



GLOBAL
EMPLOYER
GUIDE

MAURITIUS





Basic Country Facts

Full name

- The Republic of Mauritius

Capital

- Port Louis

Main Languages

- English
- French
- Mauritian Creole

Population

- 1.265 million

Monetary unit

- Mauritian Rupee

Internet domain

- .mu

International dialing code

- +230

Currency

- Mauritian Rupee



STATUTORY LABOR REQUIREMENTS

Probation Period

- Usually this period is defined under the contract and can stretch for a period between 1 to 3 months.
- In case the employer is not fully satisfied with the employee's (under probation) performance, the probation period can further be extended, during which corrective measures and adjustments are carried out.

Annual Leave

- Employees are generally entitled to 20 days of paid annual leave.

Public Holidays

- New Year's Day (1st January)
- Chinese New Year
- Commemoration of the Abolition of Slavery (1st February)
- Thaipusam (8th February)
- Maha Shivratri (21st February)
- Mauritian National Day (12th March)
- Ugadi (Gudi Padwa) (25th March)
- Labor Day (1st May)
- Eid al-Fitr
- Ganesh Chaturthi (22nd August)
- All Saints' Day (1st November)
- Commemoration of the Arrival of Indentured Laborers (2nd November)
- Diwali
- Christmas Day (25th December)



Paternity Leave

- Fathers are entitled to 5 days of paid paternity leave.

Sick Leave

- Employees are generally entitled to 21 days of paid sick leave per year.

Work Hours

- In general, the working day should not exceed 8 hours, and if the employee works 6 days in a week, one of those days should not exceed 5 hours and the worker should be compensated for 8 hours.

Overtime

- It becomes applicable if an employee works beyond 90 hours over a two-week period and is paid at 1.5 times the usual hourly rate.
- Working on a public holiday or on a Sunday is also considered as overtime work in Mauritius.
- The rate of pay here is at 2 times the usual hourly rate
- A worker on a night shift is entitled to an allowance of 15% of his basic wage in addition to his normal day's wage for work performed during the night shift. The night shift allowance is however not applicable to workers only working night time.

Notice Period

- The length of notice to be given in order to terminate an employment agreement cannot be less than 30 days.

Maternity Leave

- Female employees are generally entitled to 12 weeks of paid maternity leave, 6 weeks to be taken before the birth and 6 after.
- She is entitled to full pay if she has been employed for more than 12 months.

Severance

- Where the Redundancy Board finds that the reasons for the termination are unjustified, the employer shall pay to the employee severance allowance at the rate of 3 months' remuneration per year of service or the Board may, with the consent of the worker, order the employer to reinstate the employee to his former employment.

13th Month

- The month in which the statutory end of year bonus is paid is considered as the 13th month.
- Employees are generally entitled to an end of year bonus equal to 1/12 their regular salary.



Income Tax

- Individuals, irrespective of nationality, deriving income from sources within Mauritius are subject to Mauritian income tax on all such income, whether or not they are resident.
- Resident individuals are subject to Mauritian income tax on their worldwide income from all sources.
- However, income derived from outside Mauritius is taxable only to the extent that it is received in Mauritius.
- Income from employment duties performed in Mauritius is deemed to have been derived from Mauritius, even if the related remuneration is received outside Mauritius.
- As of 1 July 2018, the tax rate of 15% will be reduced to 10% on annual net income derived by an individual of up to 650,000 Mauritian rupees (MUR).
- Net income derived above MUR 650,000 will be taxed at 15%.

Income Tax	
Taxable Amount	Rate (%)
Up to 650,000 Mauritian rupees (MUR)	10%
Over 650,000 Mauritian rupees (MUR)	15%





Social Security

- Employees in Mauritius must contribute to the National Pension Fund, which provides for employees' old-age retirement.
- Effective from 1 July 2019, the contribution rate for employees is 3% of gross salary, up to a maximum monthly contribution of MUR562.
- For employers, the rate is 6% of gross salary, up to a maximum monthly contribution of MUR1,124 per employee.
- The contribution rate to the National Solidarity Fund is 2.5% for the employer, with a maximum of MUR469, and 1% for the employee, with a maximum of MUR187.
- The contribution rate for the National Solidarity Fund is applied to the basic salary of the employee.
- The employer must contribute to a levy computed at 1.5% of the total salary of the employee.
- Foreign nationals, other than those who work in export manufacturing enterprises, are within the scope of the social security obligations, regardless of their length of stay, effective from January 2014.
- However, foreign nationals who work in export manufacturing enterprises are within the scope of social security obligations following a period of two years of continuous residence in Mauritius.

