



SENTINEL
retirement fund

Bulletin

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In this edition:

- National Budget 2025 Highlights
- Your Future Preserved: Lessons from National Budget for Personal Finance Success
- Secure Member & Pensioner Online Portal

Innovating Your Future Responsibly

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National Budget 2025 Highlights

On 19 February 2025, the Minister of Finance, Enoch Godongwana, was due to deliver the 2025 National Budget to Parliament. However, the delivery of the National Budget was postponed to 12 March 2025. Any changes to tax tables will be applied retroactively to 1 March after the delivery of the 2025 National Budget.

The following summarises the impact that tax proposals may have on your household budget.

VALUE ADDED TAX (VAT)

The VAT rate will **increase** from 15% to 15,5% on 1 May 2025 and again on 1 April 2026 to 16%. This increase in VAT is coupled to a proposal to increase the number of VAT zero-rated basic foods such as tinned vegetables and edible offal.

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”.

Income tax table effective 1 March 2025

Taxable Income	Rates Of Tax
R0 to R237,100	18% of taxable income
R237,101 to R370,500	R42,678 + 26% of taxable income above R237,100
R370,501 to R512,800	R77,362 + 31% of taxable income above R370,500
R512,801 to R673,000	R121,475 + 36% of taxable income above R512,800
R673,001 to R857,900	R179,147 + 39% of taxable income above R673,000
R857,900 to R1,817,000	R251,258 + 41% of taxable income above R857,900
R1,817,001 +	R644,489 + 45% of taxable income above R1,817,000

TAX REBATES & THRESHOLDS

Tax rebates (an amount deductible from tax payable based on a taxpayers 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.

Tax rebates and thresholds

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

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 plus R364 per month for the first dependant. For each additional dependant, an amount of R246 is deductible.

Medical aid tax credits

Member and dependant/s	Credit
Main member	R364
Main member with one dependant	R728
Main member with two dependants	R974

For each additional dependant, a monthly credit of R264 is deductible.

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:

Interest income exemption

Age Group	Exemption (per annum)
Under 65 years old	R23,800
65 years 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 (commonly referred to as “sin taxes”) have been increased at rates higher than inflation.

Duties on alcohol will rise by 6,75%, while duties on tobacco products will increase by between 4,75% and 6,75%. You can, therefore, expect to pay around 16 cents more for a can of beer and R1,04 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 2025/2026.

ESTATE DUTY & DONATIONS TAX

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

TRANSFER DUTIES

Transfer duty rates have been adjusted to account for inflation effective 1 April 2025.

Transfer duty rates and bracket adjustments

PROPERTY VALUE	TRANSFER DUTY
R0 to R1,210,000	0%
R1,210,001 to R1,663,800	3% of the value above R1,210,000
R1,663,801 to R2,329,300	R13,614 + 6% of the value above R1,663,800
R2,329,301 to R2,994,800	R53,544 + 8% of the value above R2,329,300
R2,994,801 to R13,310,000	R106,784 + 11% of the value above R2,994,800
R13,310,001 +	R1,241,456 + 13% of the value above R13,310,000

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 R130 in April 2025 to R2,315 per month. The foster care grant will increase in April 2025 by R70,00 to R1,250, whilst the child support grant will increase by R30,00 to R560.

RETIREMENT REFORM: THE TWO-POT SYSTEM RETIREMENT COMPONENT

The government is initiating discussions regarding potential measures that could permit individuals, who have been retrenched and are facing financial difficulties, to access their retirement component. Strict requirements will be imposed for this access. These may involve demonstrating that the individual has exhausted all other sources of income after a certain duration, such as benefits from the Unemployment Insurance Fund, and restricting access to a portion of their income instead of providing a full cash payout.

Your Future Preserved: Lessons from National Budget for Personal Finance Success

The recent postponement of South Africa’s National Budget serves as a powerful reminder of the complexities of financial planning, whether for a nation or an individual. A budget is more than just numbers; it’s a roadmap for how money is earned, spent, and saved, empowering individuals and governments to prioritise needs and manage finances effectively.

PARALLELS BETWEEN NATIONAL BUDGETS AND PERSONAL FINANCES

Delays can occur, but planning is essential
Just as governments may face challenges in finalising budgets, individuals encounter unexpected obstacles that can affect financial plans. Regularly reviewing your income, expenses, and goals is key to staying adaptable. By adjusting your budget to reflect your evolving circumstances, you can navigate life’s uncertainties with confidence. “A budget is telling your money where to go instead of wondering where it went” – John C. Maxwell.

Prioritising essentials

National budgets allocate funds for crucial services like healthcare and education. In your personal finances, focus on supporting your essential needs first—such as housing, food, utilities, and transportation. This prioritisation lays a solid foundation for your financial well-being, allowing for mindful choices regarding discretionary spending. *It is not about spending minimally; it is about spending more purposefully.*

Planning for the unexpected

Governments set aside emergency funds to shield against unforeseen events. Similarly, building your own “emergency fund” equips you to handle unexpected expenses. By ensuring you have financial resilience, you can face surprises—like medical bills or car repairs—with assurance and peace of mind. *Hope for the best but prepare for the worst.*

Avoiding overspending

Nations aim to balance revenue and expenditure to evade debt. In the same spirit, tracking your spending diligently allows you to recognise areas for improvement and avoid the trap of overspending. By making conscious choices with your finances, you maintain control over your financial journey. *Never go shopping when you are hungry because you will buy more than you need.*

Setting realistic goals

National budgets define long-term goals that pave the way for growth and development. In your life, setting achievable financial goals—whether saving for a home, funding an education, or preparing for retirement—can inspire and guide you. Each small step taken brings you closer to realising your dreams. *From cents to peace of mind, every cent saved counts!*

PRACTICAL TIPS FOR EFFECTIVE BUDGETING

A well-structured budget empowers you to take charge of your financial destiny, ensuring you can fulfil both immediate needs and long-term aspirations. Just as a national budget addresses the priorities of a country, a personal budget illuminates your path toward financial stability and fulfilment.

Create a comprehensive list

Documenting all sources of income and expenses clarifies your financial picture, paving the way for mindful decisions.

Categorise expenses

Dividing spending into “needs” and “wants” empowers you to identify opportunities for improvement and mindful adjustments. Keep in mind that convenience comes at a price, avoid frequent online shopping or paying for delivery when it is not essential. Groceries are a need; delivery is a want.

Aim to save

Striving to save at least 10-20% of your income, starting with an emergency fund, cultivates financial security and peace of mind.

Utilise budgeting tools

Embrace budgeting apps or software to stay organised and accountable, transforming the way you manage your finances.

Secure Member & Pensioner Online Portal

The secure Sentinel online portal makes it easy for members to access their Fund information and personal Fund documentation.

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

To register, click on the **LOGIN** button in the top right corner, select “**Register now**”, and follow the easy steps to complete the secure registration and verification process.

ONLINE PORTAL: NEW FEATURES

The online portal has received improvements aimed at enhancing the experience for our members. These upgrades are designed to make the portal more intuitive, easier to navigate, and accessible for all users.

With these enhancements, members can now conveniently update their personal information directly through the online portal, simplifying processes that used to require extra paperwork. Specifically, members can update their physical and postal addresses, as well as make changes to their dependants and nominees, all through the online portal.

For more information, please click [HERE](#).

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