



## TAX ALERT: NEW 2020 KENYA PAYE RATES

The Government, through the Kenya *Tax Laws (Amendment) Act 2020*, revised the individual monthly Pay-As-You-Earn (PAYE) tax brackets and increased the monthly personal relief with effect from April 2020. Through these changes, monthly gross pay of up to KES. 24,000 per month shall have a 100% tax relief. The maximum PAYE band has also been reduced from 30% to 25%. This is the third expansion of PAYE rates in four years. With this latest expansion, the government aims to protect jobs in the economy and also provide some certainty for employers in the wake of the Covid-19 crisis and its adverse effects on the Kenyan economy.

Therefore, starting with the payroll processing for April 2020 and the PAYE return due on or before 9<sup>th</sup> May 2020, employers, employees and the general public are advised to implement the following changes to their payroll processing:

Monthly Gross Pay (KES.)	Annual Gross Pay (KES.)	Tax Rate (%)
Up to 24,000	Up to 288,000	10
24,001 - 40,667	288,001 - 488,000	15
40,668 - 57,333	488,001 - 688,000	20
Above 57,333	Above 688,000	25
Monthly Relief: 2,400	Annual Relief: 28,800	

Sample our free UPDATED monthly PAYE calculator on the following link;  
<http://www.pna.co.ke/resources/payee-tax-calculator/>

For further information or assistance, please get in touch with us through the contacts below:

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