

Tax - Payroll Guide - Free shares / RSU

Zambia	
Tax points	<p>Grant: No income tax. No social security.</p> <p>Vesting: Income tax and social security.</p> <p>Transfer to participant: No income tax. No social security.</p> <p>Sale by participant: No tax on gain. No social security.</p>
Income tax (maximum rate)	37% (2025). Any change in tax rates usually takes effect from 1 January.
Income tax rates	<p>Progressive rates of tax apply. The maximum tax rate in the table below applies to monthly income over ZMW9,200 (2025):</p> <ul style="list-style-type: none"> the first ZMW5,100: 0% ZMW5,101 to ZMW7,100: 20% ZMW7,101 to ZMW9,200: 30% <p>over ZMW9,200: 37%.</p>
Employer income tax withholding	Yes
Employer social security withholding	<p>Yes</p> <p>Employee social security.</p> <p>Employer social security.</p> <p>Employer withholds employee contribution.</p>
Employee social security	<p>Employee social security (max rate):</p> <ul style="list-style-type: none"> National Pension Scheme Authority (NAPSA): 5% (the total NAPSA contribution is 10% of an employee's monthly earnings, broken down into a 5% contribution from the employer and a 5% contribution from the employee); National Health Insurance Contributions (NHIC): 1% of basic salary. <p>Employee social security (cap):</p> <ul style="list-style-type: none"> NAPSA: the monthly maximum contribution is set annually. In 2025, the monthly cap is ZMW1,708.20. <p>NHIC: no cap.</p>
Employer social security	Employer social security (max rate):

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	<ul style="list-style-type: none"> • NAPSA: 5% (the total NAPSA contribution is 10% of an employee's monthly earnings, broken down into a 5% contribution from the employer and a 5% contribution from the employee); • NHIC: 1% of basic salary. <p>Employer social security (cap):</p> <ul style="list-style-type: none"> • NAPSA: the monthly maximum contribution is set annually. In 2025, the monthly cap is ZMW1,708.20. • NHIC: no cap. <p>Payroll taxes: there are no additional payroll taxes, however, additional payroll deductions must be made, including a personal levy of ZMW15.00 per year.</p>
Tax reporting - Individual	<p>Yes. There is no specific filing in relation to equity related incentives.</p> <p>Report name: Personal Income Tax Return. For individuals who receive income that is not subject to PAYE withholding, provisional tax must be paid, in advance, in instalments (10 April, 10 July, 10 October and 10 January). A filing of the estimated provisional tax return must be filed by 31 March (electronic return) or 5 March (manual return) of the relevant charge year. A return can be filed electronically through the 'TaxOnline' website or manually at any Zambia Revenue Authority (ZRA) tax office.</p> <p>Tax period: 1 January to 31 December</p> <p>Reporting deadline: the income tax return must be filed no later than 21 June following the end of the charge year.</p> <p>Payment of tax: see above.</p>
Tax reporting - Employing company	<p>Yes. The employer must report the employees' incentive related income but the filing covers all employee benefits and is not specific to equity related incentives.</p> <p>Report name: monthly returns. Filing income tax online with the ZRA is done through the ZRA TaxOnline Portal here.</p> <p>Reporting deadline: monthly returns must be filed by the 10th day of the following month.</p> <p>Payment of tax: PAYE and social security contributions are paid at the same time that the monthly return is filed.</p>

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Malus and clawback - Tax points	The existence of a malus or clawback clause does not affect the moment of tax for the individual.
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