Contribution	Employer	Employee
National Pension Fund	6%	3%
National Solidarity Fund	2.5%	1%

Deductible Expenses

- Resident individuals can benefit from an Income Exemption Threshold (IET).
- The IET is deductible in determining chargeable income.
- The IET depends on the number of the individual's dependents.
- The following table shows the IET for the income year ending 30 June 2020.

Category	Number of Dependents	Amount of IET (MUR)
A	0	310,000
B	1	420,000
C	2	500,000
D	3	550,000
E	4	600,000

- A retired individual who has reached age 60 before the start of the income year is eligible to deduct an additional amount of MUR50,000 if he or she does not derive any taxable income from emoluments exceeding MUR50,000 or business.
- The deduction of MUR50,000 also applies to an individual with a physical or mental disability.
- An individual is entitled to deduct the actual premium paid in connection with a medical or health insurance policy for himself or his dependent in addition to the IET.
 - The maximum deductible premium is MUR15,000 for the taxpayer.
 - The amount of MUR15,000 is also the maximum deduction for the first dependent.

- The maximum deduction is MUR10,000 each for the second, third and fourth dependents.
- If the dependent is a child pursuing a non-sponsored full-time undergraduate course at a recognized tertiary educational institution, the individual is entitled, in addition to the IET, an exemption of MUR135,000 for each child pursuing his or her undergraduate course in Mauritius at an institution recognized by the Tertiary Education Commission.
- As of 1 July 2019, deductions for a child pursuing tertiary studies is extended to a maximum of four dependents.



Immigration

- Work permits and residence permits are required for all foreign nationals who wish to work in Mauritius.
- The permits are valid for one year and are renewable.
- Work permits are usually granted to foreign nationals who possess professional and technical qualifications in fields for which locally qualified candidates are not available.
- Work permits may also be granted to foreign workers in industries for which labor is in short supply.
- Application for work permits should be made in Mauritius by the employer and must indicate the exact title and duration of the position sought.
- The employer must submit the following documents with the completed application form before the foreign national arrives in Mauritius:
 - Job profile
 - Birth certificate
 - Four passport-size photographs
 - Copies of the relevant parts of the passport showing the name, date of birth, place and date of issuance of passport, photo, passport number, and movement
 - Documentary evidence of academic and professional qualifications and experience
 - For skilled workers, a copy of the contract between the employer and the employee together with documentary evidence demonstrating that the employee will earn a minimum of MUR30,000 per month
 - A full medical report on the expatriate from his or her home country
 - A completed application form
 - Evidence that appropriate advertising has been made in two leading newspapers for the position
- All documents provided must be in English or otherwise translated and authenticated by an authorized authority in the home country of the foreign employee.
- A processing fee of MUR700 must be paid on submission of each completed application form. Applications submitted without the fee are not considered.
- In general, an applicant may not work while his or her work application and other papers are being processed, except if married to a Mauritian citizen.
- Application must be made at least three months before the projected date of employment.
- If the foreign national wants to stay in Mauritius for more than five years, an application must be made for a residence permit, and a bank guarantee of MUR20,000 must be provided.
- The individual must also swear in an affidavit that he or she will not apply for Mauritian citizenship.
- To obtain a residence permit, an applicant must be able to show sufficient economic means to live in Mauritius.
- Residence permits are issued for one-year periods and are renewable.



Type of Visa	Documentation	Validity	Eligibility
Work Permit	<ul style="list-style-type: none"> • Job profile • Birth certificate • Four passport-size photographs • Copies of the relevant parts of the passport showing the name, date of birth, place and date of issuance of passport, photo, passport number, and movement • Documentary evidence of academic and professional qualifications and experience • For skilled workers, a copy of the contract between the employer and the employee together with documentary evidence demonstrating that the employee will earn a minimum of MUR30,000 per month • A full medical report on the expatriate from his or her home country • A completed application form • Evidence that appropriate advertising has been made in two leading newspapers for the position 	1 year (can be renewed)	<ul style="list-style-type: none"> • Work permits are usually granted to foreign nationals who possess professional and technical qualifications in fields for which locally qualified candidates are not available. • Work permits may also be granted to foreign workers in industries for which labor is in short supply.
Residence Permit	<ul style="list-style-type: none"> • Application Form to Enter Mauritius to be filled and signed by the applicant or by representative on his behalf. • Two recent passport size photographs of the applicant and his dependents where applicable. • Photocopy of the data pages of applicant's passport. • Letter of sponsor from the company or local counterpart. • Documentary evidence that work permit has been applied for. • Applicant to produce documentary evidence of family relationship, if accompanied by family or any dependent i.e. birth and marriage certificates. • Applicant's children, who have attained the age of 18 years, should apply for residence permit separately with sponsoring letter from parents. 	1 year (can be renewed)	<ul style="list-style-type: none"> • If the foreign national wants to stay in Mauritius for more than five years, an application must be made for a residence permit, and a bank guarantee of MUR20,000 must be provided. • The individual must also swear in an affidavit that he or she will not apply for Mauritian citizenship. • To obtain a residence permit, an applicant must be able to show sufficient economic means to live in Mauritius.

