

To: ALL EMPLOYERS

Contribution Sociale Généralisée (CSG)

Employers are hereby informed that the **Contribution Sociale Généralisée (CSG)** system of social contributions has been introduced as from 1st September 2020, replacing the National Pensions Fund (NPF) system of social contributions. Please find hereunder the details relating to the application of the CSG.

1. Last Contribution return for NPF/NSF/Training Levy

The month of August 2020 is the last month in respect of which employers are required to apply NPF contribution and the corresponding return and payment to the MRA should be made by 30 September 2020.

2. Introduction of CSG

The CSG has replaced the NPS contribution as from 1st September 2020. Employers are required to apply CSG as from the month of September 2020 and every subsequent month.

3. Rates for CSG

CSG is applicable on the **basic wage or salary without any ceiling** and the rates of contribution applicable are given in the table below.

Category of employee	Rate applicable on the basic wage or salary of the employee	
	To be deducted from the wage or salary of the employee	Payable by the employer
An employee, other than a Public Sector employee, earning a basic wage or salary NOT exceeding Rs 50,000 in a month	1.5 per cent	3 per cent
An employee other than a Public Sector employee earning a basic wage or salary exceeding Rs 50,000 in a month	3 per cent	6 per cent
Public sector employee earning a basic wage or salary not exceeding Rs 50,000 in a month	Not applicable	4.5 per cent
Public sector employee earning a basic wage or salary exceeding Rs 50,000 in a month	Not applicable	9 per cent
An employee who is in the domestic service earning a basic wage or salary NOT exceeding Rs 3,000 in aggregate in a month, from one or more employers	Not applicable	3 per cent

4. Public Sector employee

Public Sector employee means a public officer or other employee of a Ministry or Government department or an employee of a local authority, the Rodrigues Regional Assembly or a statutory

body or a constituency clerk or a driver employed by a member of the National Assembly paid out of public funds.

5. Contribution return for CSG/NSF/Training Levy

Every employer is required to submit, electronically, a contribution return on a monthly basis giving the details of each employee, the CSG, NSF Training Levy applicable and at the same time electronically pay the contributions payable to the MRA.

The procedure for the submission of the contribution return and payment of contributions for the month of September 2020 and subsequent months is the same as those applicable before the introduction of CSG, with CSG replacing NPF. Employers will have to use the same Employer Registration Number (ERN) and Password which were applicable for the submission of previous contribution return.

An employer who employs an individual in his domestic service may opt to submit his contribution return and pay the contributions on an annual basis.

6. Due date

The submission of Contribution Return and the payment of contributions, with respect to a month, are required to be made by the end of the following month. Exceptionally, for the first month in respect of which CSG is applicable (September 2020), the last date for the submission of the return and payment of contributions is 30 November 2020 instead of 31 October 2020.

The last date for the submission of an annual return and payment of contributions by an employer who employs an individual in his domestic service, in respect of a financial year, is 31 July following the end of that financial year.

7. Ceiling

The ceiling applicable previously with respect to NPF contribution is not applicable for CSG contribution. However, it will continue to apply for NSF contributions.

8. Penalty and interest for late payment

Failure to pay CSG by the due date entails a penalty of 10 percent and interest of 1 percent per month or part of a month, applicable on the unpaid amount.

For any additional information, please visit MRA website or phone on our hotline **207 6000**.

Yours faithfully,



N. M. Oozeer
For Director-General

Date: 22nd September 2020.

Commitment beyond Revenue

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