

Kenya Revenue Authority and National Social Security Fund roll out unified payroll return

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Kenyan employers have been filing separate Pay as you Earn (PAYE) and National Social Security Fund (NSSF) returns and on different platforms with both government agencies, the Kenya Revenue Authority (KRA) and NSSF, being responsible for the filing and remittance of its deductions.

To provide an efficient way for employers to file both returns, a unified payroll return has been developed for joint declaration and payment of PAYE and NSSF deductions. The program, developed jointly by the KRA and the NSSF,¹ will be piloted in March 2020 with select employers prior to being fully rolled out.

It is intended that this program will be extended to other statutory deductions such as the National Hospital Insurance Fund (NHIF) and the National Industrial Training Authority (NITA).

Overall, the program is aimed at reducing compliance efforts and costs.

Next steps

Employers should align their financial accounting systems to ensure that they can efficiently adopt the new way of declaring and remitting the relevant statutory deductions.

It is unclear how the payment of the respective statutory remittances will be made in the unified filing system since the filing and payment due dates have not been harmonized in the primary legislations. The due date for PAYE is the 9th of the following month while that of NSSF is the 15th of the following month.

Endnote

1. The KRA is the body mandated with the assessment and collection of taxes in Kenya. The NSSF provides social security protection to workers in the formal and informal sectors.

For additional information with respect to this Alert, please contact the following:

Ernst & Young (Kenya), Nairobi

- ▶ Christopher Kirathe christopher.kirathe@ke.ey.com
- ▶ Maryanne Njuguna maryanne.w.njuguna@ke.ey.com
- ▶ Robert Maina robert.maina@ke.ey.com
- ▶ Kelvin Ndirangu kelvin.ndirangu@ke.ey.com

Ernst & Young Advisory Services (Pty) Ltd., Africa ITTS Leader, Johannesburg

- ▶ Marius Leivestad marius.leivestad@za.ey.com

Ernst & Young LLP (United Kingdom), Pan African Tax Desk, London

- ▶ Rendani Neluvhalani rendani.mabel.neluvhalani@uk.ey.com
- ▶ Byron Thomas bthomas4@uk.ey.com

Ernst & Young LLP (United States), Pan African Tax Desk, New York

- ▶ Brigitte Keirby-Smith brigitte.f.keirby-smith1@ey.com
- ▶ Dele Olagun-Samuel dele.olaogun@ey.com

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