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Wealth

Sasfin Wealth Personal Tax Schedule

2022/2023 Tax year

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TAX RATES

TAX RATES	INDIVIDUALS – 2023
Taxable Income	Rates of Tax
1 – 226 000	18% of taxable income
226 001 – 353 100	40 680 + 26% of taxable income above 226 000
353 101 – 488 700	73 726 + 31% of taxable income above 353 100
641 401 – 817 600	170 734 + 39% of taxable income above 641 400
817 601 – 1 731 600	239 452 + 41% of taxable income above 817 600
1 731 601 and above	614 192 + 45% of taxable income above 1 731 600

TAX REBATES

TAX	REBATES	
Amount Deductible from the Tax Payable	2022	2023
Persons under 65	R15 714	R16 425
Persons 65 and under 75	R24 327	R25 425
Persons 75 and over	R27 198	R28 422

MEDICAL AID TAX CREDITS

MONTHLY AMOUNTS DEDUCTIBLE FROM TAX PAYABLE	2022	2023
Main member	R332	R347
Main member with one dependent	R664	R694
Main member with two dependents	R888	R928

Each additional dependant qualifies for a credit of R234 (2022: R224) per month.

INTEREST RECEIVED TAX THRESHOLD

SOUTH AFRICAN SOURCED INTEREST RECEIVED BY NATURAL PERSONS		
Persons under 65 years	R23 800	(2013: R22 800)
Persons 65 years and older	R34 500	(2013: R33 000)

TAX ON DIVIDENDS RECEIVED

Dividends Tax is applicable to all South African resident companies as well as non-resident companies listed on the JSE. Dividends Tax is borne by the shareholder at a rate of 20% (prior to 22 February 2017: 15%), subject to any reduction in terms of a double taxation agreement. Tax on dividends in specie remains the liability of the company declaring the dividend.

CAPITAL GAINS TAX

Inclusion Rates and Effective Rates

	INCLUSION RATE			MAXIMUM EFFECTIVE RATE		
	2021	2022	2023	2021	2022	2023
Individuals	40,0%	40,0%	40,0%	18,0%	18,0%	18,0%
Special Trusts	40,0%	40,0%	40,0%	18,0%	18,0%	18,0%
Companies	80,0%	80,0%	80,0%	22,40%	22,40%	21,60%
Trusts	80,0%	80,0%	80,0%	36,0%	36,0%	36,0%

In the case of Collective Investment Schemes (unit trusts), the unitholder is liable for the CGT on disposal of the units. Retirement Funds are exempt from CGT.

DONATIONS TAX

Donations Tax is payable at a rate of 20% on the value of any property disposed of gratuitously by a resident (natural person, corporate entity or trust). As from 1 March 2018, where a donation or the cumulative donations exceed R30 million, the excess is taxed at a rate of 25%. Donations made prior to 1 March 2018 and exempt donations are excluded in the determination of the R30 000 threshold. The tax is payable by the end of the month following the month in which the donation takes effect.

Exemptions from Donations Tax include

- Donations by natural persons up to R100 000 (2006: R50 000) per year
- Donations by corporate entities not considered to be public companies up to R10 000 per year
- Donations between spouses
- Bona fide maintenance payments
- Donations to PBO's and qualifying traditional councils and communities
- Donations where the donee will not benefit until the death of the donor
- Donations made by the companies which are recognised as public companies for tax purposes
- Donations cancelled within six months of the effective date
- Property disposed of under and in pursuance of any trust
- Donations between companies forming part of the same group
- Donations of property or a right in property situated outside South Africa if acquired by the donor:
 - Before becoming resident in South Africa for the first time
 - By inheritance or donation from a non-resident

DONATIONS TAX DEDUCTIONS

Donations to certain approved PBO's qualify for a tax deduction:

- **Companies and Trusts** – limited to 10% (2007: 5%) of taxable income before the deduction of donations.
- **Individuals** – limited to 10% (2007: 5%) of taxable income, excluding retirement lump sum payments and severance benefits, and before the deduction of donations.

As from 1 March 2014, donations in excess of the 10% threshold may be carried forward to the next tax year.

TAX FREE SAVINGS AND INVESTMENTS

- As from 1 March 2015, natural persons can invest in approved investments which included unit trusts, fixed deposits, or REIT's. these investments are subject to a lifetime investment of R500 000 and an annual limit of R36 000 (2020: R33 000).
- All proceeds, including interest, dividends, and capital gains on the disposal of these investments, are fully exempt from tax.
- Where the annual or lifetime limits are exceeded, a penalty of 40% of the excess capital contributed is imposed.

RETIREMENT FUNDS TAX

As from 1 March 2009, the taxable portion of a pre-retirement lump sum from a pension or provident fund is the amount withdrawn less any transfer to a new fund plus all withdrawal lump sums previously received. This amount is subject to tax at the following rates less any tax on the previous lump sums which is calculated in accordance with the current table regardless of the tax actually paid on that lump sum:

TAXABLE PORTION OF RETIREMENT LUMP SUM	RATES OF TAX
R 0 – R 500 000	Nil
R 500 001 – R 700 000	18%
R 700 001 – R 1 050 000	R 36 000 + 27% of the amount over R 700 000
R 1 050 000 +	R 130 500 + 36% of the amount over R 1 050 000

TAXABLE PORTION OF WITHDRAWAL	RATES OF TAX
R 0 – R25 000	Nil
R 25 001 – R 660 000	18% of tax amount above R25 000
R 660 001 – R 990 000	R 114 300 + 27% of the amount over R 660 000
R 990 001 +	R 203 400 + 36% of the amount over R 990 000

TRUST TAX RATES

TAX RATES	TRUST		
	2015	2016 – 2017	2018 – 2023
Rate of tax			
All taxable income	40%	41%	45%

ESTATE DUTY

Rates of Estate Duty:

Persons deceased

- prior to 1 October 2001: 25%
- On or after 1 October 2001: 20%
- On or after 1 March 2018:
 - 20% – first R30 million
 - 25% – excess above R30 million

Exemptions from Estate Duty include

Persons deceased:

- Prior to 1 March 2006:
the first R1,5 million
- On or after 1 March 2006:
the first R2,5 million
- On or after 1 March 2007:
the first R3,5 million
- Any bequests to a surviving spouse
or a PBO

As from 1 January 2010, the unutilised portion of the exemption of the first deceased spouse may be carried forward to the estate of the surviving spouse.

EXECUTOR'S REMUNERATION

Subject to ratification by the Master, an executor is entitled to either of the following remuneration:

- The remuneration stipulated in the will
- 3,5% on the value of the gross assets and 6% on income accrued and collected from date of death

Executor's remuneration is subject to VAT if the executor is registered as a vendor.

Contact

Johannesburg
011 809 7500
140 West Street
Sandown, Sandton
Johannesburg, 2031

Pretoria
012 425 6000
Lord Charles Office Park
Brooklyn

Cape Town
021 443 6800
155 Campground Road
Newlands

Durban
031 271 8700
The Terrace
Westway Office Park
Westville

**Port Elizabeth &
Pletternberg Bay**
041 363 5989
30 6th Avenue, Walmer
Gqeberha (Port Elizabeth)

Somerset West
087 365 4900
Unit 104, Crossfire Place
15 Gardner Williams Avenue
Paardevelei



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