

**MAURITIUS REVENUE AUTHORITY**

**Statement of Practice (SP 15/16)**

**Passage benefits**

1. Item 5 of Sub-Part A of Part II of the Second Schedule to the Income Tax Act provides for exemption of “*passage benefits provided under a contract of employment not exceeding 6 per cent of the basic salary*”.
2. It has been decided that an employee is entitled to the above exemption where an amount purporting to be passage benefits (not exceeding 6% of the basis salary) is utilised as follows:
  - (a) to meet the cost of tickets of :
    - (i) the employee;
    - (ii) the spouse of the employee;
    - (iii) a dependent child of the employee, provided that he /she is :
      - below 21 years of age ; or
      - below 30 years of age and is following a full-time course in a tertiary institution either locally or abroad.
    - (iv) the employee’s mother or father.
  - (b) to meet the costs of other expenses in connection with the travel of the persons mentioned above;
  - (c) encashment of any remaining balance at the time of travel;
  - (d) to meet the cost of vacation at inland hotels/recreational resorts, provided the accumulated passage benefit is not less than Rs 10,000.
3. Employers have to ensure that appropriate documentary evidence to the effect that the passage benefits have been used for the purposes mentioned above, is provided by the employee.

29 December 2016

