



**the dpsa**

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*18/1/4*

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

### **IMPLICATIONS OF 2023 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 2023 (2024 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. R364 per month (R4 368 per annum) for the principal member of the medical aid scheme.
    - 1.2.2. Additional R364 per month (R4 368 per annum) for the 1<sup>st</sup> dependant.
    - 1.2.3. Additional R246 per month (R2 952 annum) for each further (additional) dependant.
  - 1.3. Revised primary rebate of R17 235 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, with effect from 1 March 2023.
3. SMS, MMS and affected OSD employees are advised that once they have exercised the opportunity to restructure their packages with effect from 1 March 2023, they will

not be afforded an opportunity to restructure again after the implementation of cost-of-living adjustment with effect from 1 April.

4. **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.**
5. The 2023 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)).
6. Departments are requested to inform SMS and MMS members and affected OSD employees accordingly.

**DIRECTOR-GENERAL**

**DATE:**