



BULLETIN

NEWSLETTER FOR MEMBERS
MARCH 2019

Your Retirement - Our Passion

Sentinel Retirement Fund • Reg No 12/8/1215
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BUDGET 2019 HIGHLIGHTS

The Minister of Finance delivered the National Budget Speech to Parliament on 20 February 2019. This article summarises the possible impact that the tax proposals may have on your personal household budget.

Personal Income Tax

Personal income tax rates have not been changed, resulting in no “bracket-creep” adjustments (to counter the effect of inflation) being incorporated into the tax tables. Minor tax relief has been granted through small adjustments to the age rebates.

The tax table that applied in 2018 will remain unchanged and also applies from **1 March 2019 to 29 February 2020**.

2019 Income Tax Table for Individuals	
Taxable Income	Rate of Tax
R0 to R195,850	18% of each R1
R195,851 to R305,850	R35,253 plus 26% of the amount above R195,880
R305,851 to R423,300	R63,853 plus 31% of the amount above R305,850
R423,301 to R555,600	R100,263 plus 36% of the amount above R423,300
R555,601 to R708,310	R147,891 plus 39% of the amount above R555,600
R708,311 to R1,500,000	R207,448 plus 41% of the amount above R708,310
R1,500,001 and above	R532,041 +45% of the amount above R1,500,000

Tax thresholds determine the **taxable income** levels where individuals, in different age groups, start paying tax. The age-based rebates have been increased resulting in a slight increase in the thresholds.

Age category	2019 Total Rebate Value	2019 Annual Tax Threshold
Below 65	R14,220	R79,000
65 to 74	R22,014	R122,300
75 and older	R24,615	R136,750

Other Tax Matters

Contribution deduction

The tax deduction limits for retirement fund contributions will remain unchanged at 27.5% of the greater of remuneration or taxable income, capped at R350,000 per year.

Medical Tax Credits

A medical tax credit can be claimed by the individual who paid the medical aid contributions. This rebate remains unchanged at:

- **R310** for the first two persons covered by the medical scheme, and
- **R209** for each additional medical scheme dependant.

Other Taxes, Duties & Levies

- **VAT**

Three items have been added to the list of zero-rated VAT items:

- White bread flour,
- Cake flour, and
- Sanitary pads.

- **Duties & Levies**

Increases in duties and levies that may impact household budgets include:

- **Fuel prices** will increase by 20c/litre (15c/litre on the general fuel levy plus 5c/litre for the Road Accident Fund) from 3 April 2019. A carbon tax levy of 9 c/litre on petrol and 10c/litre on diesel will be introduced from 5 June 2019.
- **Duties on alcoholic beverages and tobacco products** will increase between 7.4% and 9% with immediate effect, as has become the norm with these “Sin Taxes” since 2002. Tobacco- and e-cigarettes will attract the same tax later this year.
- **Tax on sugar-sweetened beverages** was introduced on 1 April 2018 and will be increased from 2.1c to 2.21c per gram of sugar per 100ml.

The following table provides information about other taxes that have not changed, but is important for financial planning purposes:

ESTATE DUTY	
Description	Threshold and rate
Exemption at death	R3,5 million per person
Tax rate	20% on the first R30 million 25% on the value above R30 million
DONATIONS TAX	
Description	Threshold and rate
Annual Exemption	R100,000 per taxpayer
Tax Rate	20% on the first R30 million 25% on the value above R30 million
Donations between Spouses	Exempt
CAPITAL GAINS TAX	
Description	Threshold and rate
Annual Exclusion	R40 000
Primary Residence Exclusion	R2 million
Exclusion on Death	R300 000
Exclusion on disposal of small business	R1.8 million
CGT inclusion Rate for individuals	40%
Maximum effective tax rate for individuals	18%

NOTICE BOARD

AMENDMENTS TO THE GENERAL RULES

The General Rules of the Fund have been amended to incorporate the new Default Regulations that will come into effect on 1 March 2019. Details of these were communicated to members in a Bulletin: Newsletter for Members during February 2019.

ACCESS TO YOUR FUND AFFAIRS – WHENEVER IT SUITS YOU!

You can access Communication, Annual Benefit Statements and regular updates electronically!

- Register to access your personal information by accessing our web-site www.sentinel.za.com,
- go to “User Login” and click on “Signup”,
- to find a form that must be completed and submitted with a copy of you ID or Passport to: info@sentinel.za.com or fax to 011 481 8111

PLEASE REMEMBER

- To update your nomination form if your dependants or wishes change.
- To notify the Fund if your contact details (e-mail address, cellular and/or telephone number(s), etc.) change.

Sentinel’s Contact Details

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