



PRGF

Guide on

Portable Retirement Gratuity Fund

November 2023

Introduction

Following the enactment of the Workers' Rights (Portable Retirement Gratuity Fund) (Amendment) Regulations 2020, employers are required to submit, as from the month of January 2022, a monthly PRGF return and effect payment in respect of PRGF contributions to the Director-General of the MRA. Both the return and the payment are required to be made electronically, through the website of the Mauritius Revenue Authority (MRA): www.mra.mu on or before the end of the following month.

The notes in this guide are informative only and have no legal force.



Contents

1. PRGF Overview - What is PRGF?
2. Obligation to pay PRGF contributions
3. PRGF Contribution Rates
4. Monthly remuneration on which PRGF contributions are payable
5. Submission of Returns & Payment of PRGF contributions
6. Submission of past services PRGF Returns
7. Submission of PRGF exit statement
8. Computation of shortfall upon exit of employee / Benchmarking by the Administrator
9. Modes of Payment
10. Offences - Fines and Surcharges

1. What is PRGF?

It is a Fund which is established under the **Workers Rights Act 2019** for the purpose of providing for the payment of a gratuity as follows:

- to a worker, on his retirement;
- to the legal heirs of a worker, on the death of the worker;
- to a self-employed who has contributed to the PRGF, on his retirement;
- to the legal heirs of a self-employed who has contributed to the Portable Retirement Gratuity Fund, on the death of the self-employed.

The Fund is administered by the Ministry of Social Security (The Administrator).

2. Obligation to pay PRGF contributions

Contributions to the PRGF are applicable as from 01 January 2020. However, following the enactment of the Workers' Rights (Portable Retirement Gratuity Fund) (Amendment) Regulations 2020 due to the Covid Pandemic the obligation to make monthly contributions to the fund was postponed to January 2022.

As from January 2022, every employer is required to submit to the Director-General of the Mauritius Revenue Authority (MRA) a monthly PRGF return giving the details of every worker and pay the amount of PRGF contributions in accordance with the Workers' Rights Act (WRA).

No PRGF contribution is payable in respect of:

- a. A worker who has not attained the age of 16;
- b. A public officer or a local government officer;
- c. A worker who draws a monthly basic wage or salary of more than Rs. 200,000;
- d. A worker for whom the employer is contributing to a private pension scheme approved by the Financial Services Commission (FSC);
- e. A worker whose retirement benefits are payable under the Statutory Bodies Pension Funds Act or the Sugar Industry Pension Fund Act;
- f. A person under a contract of apprenticeship regulated under the Mauritius Institute of Training and Development Act;
- g. 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;
- h. A non-Mauritian citizen worker or a migrant worker.

PRGF Contributions are payable as from the month in which a worker takes up employment whether on a part-time, full time or casual basis and whether on probation or not. PRGF contributions are also payable for a person performing atypical work as well.

3. PRGF Contribution Rates

Every employer is required to pay PRGF contributions at the rate of 4.5% of the monthly remuneration of each worker.

However, Small and Medium Enterprises (SME) are required to pay PRGF at a lower rate for the first three years starting January 2022, the difference being financed by Government from a seed capital earmarked for that purpose.

The PRGF rate, applicable on monthly remuneration, is based on the annual turnover of the SME, as follows:

SME STARTING PRGF CONTRIBUTIONS AS FROM JANUARY 2022			
SME with annual turnover of not more than 2 million rupees			
Accounting year end falling between:	Year of service of worker	Govt share (From seed capital) (% of monthly remuneration)	Employer share (% of monthly remuneration)
January and December 2021	January and December 2022	2.4	2.1
January and December 2022	January and December 2023	1.6	2.9
January and December 2023	January and December 2024	0.8	3.7
	Thereafter	0	4.5
SME with annual turnover of more than 2 million rupees but not more than 10 million rupees			
Accounting year end falling between:	Year of service of worker	Govt share (From seed capital) (% of monthly remuneration)	Employer share (% of monthly remuneration)
January and December 2021	January and December 2022	1.0	3.5
January and December 2022	January and December 2023	0.8	3.7
January and December 2023	January and December 2024	0.3	4.2
	Thereafter	0	4.5
SME with annual turnover of more than 10 million rupees but not more than 50 million rupees			
Accounting year end falling between:	Year of service of worker	Govt share (From seed capital) (% of monthly remuneration)	Employer share (% of monthly remuneration)
January and December 2021	January and December 2022	1.0	3.5
January and December 2022	January and December 2023	0.5	4.0
January and December 2023	January and December 2024	0.3	4.2
	Thereafter	0	4.5



Where an SME is a business entity providing services as Accountant/ Accounting firm, Actuary, Architect, Attorney/Solicitor, Barrister, Engineer, Land surveyor, Legal consultant, Medical or Allied Health Professionals, Project manager in the construction industry, Property valuer, Quantity surveyor and Tax adviser or his representative, the rate of contribution to be paid shall be at the rate of 4.5 % of the monthly remuneration of each worker.

Self-employed

A self-employed may also contribute to the PRGF for himself. The minimum monthly contribution payable by the self employed is Rs. 500 and the maximum contribution payable is Rs. 2,500.

4. Monthly remuneration on which PRGF contributions are payable

PRGF contribution are payable at the prescribed rate on the worker's monthly remuneration. The monthly remuneration means the sum total of the monthly basic wages paid to a worker, any productivity bonus, attendance bonus and payment for extra work performed.

