



## NOTICE TO THE GENERAL PUBLIC

The Seychelles Revenue Commission (SRC) would like to inform the general public that as of 1<sup>st</sup> April (end of April salary) 2016:

1. Employees including those casual or part-time earning a total salary up to SR 5,050 will not be liable to any income tax. In other words, no income tax will be applicable for employees with a total salary of up to SR 5,050.
2. To prevent unfairness for employees earning above SR 5,050 up to SR 5,941.17, a new formula to calculate the tax rate applies.

The new formula is as follows:

$$\text{Tax rate} = 0.15 - \frac{[5,050 - (\text{Total Salary} \times 0.85)]}{\text{Total Salary}}$$

For example, if you are earning SR 5,600, your new tax calculation is as follows:

$$0.15 - \frac{[5,050 - (5,600 \times 0.85)]}{5,600} = 0.0982$$

This means that a rate of 9.82% is applicable on your total salary and you will have to remit SR 549.92 (9.82% x SR 5,600) to SRC.

An income tax calculator, using the formula above is available on the SRC website at [www.src.gov.sc](http://www.src.gov.sc), where your tax will be automatically calculated.

3. The normal rate of 15% is applicable for employees including part time and casual workers earning a total salary of more than SR 5,941.17

4. For employees that are paying income tax at the concessional rate (for example, farmers, fishermen, domestic and day-care workers), they will apply the new income tax rates or the existing concessional rates, whichever is lower.

For example:

**Scenario 1:** If a domestic worker earns SR 5,050, the tax rate is 0%.

**Scenario 2:** If a domestic worker earns SR 5,600, the tax calculation as per the formula stated above is SR 549.92 and the existing concessional rate is SR 50. In this case, the concessional rate is lower, therefore the domestic worker should pay SR50.

All employers will have to continue to submit their payroll even if there is no income tax applicable on the salary of their employees.

Kindly note that there will be future changes to the income tax regime in July and all employers and employees are advised to regularly visit the SRC website for future messages.

For more information please contact SRC on 4294937 or visit the SRC website at [www.src.gov.sc](http://www.src.gov.sc).

**THANK YOU**