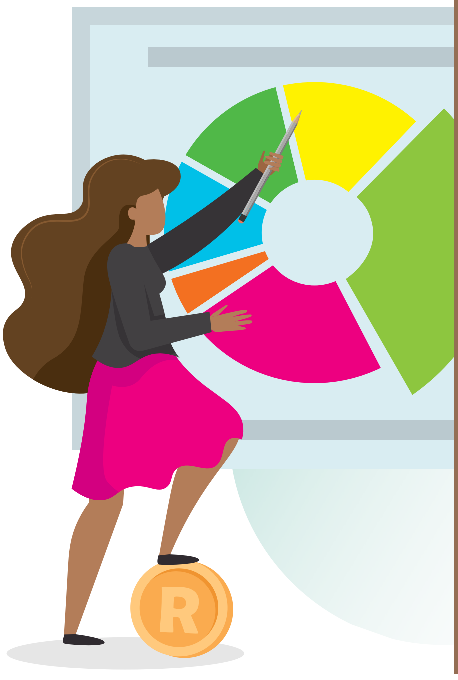
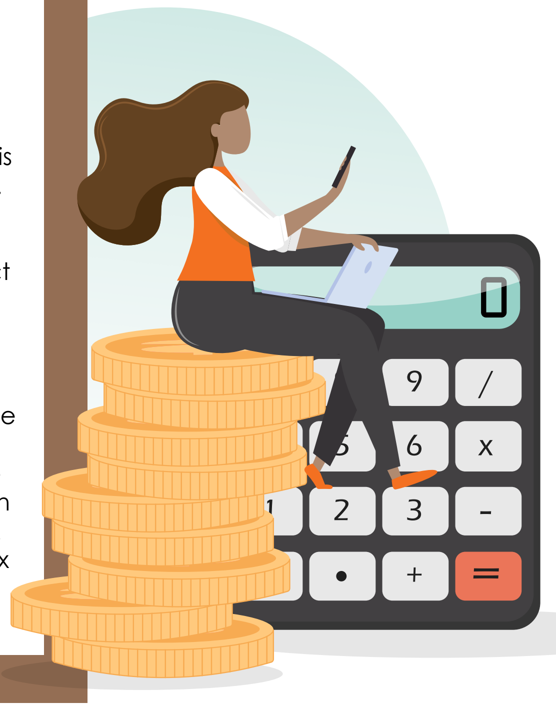
OLD MUTUAL
SUPERFUND



SOUTH AFRICA'S 2021 BUDGET IN A NUTSHELL

Finance Minister, Tito Mboweni delivered his 2021 budget speech on 24 February 2021. The proposals aim to ensure that South Africa manages the short-lived economic challenges including the impact of COVID-19 while addressing the long-lasting structural challenges that face the country.

Taxpayers can breathe a sigh of relief as the table 2021 budget speech was free from substantial tax hikes. The personal income tax brackets will be increased by 5%, which is more than inflation. This will provide R2.2 billion in tax relief, which will reduce the tax burden on lower and middle-income households.



COVID-19 Vaccine
rollout over next two years –
R10 billion
Contingency reserve
R12 billion

Above inflation personal **income tax relief of R2.2 billion** by adjusting **brackets** and **rebates**

SIN TAX

8% Tax increase on **alcohol** and **tobacco** for **2021/22**

Spirits	R5.50 per 750ml bottle
Beer	R0.14 per 340ml can
Unfortified wine	R0.26 per 750ml bottle
Fortified wine	R0.44 per 750ml bottle
Ciders	R0.14 per 340ml can
Cigatettes	R1.39 per pack of 20
Cigarette tobacco	R1.57 per 50g
Pipe tobacco	R0.47 per 25g
Cigars	R7.71 per 23g

LEVIES

Plastic bag levy reduced to **12.5c** per bag for **bio-based plastic bags,** date to be announced later in the year.

The general **fuel levy** will **increase** by **15c** per litre and the **road accident fund levy** will **increase** by **11c** per litre with effect from **7 April 2021**.

This will increase:

- General fuel levy to R3.85 per litre of petrol and to R3.70 per litre of diesel.
- The road accident fund levy to R2.18 per litre for both petrol and diesel.

Annuitisation for **Provident Funds** took place on **1 March 2021**

CHANGES IMPACTING RETIREMENT FUNDS

Government and the National Economic Development and Labour Council (NEDLAC) have agreed to proceed with retirement reform related to the harmonisation of all retirement benefits, including provident funds. The provident and provident preservation fund annuitisation regimes came into effect on 1 March 2021. This change will mean that members retiring from provident funds, like those retiring from pension funds, will need to convert at least two thirds of their capital at retirement into an annuity. However, **this change will only apply in respect of FUTURE contributions made from March 2021 onwards.**

Retirement fund vehicles (pension, provident and retirement annuity funds) will provide the same tax-deductibility on contributions (up to 27.5% of income with a cap of R350 000 per year is tax-deductible), the same tax-free investment returns and the same benefits during retirement.

Click here, to read the full SuperFund communication about these changes in case you missed it!

REMEMBER

A way to reduce your direct tax bill is to take full advantage of the generous tax deductions SARS offers on contributions to approved pension or provident funds (like Old Mutual SuperFund) or retirement annuity (RA) funds.

As a member of the Old Mutual SuperFund, you can increase your savings by making Additional Voluntary Contributions. Simply contact your Human Resource (HR) department to find out how.