



SENTINEL
retirement fund

Informant

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Innovating Your Future Responsibly

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2024 NATIONAL BUDGET HIGHLIGHTS

On 21 February 2024, the Minister of Finance, Enoch Godongwana, delivered the 2024 National Budget to parliament. The following summarises the impact that tax proposals may have on your household budget.

PERSONAL INCOME TAX RATES

Income tax rates have not been changed and no adjustments have been made to compensate for the impact of inflation and “bracket creep”.

Tax table effective 1 March 2024

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

TAX REBATES & THRESHOLDS

Tax rebates (an amount deductible from tax payable based on a taxpayer’s age) have also been kept **unchanged**. This, together with the above unchanged tax rates for individuals, results in tax thresholds (the amount of income below which you do not pay any income tax) remaining the same as in the previous tax year.

Age Group	Tax Rebate	Tax Threshold
Under 65	R 17,235	R 95,750
65 and under 75	R 26,679	R 148,217
75 and older	R 29,824	R 165,689

MEDICAL AID TAX CREDITS

No **changes** have been made to the value of monthly Medical Tax Credits deductible from tax payable. This remains at R364 per month for the main member and also for the first dependant. For each additional dependant, an amount of R246 is deductible.

	Credit
Main member	R364
Main member with one dependant	R728
Main member with two dependants	R974

For each additional dependant, a monthly credit of R246.

INTEREST INCOME EXEMPTION

No changes have been made to this exemption. Interest earned by a natural person from a South African source remains exempt (per annum) from income tax as follows:

Age Group	Exemption (Per Annum)
Under 65	R23,800
65 and older	R34,500

TAX-FREE INVESTMENTS

No changes have been made to either the annual contribution limit or life-time contribution limit for tax free investments. These remain at R36,000 per annum and R500,000 in total respectively.

DUTIES

As expected, excise duties on tobacco products and alcoholic beverages have been increased (commonly referred to as “sin taxes”).

Duties on alcohol will rise by between 6,7% and 7,2%, while duties on tobacco products will increase by between 4,7% and 8,2%.

You can, therefore, expect to pay around 14 cents more for a can of beer and 97 cents more for a packet of 20 cigarettes.

LEVIES

No increase has been proposed to the general fuel, Road Accident Fund and Sugar Tax levies for 2024/2025.

The levy on plastic bags has been increased from 28 cents per bag to 32 cents per bag from 1 April 2024.

ESTATE DUTY & DONATIONS TAX

No changes have been made to estate duties or to tax on donations.

TRANSFER DUTIES

No changes were announced to transfer duty rates.

CAPITAL GAINS TAX

No changes have been made to the taxation of capital gains.

SOCIAL GRANTS

The old age grant, war veterans grant, disability grant and care dependency grant will increase by R90,00 in April 2024, and again in October 2024 by R10,00. The foster care grant will increase in April 2024 by R50,00 whilst the child support grant will increase by R20,00.

The monthly old age grant will, therefore increase to R2,180 in April 2024, and to R2,190 in October 2024.

TWO-POT RETIREMENT SYSTEM

In the 2024 National Budget, it was confirmed that the two-pot retirement system will be implemented effective 1 September 2024.

This change to the South African retirement system **does not apply to pensioners** (that part of your Sentinel retirement provision that you receive a monthly pension from)!

It will, however, apply to any retirement fund savings for which you have not claimed a benefit, for example: a retirement fund that you still contribute to or have paid-up membership of.

SECURE MEMBER & PENSIONER ONLINE PORTAL

The secure Sentinel online portal makes it easy for members and pensioners to access their Fund information and personal Fund documentation, such as benefit statements, tax certificates and monthly pensioner payslips.

You are encouraged to register for this free service through the Sentinel website (www.sentinel.za.com).

Being registered ensures that your Fund information and details are easily accessible. Once the Fund has successfully expanded the functionality of this service, you will also be able to interact with the Fund directly through the portal.

To register, click on the **LOGIN** button, select **"Register"**, and follow the easy steps to complete the secure registration and verification process.

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