



the dpsa

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HEADS: NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

AMENDMENTS TO TAXATION WITH EFFECT FROM 1 MARCH 2013: IMPLICATIONS FOR SENIOR MANAGEMENT SERVICE (SMS) AND MIDDLE MANAGEMENT SERVICE ((MMS) MEMBERS AND OCCUPATION SPECIFIC DISPENSATION (OSD) EMPLOYEES REMUNERATED BY MEANS OF TOTAL COST-TO-EMPLOYER (TCE) PACKAGES

1. The Minister of Finance announced the following tax amendment, effective from 1 March 2013 (2014 tax year):
 - 1.1. Revised income tax rates, of which the details are available from the SA Revenue Service (SARS).
 - 1.2. The following revised medical scheme contribution tax credits:
 - 1.2.1. R242 per month (R2 904 per annum) for the principal member of the medical aid scheme.
 - 1.2.2. R242 per month (R2 904 per annum) for the 1st dependant.
 - 1.2.3. R162 per month (R1 944 per annum) in respect of each further (additional) dependant.
 - 1.3. Revised primary rebate of R12 080 per annum for persons younger than 65 years.
2. Due to these amendments, approval is granted to SMS and MMS members and affected OSD employees, **who so wish**, to restructure the flexible portion of their TCE packages, effective from 1 April 2013 (annual cost-of-living adjustment date). **Please note that this approval does not**

pertain to once-off choices by members to the percentage that constitutes the basic (pensionable) salary in their TCE packages.

3. The SMS, MMS and OSD Models, which serve as tools to members and employees to structure their packages, have been updated accordingly and are available on the DPSA website (www.dpsa.gov.za) (following the links to document archives; Circulars; Remuneration Policy).
4. Departments are requested to inform SMS and MMS members and affected OSD employees regarding these amendments and to afford those, who so wish, the opportunity to restructure the flexible portion of their packages accordingly.



^ **DIRECTOR-GENERAL**
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