



the dpsa

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## HEADS: NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

### IMPLICATIONS OF 2016 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 2015 (2016 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. R270 per month (R3 240 per annum) for the principal member of the medical aid scheme.
    - 1.2.2. Additional R270 per month (R3 240 per annum) for the 1<sup>st</sup> dependant.
    - 1.2.3. Additional R181 per month (R2 172 per annum) for each further (additional) dependant.
  - 1.3. Revised primary rebate of R13 257 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 2015 (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.
4. The SMS, MMS and OSD Models, which serve as tools to members and employees to structure their packages, have been updated 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 accordingly.



PP! **DIRECTOR-GENERAL**  
Date: 27 February 2015