

Malawi Individual - Sample personal income tax calculation

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The annual PAYE threshold is MWK 420,000. The monthly PAYE is taxed as follows:

- First MWK 35,000 will not be taxed (i.e. 0%).
- The next MWK 5,000 will be taxed at 15%.
- The next MWK 2,960,000 will be taxed at 30%.
- The excess of MWK 3,000,000 will be taxed at 35%.

Example 1: If one earns MWK 1,000,000 per month, then the PAYE will be as follows:

Monthly income	Tax rate (%)	PAYE (MWK)
First MWK 35,000	0	0
Next MWK 5,000	15	750
Residual, which is MWK 960,000	30	288,000
Total		288,750

Example 2: If one earns MWK 3,500,000 per month, then the PAYE will be as follows:

Monthly income	Tax rate (%)	PAYE (MWK)
First MWK 35,000	0	0
Next MWK 5,000	15	750
Next MWK 2,960,000	30	888,000
Residual, which is MWK 500,000	35	175,000
Total		1,063,750

Last Reviewed - 17 January 2019

Individual - Tax administration