



**DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION
REPUBLIC OF SOUTH AFRICA**

Private Bag X916, Pretoria, 0001. Tel: (012) 314 7911. Fax: (012) 314 7020 or (012) 314 7267
Private Bag X9148, Cape Town, 8000. Tel: (021) 462 2238. Fax: (021) 462 2299

Mr MS Mashele

314 7026

E1/2/10

31 October 2001

TO HEADS OF ALL THE DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

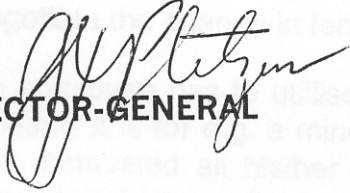
PAYMENT OF SUBSISTENCE ALLOWANCE AND THE TAX IMPLICATIONS THEREOF

1. As you are aware, the amount of fixed daily subsistence allowance payable in terms of Part XII of PSCBC Resolution 3/99 has been increased to R154,00 per day with effect from 1 April 2001. In terms of paragraph 67 of the Guidelines for Employees Tax and Skills Development Levy, Volume 42 which refers to section 8(1)(a) and section 8(1)(c) of the Income Tax Act, where the employee is, by reason of his duties obliged to spend at least one night away from his usual place of residence, the amount will be deemed to have been expended on personal subsistence and incidental costs if:
 - (a) Travel within the common monetary area, the amount does not exceed R150 per day or in any other case, the amount does not exceed R65 per day;
 - (b) Travel outside the common monetary area, the amount equal to the actual cost of accommodation, plus 120 US dollars per day, or the equivalent thereof in the currency provided, in respect of meals and incidental costs. The amount laid down in respect of travelling abroad will only apply in respect of continuous periods spent outside the Republic not exceeding six weeks.

2. The amount of special daily allowance payable on local official journeys has exceeded the amount/limit set by SARS. Employees who receive this allowance should, on assessment, produce slips as proof for the actual expenditure incurred. If no such

proof is produced, part of the allowance that has exceeded the amount/limit will be taxable. Moreover, employees who undertake official journeys abroad must produce proof of actual expenditure incurred in cases where the limit of 120 US dollars, or comparable currency, is exceeded, on condition that such journeys exceed a six week continuous period.

2. It needs to be mentioned at the
negotiation in Berlin
3. It is a minor
a minor
a higher not
should be im

FOR 
DIRECTOR-GENERAL