

**(To be filled by Employers)****EMPLOYEES' TAX (PAY AS YOU EARN - PAYE) RETURN**

Please read the notes on the reverse as you complete this Form. You are also required to fill in a Final Deduction System Monthly Reconciliation Form and attach it to this Form.

TIN											
Employer's Registered Name											
Physical Address											
Postal Address											
Town											
Return Period			Number of employees at beginning of the month								
Month	Year		Number of employees at end of the month								
<b>See notes 3 &amp; 4</b>	<b>REMUNERATION (Wages and salaries above PAYE Threshold)</b>										<b>Amount (in M)</b>
	A. Total salaries and wages from which PAYE was deducted										
	B. Total salaries and wages from which there was no PAYE deducted										
	C. Total salaries and wages (A+B)										
	D. Total allowances paid										
	E. Indirect payments										
	F. Total bonus/commission paid										
	G. Overtime/leave/ supplementary and strike payments										
	H. Terminal benefits										
	I. Gross remuneration (A+D+E+F+G+H)										
<b>See note 5</b>	<b>EXEMPTIONS AND DEDUCTIONS</b>										
	J. Exemptions										
	K. Pension Contributions (Employer and self-provided)										
	L. Other Deductions from Employment Income										
	M. Total deductions (J+K+L)										
	<b>TAX CALCULATIONS</b>										
	N. Total Taxable Income (I-M)										
	O. Total Tax Payable (PAYE)										
<b>DECLARATION</b>											
I declare that the information in this return is true and correct in every respect. I understand that false declarations can result into prosecution and imposition of penalties.											
Name in full					Signature					Contact Number	

## NOTES

### 1. Example of PAYE Computation

PAYE is calculated in terms of sections 3 and 4 of the Income Tax (Amendment of Monetary Amounts) Regulations, 2020 as follows:

PER MONTH:		PER ANNUM:	
First	M5, 350.00	M64, 200.00	Taxed @ 20%
Excess	M.....	M.....	Taxed @ 30%
Total Tax Charged	M.....	M.....	Add the two tax bands together
Less Tax Credit	(M840.00)	(M10, 080.00)	
Tax due (PAYE) M_____		M_____	

For detailed computations, access Tax Tables from [www.lra.org.ls](http://www.lra.org.ls).

### 2. Remuneration

Employment income includes (but not limited to) basic salary, wages, bonus (13<sup>th</sup> cheque), commission, overtime, leave, supplementary and strike payments, allowances, indirect payments and any other employment related income.

### 3. Terminal Benefits

These refer to gratuity payment, severance payment and superannuation fund payments.

### 4. Exemptions and Deductions

#### (a) Pension Contribution (section 95 and 96 of Income Tax Act of 1993)

A resident employee is entitled to a deduction for a contribution made to an employer and/or to self-provided superannuation fund during the year of assessment. The superannuation fund must first be approved by the LRA. This contribution by the employee should not exceed 20% of the employee's employment income. **Note that the employer's contribution is not considered for purposes of calculating the employee's PAYE.**

#### (b) Employment Income expenses:

Expenses incurred by an employee in the production of employment income should be deducted from employee's gross employment income. It should be noted however that expenses that are eligible for deductions relate to expenses outlined under regulations 6 to 12 of Income Tax Regulations 1994 and only to the extent as provided for under such regulations.

### 5. Penalty for Late Remittances/Filing

Failure to remit within statutory period renders the employer liable to be charged with penalties, and this is 22% per annum compounded monthly or any part of the month as per Legal Notice No. 65 of 2015.

### 6. Failure to Deduct PAYE

The employer who fails to deduct PAYE is personally liable to pay to the Commissioner the amount of tax which has not been so deducted; but he/she is entitled to recover this amount from the payee (employee). Income Tax Act 1993 s.165 (1)

### 7. Payment of PAYE

PAYE deducted must be remitted to the LRA within fifteen (15) days from the end of the month in which tax was deducted or immediately after deduction. Income Tax Act 1993 S.166 (1) together with regulation 25 (a) of Income Tax Regulations 1994.

