



Budget
Speech

2012/
2013

VIP PAYROLL

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TAX TABLES 2012/2013

Income tax: Individuals and Trusts

Tax rates (year of assessment ending 28 February 2013)

Taxable Income	Rates of Tax	
0 - 160 000		18 % of each R1
160 001 - 250 000	28 800	+ 25% of the amount over 160 000
250 001 - 346 000	51 300	+ 30% of the amount over 250 000
346 001 - 484 000	80 100	+ 35% of the amount over 346 000
484 001 - 617 000	128 400	+ 38% of the amount over 484 000
617 001 +	178 940	+ 40% of the amount over 617 000

Rebates

Primary Rebate	R11 440
Secondary (Persons 65 and older)	R 6 390
Tertiary (Persons 75 and older)	R 2 130

Tax Thresholds

The tax thresholds at which liability for normal tax commences, are:

Persons under 65	R63 556
Persons of 65 - 74 years	R99 056
Age 75 and older	R110 889

Note: the tax threshold is above the *SITE* limit - therefor there is effectively no more *SITE*

MEDICAL TAX CREDITS (MTC)

Medical tax credits replace the medical aid cap amounts used over the last couple of years.

- Individuals who are 65 years and older still have the benefit of a medical aid tax deductible deduction, subject to no limit.
- Employees who are younger than 65 however, no longer have the benefit of a medical aid tax deductible deduction. They do however qualify for a monthly medical tax credit (MTC).
- The MTC will be deducted from the tax calculated for the employee for each month the employee contributes to a medical scheme, reducing the employee's tax due each month.

- The MTC is calculated in relation to the number of beneficiaries on the medical aid - the values are R230 for the main member, R230 for the first dependant and R154 for each additional dependant

The result of this change is a more equitable benefit for all individuals who belong to medical aids. Lower income employees will “see” a greater tax benefit than higher income employees when comparing February and March tax amounts.

SUBSISTENCE ALLOWANCES AND ADVANCES

Where the recipient is obliged to spend at least one night away from his/her usual place of residence on business and the accommodation to which that allowance or advance relates is in the Republic and the allowance or advance is granted to pay for–

- meals and incidental costs, an amount of R303 per day is deemed to have been expended;
- incidental costs only, an amount of R93 for each day.

TABLE FOR CALCULATION OF RATE PER KM/TRAVEL ALLOWANCE

Value of the vehicle (including VAT)	Fixed cost	Fuel cost	Maintenance cost
(R)	(R p.a)	(c/km)	(c/km)
0 - 60 000	19 492	73.7	25.7
60 001 - 120 000	38 726	77.6	29.0
120 001 - 180 000	52 594	81.5	32.3
180 001 - 240 000	66 440	89.6	36.9
240 001 - 300 000	79 185	102.7	45.2
300 001 - 360 000	91 873	117.1	53.7
360 001 - 420 000	105 809	119.3	65.2
420 001 - 480 000	119 683	133.6	68.3
exceeding 480 000	119 683	133.6	68.3

Kilometre rate for reimbursed km

The SARS prescribed rate per kilometer increased to R3.16

ACCOMODATION FRINGE BENEFIT

The value of ‘B’ in the formula used to determine the value of the accommodation fringe benefit remains unchanged at R59 750.00

RETIREMENT REFORM

Changes possible from March 2014 only.

From March 2014 an employer’s contribution to retirement funds on behalf of an employee will be treated as a taxable fringe benefit in the hands of the employee. Individuals will from that date be allowed to deduct up to 22.5 per cent of the higher of taxable income or employment income for contributions to pension, provident and retirement annuity funds with a minimum annual deduction of R20 000 and an annual maximum of R250 000. For individuals at least 45 years of age the deductible amounts will be up to 27.5% with a minimum annual deduction of R20 000 and an annual maximum of R300 000.



- [**Budget speech 2012 / 2013**](#)
- [**VIP Tax Calculator**](#)
- [**SARS Pocket Guide**](#)