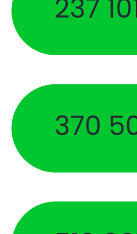


South Africa

# Compact Payroll Guide 2024/2025

## Rates for the 2024/2025 tax year:



### Annual tax tables for individuals and special trusts

Taxable income (R)	Rate of tax (R)
1 – 237 100	18% of taxable income
237 101 – 370 500	42 678 + 26% of taxable income above 237 100
370 501 – 512 800	77 362 + 31% of taxable income above 370 500
512 801 – 673 000	121 475 + 36% of taxable income above 512 800
673 001 – 857 900	179 147 + 39% of taxable income above 673 000
857 901 – 1 817 000	251 258 + 41% of taxable income above 857 900
1 817 001 and above	644 489 + 45% of taxable income above 1 817 000

#### The tax thresholds at which individuals become liable for paying normal tax:

Below Age 65	R95 750
Age 65 – 74	R148 217
Age 75+	R165 689

#### The tax rebates for calculating normal tax payable by natural persons:

Primary	R17 235
Secondary	R9 444
Tertiary	R3 145



### Personal Service Providers (PSP) tax rates

#### Companies

**27%**

For companies with years of assessment ending on any date between 1 April 2024 and 31 March 2025

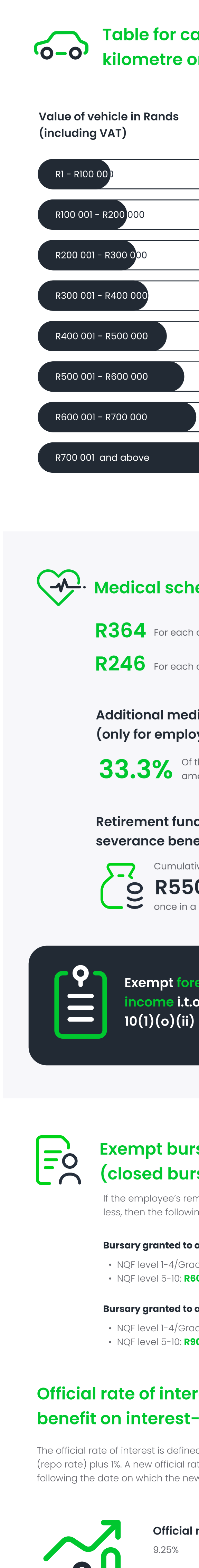
#### Trusts (other than special trusts)

**45%**



### Subsistence allowance

<b>Travel within South Africa</b>	<b>R169</b> per day or part of a day for incidental costs, and <b>R548</b> per day or part of a day for meals and incidental costs.
<b>Travel outside South Africa</b>	Prescribed amount applicable to the relevant country as published in the <b>Government Gazette</b> .



### Reimbursement / advance for business travel on day trips

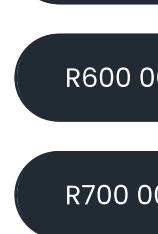
**R169**

Per day or part of a day

### Prescribed rate per kilometre for the reimbursement of business travel

**R4.84**

Per kilometre



### Table for calculating the actual rate per kilometre or travel allowance

Value of vehicle in Rands (including VAT)	Fixed cost per annum (R)	Fuel cost per KM (R)	Maintenance cost per KM (R)
R1 – R100 000	34 480	1.517	0.460
R100 001 – R200 000	61 770	1.694	0.576
R200 001 – R300 000	89 119	1.840	0.635
R300 001 – R400 000	113 436	1.979	0.693
R400 001 – R500 000	137 752	2.118	0.815
R500 001 – R600 000	163 178	2.430	0.956
R600 001 – R700 000	188 653	2.471	1.073
R700 001 and above	215 447	2.512	1.189



### Medical scheme fees tax credits

**R364** For each of the first two persons covered by the medical scheme, and

**R246** For each additional dependant.

#### Additional medical expenses tax credits (only for employees 65 years or older)

**33.3%** Of the medical scheme contributions which exceed 3 times the amount of the medical scheme fees tax credit.

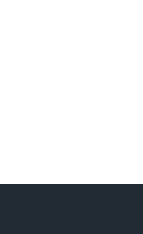
#### Retirement fund lump sum benefit or severance benefit exemption

Cumulative exemption of **R550 000** once in a lifetime.



