



the dpsa

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HEADS: NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

IMPLICATIONS OF 2020 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 in his 2019 Budget Vote:
 - 1.1. The income tax scales for individuals remain unchanged in the 2020 tax year. The details are available from the SA Revenue Service (SARS).
 - 1.2. The following medical scheme contribution tax credits remain unchanged in the 2020 tax year:
 - 1.2.1. R310 per month (R3 720 per annum) for the principal member of the medical aid scheme.
 - 1.2.2. Additional R310 per month (R3 720 per annum) for the 1st dependant.
 - 1.2.3. Additional R209 per month (R2 508 per annum) for each further (additional) dependant.
 - 1.3. Revised primary rebate of R14 220 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 2019 (after the 2019 annual cost-of-living adjustments have been announced for respective categories of personnel).

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 2019 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).
5. Departments are requested to inform SMS and MMS members and affected OSD employees accordingly.


P.P. **DIRECTOR-GENERAL**
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