

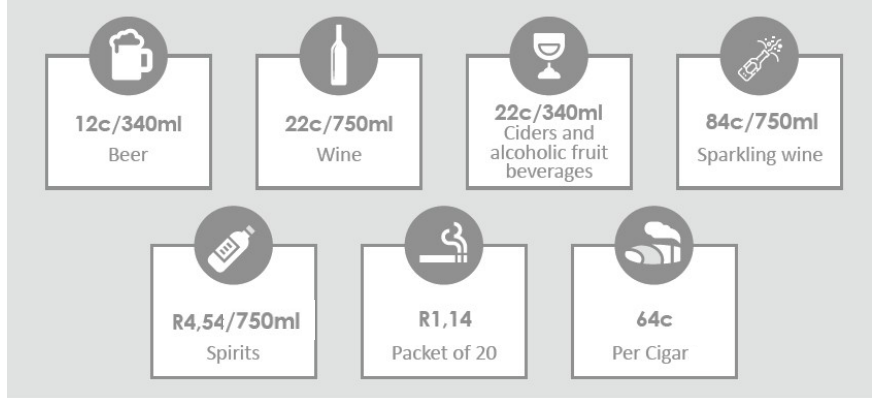
# OVERVIEW | BUDGET SPEECH 2019/2020

## HIGHLIGHTS



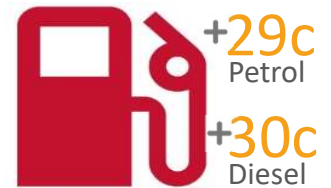
- New measures to increase revenue by R15 billion
- Budget deficit expected to widen to 4.5% of GDP in 2019/2020
- Public sector wage bill to decrease by R27 billion over the next three years
- Early retirement encouraged for 30 000 government employees
- Pay freeze for MP's and public sector executives
- R30 billion allocated to building schools
- R111 billion allocated to free tertiary education
- R3.7 billion to assist emerging farmers acquire land and R1.8 billion for land reform projects
- Further debt guarantee of R6.2 billion for SAA
- Appointment of Chief Restructuring Officer for all SOE's requiring financial support

### EXCISE DUTY INCREASES



### REVISED GDP PROJECTIONS

2018	2019	2020
<b>0.7%</b>	<b>1.5%</b>	<b>1.7%</b>



Medical scheme tax credits unchanged

- R310** Member + first dependant
- R209** Each additional dependant

**R12.8 billion**

will be raised as a result

### PERSONAL INCOME TAX BRACKETS REMAIN UNCHANGED

Taxable income	Rate of Tax
R0 - R195 850	18% of taxable income
R195 851 – R305 850	R35 253 + 26% of the amount above R195 850
R305 851 - R423 300	R63 853 + 31% of the amount above R305 850
R423 301 - R555 600	R100 263 + 36% of the amount above R423 300
R555 601 - R708 310	R147 891 + 39% of the amount above R555 600
R708 311 - R1 500 000	R207 448 + 41% of the amount above R708 310
R1 500 001 and above	R532 041 + 45% of the amount above R1 500 000

**VAT remains @ 15%**

Eskom has been allocated R69 billion over three years to financially support their reconfiguration exercise, subject to the appointment of a Chief Restructuring Officer

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## REBATES AND THRESHOLDS

	2019	2020
Primary Rebate	R 14 067	R 14 220
Secondary Rebate (Over 65)	R 7 713	R 7 794
Tertiary Rebate (Over 75)	R 2 574	R 2 601
Tax Threshold (Under 65)	R 78 150	R 79 000
Tax Threshold (65 and over)	R 121 000	R 122 300
Tax Threshold (75 and over)	R 135 300	R 136 750

**INCREASED**

## INTEREST EXEMPTION

**UNCHANGED**

	2019	2020
Interest Income (Under 65)	R 23 800	Unchanged
Interest Income (65 and over)	R 34 500	

## RETIREMENT LUMP SUM WITHDRAWAL BENEFITS

	2019	2020
Lump Sum Amount	Rate of Tax	Unchanged
R0 - R25 000	Exempt	
R25 001 - R660 000	18% of amount above R25 000	
R660 001 - R990 000	R114 300 + 27% of amount above R660 000	
R990 001 and above	R203 400 + 36% of amount above R990 000	

**UNCHANGED**

## RETIREMENT LUMP SUM BENEFITS OR SEVERANCE BENEFITS

**UNCHANGED**

	2019	2020
Lump Sum Amount	Rate of Tax	Unchanged
R0 - R500 000	Exempt	
R500 001 - R700 000	18% of amount above R500 000	
R700 001 - R1 050 000	R36 000 + 27% of amount above R700 000	
R1 050 001 and above	R130 500 + 36% of amount above R1 050 000	