum penalty

As per section 30C(2) of the National Pensions Act, the penalty shall not exceed 25 per cent of the amount of the additional CSG claimed under an assessment.



KPMG Views

The below table compares NPF payable by employers and employees in August 2020 with CSG payable by employers and employees in September 2020:

Basic Salary (MUR)	NPF (MUR)		CSG (MUR)	
	Employee Contribution	Employer Contribution	Employee Contribution	Employer Contribution
30,000	597	1,194	450	900
39,800	597	1,194	597	1,194
50,000	597	1,194	750	1,500
100,000	597	1,194	3,000	6,000
200,000	597	1,194	6,000	12,000

— Employer's contribution will reduce in respect of employees earning salaries below MUR39,800;
— However, employer's cost will increase significantly with respect to employees earning salaries above MUR39,800 as there is no cap under CSG, unlike NPF.

We believe additional guidance should be provided by the MRA on the following:

- There is no clear indication what constitutes the additional remuneration payable;
- Whether discretionary bonus should be excluded from remuneration;
- With few exceptions, non-citizens who are employees in Mauritius are subject to CSG contributions. It is unclear whether the non-citizens will be entitled to CSG refunds when leaving Mauritius; and
- The benefits available on retirement to the employees contributing to CSG.

Contact us

Feel free to contact us in case you need any assistance to understand and comply with the new CSG rules.

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