



INFORMANT

NEWSLETTER FOR PENSIONERS
MARCH 2023

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Your Retirement - Our Passion

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BUDGET 2023 HIGHLIGHTS

The Minister of Finance, Enoch Godongwana, delivered the 2023 National Budget on 22 February 2023. Herewith a summary of the possible impact that tax proposals may have on your household budget.

Personal Income Tax

Income tax rates have been adjusted to compensate for the impact of inflation and “bracket creep” resulting in taxpayers having to pay less tax in rand terms.

The following tax table will apply with effect from **1 March 2023**:

2023 Income Tax Table for Individuals	
Taxable Income	Rate of Tax
R0 to R237,100	18% of each R1
R237,101 to R370,500	R42,678 plus 26% of the amount above R237,100
R370,501 to R512,800	R77,362 plus 31% of the amount above R370,500
R512,801 to R673,000	R121,475 plus 36% of the amount above R512,800
R673,001 to R857,900	R179,147 plus 39% of the amount above R673,000
R857,901 to R1,817,000	R251,258 plus 41% of the amount above R857,900
R1,817,001 and above	R644,489 plus 45% of the amount above R1,817,000

These tax table adjustments and increased rebates give effect to increased tax thresholds:

Age category	Total Rebate	Annual Tax Threshold
Below 65	R17,235	R95,750
65 to 74	R26,679	R148,217
75 and older	R29,824	R165,689

The following table illustrates the anticipated **annual** tax reductions that individual taxpayers can expect:

Annual Taxable Income	Annual tax reduction Younger than 65	Annual tax reduction Aged 65 to 74	Annual tax reduction Aged 75 plus
R150,000	-	-R1254	-
R200,000	-R810	-R1,254	-R1,402
R250,000	-R1,698	-R2,142	-R2,290
R300,000	-1,698	-R2,142	-R2,290
R400,000	-R2,568	-R3,012	-R3,160
R500,000	-R3,133	-R3,577	-R3,725
R750,000	-R4,721	-R5,165	-R5,313
R1,000,000	-R5,527	-R5,971	-R6,119
R1,500,000	-R5,527	-R5,971	-R6,119
R2,000,000	-R8,943	-R9,387	-R9,535

Medical Tax Credits

The value of monthly Medical Tax Credits on medical scheme contributions will increase to:

- R364 (from R347) each for the main member and first dependant; and
- R246 (from R234) for every dependant thereafter.

The Retirement or severance benefits lump sum tax table will be amended effective 1 March 2023 to the following:

Taxable Lump Sum	Rate of Tax
R1 to R550,000	0%
R550,001 to R 770,000	18% of amount above R550,000
R770,001 to 1,155,000	R39,600 + 27% of amount above R770,000
R1,155,001 and above	R143,550 + 36% of amount above R1,155,000

Retirement Reform: The Two Pot System

National Treasury published a discussion paper, in December 2021, that proposes a fundamental restructuring of the retirement system through a “two pot” system. This will encourage individuals to preserve retirement savings until retirement, and simultaneously allow annual access to 1/3 of members' retirement savings.

The implementation date was postponed to 1 March 2024 and the Minister confirmed that new draft legislation will be published by National Treasury.

Members are cautioned not to act irresponsibly as:

- All existing rights, i.e., accumulated savings on implementation date, will be protected,
- The two-pot system, as currently designed, will only apply to new contributions paid after implementation date, and
- Sentinel will communicate with its members as the process develops.

Tax incentives for solar and other green energy

A measure that will see more **households** enjoy reliable energy supply while also reducing pressure on the national grid has been announced.

Individuals who install **new** solar PV rooftop panels will be able to claim a tax rebate of 25% of the cost of the **panels**, up to a maximum of R15,000. This incentive will allow households to reduce their tax liability in the 2023/24 year.

Please note that this incentive applies only for solar panel installations, not inverters and batteries. To qualify, the solar panels must be purchased and installed at a private home, and a certificate of compliance for the installation must be issued between 1 March 2023 and 29 February 2024.

Duties & Levies

To extend relief to households, no increases will be made to the general fuel levy on petrol and diesel and the Road Accident Fund levy, for the second year running. However, the carbon fuel levy will increase by 1c to 10c/l for petrol and 11c/l for diesel from 5 April 2023.

Excise duties on alcohol and cigarettes, the so-called “Sin Taxes”, will increase by 4.9%, while sparkling wine will see an increase of 0.7%. Tax on a packet of cigarettes will increase from R19.82 to R20.80, while the excise duty on a can of beer will increase from R2.06 to R2.17.

NEWS FLASH

Enhanced Secure Member Portal

This enhanced electronic facility allows members to personalise their online profile, view their personal information, access the benefit projection calculator and statements, and complete and submit Fund documents electronically.

Additional measures have been put in place to prevent fraudulent activities and improve account security. To ensure your online safety, One Time Pins (OTP) will be sent to your mobile phone or email address.

Members are encouraged to make use of this facility and to keep their contact details up to date! Please access our website at www.sentinel.za.com, click on LOGIN on the Home Page, select 'Convert' and follow the easy steps.

Sentinel's Contact Details

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