5. Submission of monthly PRGF Returns & Payment of PRGF contributions

For its first monthly PRGF return, an employer is required to submit the monthly return electronically giving the details of every worker,

- i. in respect of whom PRGF is payable; and
- ii. In respect of whom contributions are made to a private pension scheme approved by the Financial Services Commission or the Sugar Industry Pension Funds.

For subsequent months, the employer is required to submit the monthly PRGF return only in respect of those workers for whom contributions are payable.

For the first monthly PRGF return, employees' records will be prefilled from the latest social contribution return submitted by the employer. The prefilled employee details will be editable and should not be deleted by the employer. Where an employer is contributing to a private pension scheme, approved by the FSC, in respect of a worker, that worker should be identified as such in the return.

Where an employee is no longer employed by an employer, the system provides the necessary functionality to specify the employee has "Exit" his employment. Thereafter, in subsequent months, the prefilled return will exclude those employees.

Where an employee has exited in a month in which remuneration was received, PRGF contributions should be effected for that month. For the subsequent month, the employee should be declared as Exited with remuneration as '0'.

However where Exit Statement has already been submitted in respect of an employee prior to monthly return, the employer will not be allowed to submit a monthly contribution return in respect of that employee.

Where an employer listed under the Statutory Bodies Pension Fund Act has employees whose retirement benefits are not payable under the Statutory Bodies Pensions Fund Act, the employer is required to make contributions into the PRGF for those employees.

Where an employer in the Sugar Industry has employees whose retirement benefits are not payable under the Sugar Industry Pension Fund Act, the employer is required to make contributions into the PRGF for those employees.

The due date for the submission of the return and payment of PRGF contributions is one month after the end of the month for which the PRGF contribution is payable.

6. Submission of past services PRGF Returns

In addition to the monthly PRGF contribution payable, an employer has the option to submit a past services return electronically in respect of a worker who was in his employment as at 01 January 2022. He will have to pay to the Director-General the PRGF contributions in respect of the past services of that worker. The employer should pay the full amount declared in any past services return.

Employers who, for months prior to January 2022 -

- i. have submitted PRGF returns and paid PRGF for some months; or
- ii. who have not paid PRGF for any of the months,

may, submit a "PRGF Past Services" return and pay the PRGF for months prior to January 2022 in respect of employees who are still in employment as at 01 January 2022.

7. Submission of PRGF exit statement

An employer is required, not later than one month, after the occurrence of any of the following event in respect of a worker, to submit electronically an exit statement to the Director-General:

- Cessation or termination of employment;
- Change of employment;
- Retirement; or
- Death.

The exit statement may be submitted two months prior to the date of retirement of a worker.

However, once an exit statement in respect of that worker is submitted, no PRGF contribution in respect of the same worker shall be made for the periods subsequent to the date of submission of the exit statement.

8. Computation of shortfall upon exit of employee / Benchmarking by the Administrator

The PRGF is administered by the Ministry of Social Security (MSS). On submission of an Exit Statement by an employer, the Administrator will carry out a benchmarking exercise, and compare the gratuity payable against the accumulated fund (PRGF contributions under monthly return/ past services+ Return on Investment) standing in the account of the employee.

Where the comparison results in a:

- i. shortfall, the Administrator notifies the employer of the amount of contributions payable. The shortfall amount must be paid into the PRGF except in case of death or retirement.
- ii. surplus, the surplus amount shall be credited to the employer account.

The computation of the PRGF gratuity is as follows:

- i. Where the employment of a worker is terminated/ he dies/ or retires:
 - 15 days' final remuneration of the worker for every period of 12 months' employment from the date the worker is employed by the employer up to the date his employment is terminated/ employee dies/ employee retires (as applicable); and
 - for every period of less than 12 months, a sum equal to one twelfth of the sum payable for 12 months' employment multiplied by the number of months during which the worker has remained in the employment of the employer.
- ii. Where the worker resigns:
 - 15 days' final remuneration of the worker for every period of 12 months' employment starting on 1 January 2020 up to the date of resignation; and
 - for every period of less than 12 months, a sum equal to one twelfth of the sum payable for 12 months' employment, multiplied by the number of months during which the worker has remained in the employment of the employer.

9. Modes of Payment

Employers are required to use the Direct Debit facility put in place by the MRA in collaboration with the Bank of Mauritius for payment of PRGF contributions directly from their bank account. Employers should fill-in a Direct Debit Form downloadable from MRA website to avail themselves of such facility. The form duly filled-in, and signed by authorised signatories, should reach the MRA at least 15 days before the due date for payment.

In case the Direct Debit Mandate has not yet been approved, the employer is allowed to give a payment instruction and make an ad-hoc payment by inserting his bank details.

10. Offences - Fine and Surcharges

i. Non-Payment of PRGF gratuity on retirement/death of a worker

Where an employer fails to pay to the worker or legal heirs of a worker any payment due relating to PRGF, the employer shall commit an offence and shall, on conviction, be liable to a fine of not less than 50,000 rupees nor more than 150,000 rupees and to imprisonment for a term not exceeding 12 months.

ii. Surcharge and interests on late contributions:

- a. a surcharge of 10 per cent of any contribution remaining unpaid; and
- b. interest at the rate of one per cent for each month or part of the month during which any contributions remain unpaid.





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