



**the dpsa**

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Public Service and Administration  
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## **HEADS: NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS**

### **IMPLICATIONS OF 2015 TAX AMENDMENTS ON THE SENIOR MANAGEMENT SERVICE (SMS), MIDDLE MANAGEMENT SERVICE (MMS) AND OCCUPATION SPECIFIC DISPENSATIONS (OSD)**


1. The Minister of Finance announced the following tax amendments, effective from 1 March 2014 (2015 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. R257 per month (R3 084 per annum) for the principal member of the medical aid scheme.
    - 1.2.2. R257 per month (R3 084 per annum) for the 1<sup>st</sup> dependant.
    - 1.2.3. R172 per month (R2 064 per annum) for each further (additional) dependant.
  - 1.3. Revised primary rebate of R12 726 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 Total Cost-to-Employer (TCE) packages, effective from 1 April 2014 (annual cost-of-living adjustment date).
3. **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.**

Staatsdiens en Administrasie . Ditirelo tsa Puso le Tsamaiso . Ditshebeltso tsa Mmuso le Tsamaiso . uMnyango wemiSebenzi kaHulumeni nokuPhata

Muhasho wa Tshumelo ya Muvuso na Vhulanguli . Kgoro ya Ditirelo tsa Mmušo . Ndzawulo ya Vutirela-Mfumo na Valawuri

LiTiko le Tebasebenti baHulumende nekuPhatsa . ISebe leNkonzo kaRhulumente noLawulo . UmNyango wemiSebenzi kaRhulumente nokuPhata

4. 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](http://www.dpsa.gov.za)).
5. 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**  
Date: 07/03/2014