



the dpsa

Department:  
Public Service and Administration  
REPUBLIC OF SOUTH AFRICA

Private Bag X916, Pretoria, 0001. Tel: (012) 336 1000, Fax (012) 326 7802  
Private Bag X9148, Cape Town, 8000. Tel: (021) 467 5120, Fax (021) 465 5484

**Enq** : *AJ Van der Walt*  
**Tel** : *(012) 336 1258*  
**File** : *18/1/P*  
*18/1/3*  
*18/1/4*

## **HEADS: NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS**

### **IMPLICATIONS OF 2017 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 2016 (2017 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. R286 per month (R3 432 per annum) for the principal member of the medical aid scheme.
    - 1.2.2. Additional R286 per month (R3 432 per annum) for the 1<sup>st</sup> dependant.
    - 1.2.3. Additional R192 per month (R2 304 per annum) for each further (additional) dependant.
  - 1.3. Revised primary rebate of R13 500 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 2016 (after the 2016 annual cost-of-living adjustments have been announced).

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 2016 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.

*P.P. Dabala*  
**ACTING DIRECTOR-GENERAL**  
**DATE: 29/02/2016**