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Payroll Tax Guide

Sierra Leone

2024 Tax Year



Tax Year: January – December

Currency: New Leone (SLE)

Sierra Leone National Revenue Authority (NRA) www.nra.gov.sl

National Social Security and Insurance Trust (NASSIT): www.nassit.org.sl

PAYE System

Employers must withhold taxes from the chargeable income paid to both resident and non-resident employees on a monthly basis and remit it to the National Revenue Authority by the 15th of the following month. For resident employees, chargeable income includes worldwide income, while for non-resident employees, it includes only income sourced within Sierra Leone.

Assessable Employment Income

Employment income means any payment or benefit arising from past, present, or prospective employment, including but not limited to the following payments or benefits:

- Salary, wages, overtime payment, commission, and bonus.
- Gifts received by an employee.
- Any payment provided by the employer in respect of the employee's agreement to any conditions of employment or any changes in the condition of employment.
- An amount that is credited to an employee or in the employer's name, allowing the employee to withdraw sums or use the credit as needed.

Taxable Fringe Benefits



Motor vehicle calculated using the formula: $(C + R) \times P$, where C is 20% of the employer's vehicle acquisition or lease cost, R is the annual running cost covered by the employer, and P is the ratio of the employee's private usage to total usage for the year.



Reimbursement or discharge of the employee's utility expenditure at the cost of discharge/reimbursement borne by the employer, less any employee consideration.



Accommodation included at the market value or rent, less any employee consideration.



Domestic assistance (housekeeper, chauffeur, gardener etc.) at the cost paid to the domestic assistant, less any employee consideration.



Meals, refreshments, or entertainment at the cost to the employer, less any employee consideration.



Debt waived at the amount of debt/repayment waived.

Exempt Employment Income

Exempt employment income is defined as income that is not subject to tax, which includes:

- The actual amount of an employee's medical expenses covered or reimbursed by the employer.
- The value of the accommodation provided to the employee where:
 - it is a condition of an employee's employment that the employee serves the employer at locations specified by the employer; and
 - an employee maintains a household in his previous place of abode after moving at the employer's request.
- Where an employer has requested an employee to change their place of residence, the difference between the rental value of the old and new accommodation less any employee consideration.
- The reimbursement of expenditures incurred by an employee on behalf of the employer for which the employer would be entitled to a deduction under the Income Tax Act if incurred directly.
- Allowances such as cost of living, subsistence, rent, medical, entertainment, or travel allowance are exempt up to SLE 500 per month.
- Leave pay capped at the employee's basic salary. Any amount of leave pay exceeding the basic salary is subject to tax at the highest marginal tax rate applicable.
- Redundancy payment for termination or loss of office or employment or a similar type of payment up to a maximum of SLE 500,000, the excess is taxed at a flat rate of 5%.

Tax Deductions

The following deduction is allowed from assessable employment income to calculate chargeable employment income:

- Social security contribution made by the employee.

Tax Rates: Residents

Monthly Taxable Income	Rate
Exceeding 0 but not exceeding 7,200	0%
Exceeding 7,200 but not exceeding 14,400	15%
Exceeding 14,400 but not exceeding 21,600	20%
Exceeding 21,600 but not exceeding 28,800	25%
Exceeding 28,800	30%

Tax Rates: Non-Residents



Non-resident employees are subject to a flat rate of 25% on their chargeable income.

Tax Rebates

There are no rebates or tax credits for individuals.

Other Statutory Contributions

Social Security

Social Security contributions are payable by all workers and their employers, with the employer responsible for monthly payments to the National Social Security and Insurance Trust (NASSIT) within 15 days following the end of the relevant month.

NASSIT collects Social Security contributions to provide benefits such as old age, invalidity, and death to employees.

Contributions are calculated from the employee's monthly basic salary, excluding other allowances and benefits, without any minimum or maximum limit.

Once a worker reaches the age of 60, they will be exempt from contributing starting the month after the employee turns 60.

Contribution	Monthly Rate
Employee	5%
Employer	10%

Compliance Repository Shortcuts

Shortcut	Navigation Path
 Payroll Tax Guide	In-product: Navigate to How can we help? via your profile icon > PAYSPACE WISDOM > Compliance Digital Tools > select the country. Alternatively, from PaySpace by Deel website > Resources > Africa Tax Guides
 Compliance News	In-product: Navigate to How can we help? via your profile icon > PAYSPACE WISDOM > Compliance News
 Digital Tools	In-product: Navigate to How can we help? via your profile icon > PAYSPACE WISDOM > Compliance Digital Tools > select the country
 FAQ Articles	In-product: Navigate to How can we help? via your profile icon > PAYSPACE WISDOM > Knowledge Base > FAQs
 Product User Guide	In-product: Navigate to How can we help? via your profile icon > PAYSPACE WISDOM > Compliance Product User Guides > select the country
 Preliminary Notes	In-product: Navigate to What's New > Preliminary Notes > Legislation changes
 Release Notes	In-product: Navigate to What's New > Release Notes > Legislation changes
 Tax Alerts	In-product email distributed to customers
 Compliance Pop-up Notifications	In-product pop-up notification when logging into PaySpace by Deel with a compliance notice specific to a country

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