



TAX ALERT: NEW 2017 KENYA PAYE RATES

The Government, through the Kenya Finance Act 2016, revised the resident individual tax rates and increased the monthly personal relief from KES. 1,162 to KES. 1,280 with effect from 1st January 2017. The tax bands and personal relief have been expanded by 10%. The expansion of income tax bands, together with the exemption of bonuses, overtime and retirement benefits of low income earners (income below the lowest tax bracket of 10%, upto KES. 11,180 per month), through the Kenya Finance Act 2016, will **marginally** reduce the PAYE burden. Please note that this doesn't translate to a 10% PAYE reduction.

Therefore, starting with the PAYE (Pay As You Earn) return for the January payroll that is due on 9th February 2017, employers, employees and the general public are advised to implement the following changes to their payroll processing:

Monthly Taxable Pay (KES.)	Annual Taxable Pay (KES.)	Tax Rate (%)
Up to 11,180	Up to 134,164	10
11,181 - 21,714	134,165 - 260,567	15
21,715 - 32,248	260,568 - 386,970	20
32,249 - 42,781	386,971 - 513,373	25
Above 42,781	Above 513,373	30
Monthly Relief: KES. 1,280	Annual Relief: KES. 15,360	

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

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

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