### Exempt foreign employment income i.t.o. section 10(1)(o)(ii) limit

**R1.25 Million** per tax year



### Exempt bursary thresholds (closed bursaries)

If the employee's remuneration proxy is R600 000 or less, then the following exemption limits apply:

#### Bursary granted to a relative without a disability:

- NQF level 1-4/Grade R-12: **R20 000** per tax year per relative
- NQF level 5-10: **R80 000** per tax year per relative

#### Bursary granted to a relative with a disability:

- NQF level 1-4/Grade R-12: **R30 000** per tax year per family member
- NQF level 5-10: **R90 000** per tax year per family member

### Official rate of interest used to calculate the fringe benefit on interest-free or low-interest loans

The official rate of interest is defined in section 1 of the Income Tax Act as the repurchase rate (repo rate) plus 1%. A new official rate of interest is effective from the first day of the month following the date on which the new repo rate came into operation.



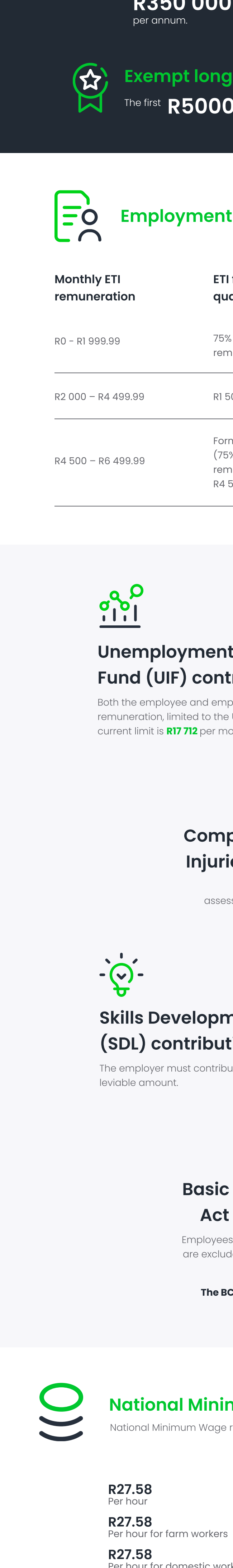
#### Official rate of interest

9.25%

#### Effective date

July 2023

Please click [here](#) to view changes to the repo rate during the tax year.

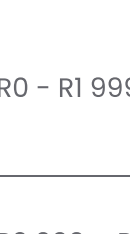


### Residential accommodation fringe benefit

When the formula is used to calculate the fringe benefit, the value of 'B' in the formula will be

**R95 750**

Formula:  $(A - B) \times C / 100 \times D / 12$



### Retirement fund contributions tax deduction limit

The total tax deduction for retirement fund contributions is limited to the lesser of:

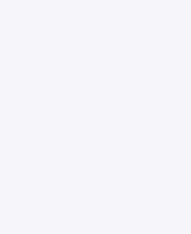
**27.5%** of remuneration (excluding severance benefits and retirement fund lump sums), or

**R350 000** per annum.



### Exempt long service award threshold

The first **R5000** of a qualifying long service award is exempt.



### Employment Tax Incentive (ETI) table

Monthly ETI remuneration	ETI for the first 12 qualifying months	ETI for the next 12 qualifying months
R0 – R1 999.99	75% of monthly ETI remuneration	37.5% of monthly ETI remuneration
R2 000 – R4 499.99	R1 500	R750
R4 500 – R6 499.99	Formula: $R1\ 500 - (75\% \times (\text{monthly ETI remuneration} - R4\ 500))$	Formula: $R750 - (37.5\% \times (\text{monthly ETI remuneration} - R4\ 500))$



### Unemployment Insurance Fund (UIF) contributions limit

Both the employee and employer must contribute **1%** of UIF remuneration, limited to the UIF contribution limit. The current limit is **R17 712** per month effective **1 June 2021**.



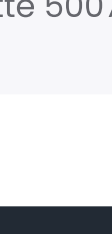
### Compensation for Occupational Injuries and Diseases (OID) limit

The maximum amount of earnings on which an assessment is calculated for 2024/2025 is **R597 328** per annum.



### Skills Development Levy (SDL) contribution

The employer must contribute **1%** of the SDL leviable amount.



### Basic Conditions of Employment Act (BCEA) earnings threshold

Employees earning in excess of the BCEA earnings threshold are excluded from sections 9, 10, 11, 12, 14, 15, 17(2) and 18(3) of the Basic Conditions of Employment Act (BCEA).

The BCEA earnings threshold is **R254 371.67** per annum effective **1 March 2024**.



### National Minimum Wages

National Minimum Wage rates effective 1 March 2024

**R27.58** Per hour

**R27.58** Per hour for farm workers

**R27.58** Per hour for domestic workers

**R15.16** Per hour for workers employed on expanded public works programme

The minimum weekly allowances for workers who have concluded agreements contemplated in section 17 of the Skills Development Act are contained in Schedule 2 of Government Gazette 50073.