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Contribution Sociale Généralisée Regulations 2020

September 2020

The National Pensions Act was amended through the Finance Act 2020 to cater for the new pension reform policy by introducing Contribution Sociale Généralisée (CSG) to replace contributions to National Pension Fund (NPF). CSG is a contributory, participative, and collective system under which employers and participants will henceforth make social security contributions from 1 September 2020.

The Contribution Sociale Généralisée Regulations 2020 (Regulations) has been gazetted on 8 September 2020 and provides for details on how CSG will be charged and collected as from the month of September 2020 onwards.

It is also notable that conversely to previous contributions under NPF, contributions to CSG are not subject to any cap except for self-employed individuals who will contribute a fixed amount of MUR 150 per month.

Employers and participants will be subject to CSG as briefly summarised in the table below:

Participant	Monthly Remuneration	Contribution
Non-public sector employee	Up to MUR 50,000	1.5% payable by employee 3% payable by employer
	Above MUR 50,000	3% payable by employee 6% payable by employer
Public sector employee	Up to MUR 50,000	4.5% payable by employer
	Above MUR 50,000	9% payable by employer
Self employed	N/A	Fixed amount of MUR 150 per month
Domestic service employee	Up to MUR 3,000	3% payable by employer

Who is impacted?

Employers and participants as prescribed in the Regulations will be required to pay CSG.

An employer has been defined as a person who employs a participant and is responsible for the payment of remuneration to the participant. An agency or third party may also be considered as the deemed employer under certain circumstances.

A participant is defined under the Regulations as an individual who is:

- Employed on a part-time or full-time basis, in a permanent position or on a contract of fixed duration; or
- Remunerated under an agreement or a contract of apprenticeship for casual work, manual labour, clerical work or otherwise (other than such contracts regulated under the Mauritius Institute of Training and Development Act), and includes:
 - A public sector employee;
 - A share worker;
 - A non-citizen employee;
 - An individual employed in the domestic service;
 - An individual aged 65 years and above;
 - An atypical worker;
 - An executive director of a company;
 - A self-employed.

Individuals not considered as 'Participants'

CSG will not apply to the following:

- A non-executive director of a company;
- An individual deriving income exclusively from rent, dividends, or interest;
- A non-citizen employee employed by an export manufacturing enterprise who has resided in Mauritius for a continuous period of less than two years, including any period of absence which does not exceed nine 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 percent 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.

Charge to CSG

CSG shall be charged on basic wage or salary, which has the same meaning as in the Workers' Rights Act 2019 (WRA) as defined below and includes any payable additional remuneration.

"basic wage or salary", in relation to a worker, means –

- (a) where the terms and conditions of employment of the worker are governed by Remuneration Regulations or Wages Regulations, an arbitral award or an agreement, the basic wage or salary prescribed in the corresponding Remuneration Regulations or Wages Regulations, award or agreement, or where the employer pays a higher wage or salary, the higher wage or salary so paid, excluding any allowance by any name called, and whether paid in cash or in kind;*
- (b) in any other case, all the emoluments received by the worker, excluding any bonus or overtime;*

Emoluments as per WRA means any payment in money or money's worth which is salary, wages, leave pay, fee, overtime pay, perquisite, allowance, bonus, gratuity, commission or other reward or remuneration, by whatever name called, in respect of, or in relation to, the office or employment of a worker.

Compliance obligations and payment of CSG

Employers will be required to file a monthly return and pay CSG electronically to the Mauritius Revenue Authority (MRA) not later than the end of the month following that month in respect of which CSG is payable.

Payment of CSG in respect of the month of September 2020 can exceptionally be effected up to end of November 2020.

Self-employed participants have the option to pay CSG either monthly or annually. However, if the self-employed participant opts to pay on an annual basis, payment of CSG in respect of a financial year must be made in advance, no later than 31 July.

Penalties and interests for non-compliance

The following penalty and interest to apply on unpaid CSG:

- Penalty of 10 percent
- Interest of 1 percent per month or part of the month

In case of an assessment, an additional penalty not exceeding 25 percent of the amount of CSG claimed shall apply.

Contacts

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