Value Added Tax (VAT)

- Value Added Tax (VAT) is a tax on goods and services.
- The standard rate of VAT is 15%
- Zero-rated supplies include:
 - goods exported from Mauritius under customs control
 - certain food items
 - certain pharmaceutical products
 - the supply of services to a person who belongs to a country other than Mauritius and who is outside of Mauritius at the time the services are performed
 - electricity and water
 - CCTV camera systems, including CCTV digital video recorders.
- Certain items such as basic food stuffs are exempt from VAT

VAT Rates	
Standard Rate	15%
Zero Rate	0%
Exempt Rate	0%

Withholding Tax

Dividends

- Mauritius does not levy withholding tax on dividends

Interest

- A 15% withholding tax generally applies to interest paid by any person, other than a bank or non-bank deposit-taking institution, to any person other than a company resident in Mauritius, unless specifically exempted

Royalties

- The general rate of withholding tax on royalties paid to nonresidents is 15%, unless the rate is reduced under an applicable tax treaty
- A 10% withholding tax is generally applying to royalties paid to residents

Technical Service Fee

- A 10% withholding tax generally levied on technical service fees paid to nonresidents for services rendered in Mauritius, unless specifically exempted.

Type of Payment	
Dividends	0%
Interest	15%
Royalties	15% (paid to nonresidents) 10% (paid to residents)
Technical Service Fee	10%



Termination

- For employers with a minimum of 15 employees, or having an annual turnover of at least 25 million rupees, the Act imposes a duty on the employer to notify and negotiate with the recognized trade union or employees' representatives prior to reducing the workforce.
- In the absence of an agreement, prior authorization of the Redundancy Board need to be sought.
- The Redundancy Board shall complete its proceedings within 30 days from the date of notification by the employer, with any extension to be agreed by the parties.
- It is not possible to terminate employment within 30 days from the date of notification to the Redundancy Board or such longer time as may be agreed.
- Where the employer acts in breach of those procedures, any reduction in the workforce shall be deemed unjustified.
- Where the Redundancy Board finds that the reasons for the reduction of the workforce are unjustified, the employer shall pay to the employee severance allowance at the rate of 3 months' remuneration per year of service or the Board may, with the consent of the worker, order the employer to reinstate the employee to his former employment.

Statutory Benefits

- These are mandatory benefits as postulated by law
- These include probationary period, annual leave, public holidays, maternity leave, paternity leave, sick leave, overtime pay, notice period, severance pay and 13th month pay
- Statutory benefits also include social security benefits

Statutory Benefits

Probationary Period

Annual Leave

Public Holidays

Maternity Leave

Paternity Leave

Sick Leave

Overtime Pay

Notice Period

Severance Pay

Social Security Benefits



Payments and Invoicing

- Employers must withhold taxes on employees' emoluments.
- Individuals with self-employment or business income must make quarterly tax payments based on their income for the preceding quarter.
- Every taxpayer must file a return by 30 September, stating the amount of all income received during the preceding year ending 30 June.
- Taxpayers must pay any tax due when they file the return.
- They may claim a refund on the annual return for any overpayment of tax.
- Married persons are taxed separately.
- Joint taxable income can be shared in any manner chosen by the couple.
- An individual with a yearly total of net income and exempt income of more than MUR15 million or with assets exceeding MUR50 million must submit a statement of assets and liabilities at the time he or she files his or her annual tax return.
- This requirement does not apply to a nonresident or a resident who is a foreign national.
- The requirement also does not apply if the individual has submitted his or her tax returns for the last five years.

Ease of Doing Business

- The ease of doing business index is an index created by Simeon Djankov, an economist at the Central and Eastern Europe sector of the World Bank Group.
- Higher rankings (a low numerical value) indicate better, usually simpler, regulations for businesses and stronger protections of property rights.
- According to the World Bank Mauritius ranked 13th in the World in 2019 in terms of ease of doing business.



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