
MEDIA STATEMENT

2015 TAX LAWS SIGNED INTO LAW BY THE PRESIDENT

The National Treasury today informs the public that the President has signed into law the 2015 Tax Administration Laws Amendment Act No. 23 of 2015 and Taxation Laws Amendment Act No 25 of 2015 that were passed by Parliament last year.

The two Acts were published in Government Gazettes 39586 and 39588, respectively, last Friday 8 January 2016 after the President assented to the two Acts on 24 December 2015. The Rates and Monetary Amounts and Amendment of Revenue Laws Act No. 13 of 2015 was assented to by the President last year and published in Government Gazette 39421 on 17 November 2015. The three laws give effect to the tax proposals announced by the Minister of Finance in the 2015 Budget on 25 February 2015.

The enactment of the 2015 Taxation Laws Amendment Act completes the legislative process to enable the tax harmonisation of retirement fund contributions and benefits, as mentioned in the National Treasury press release of 3 December 2015. The 2015 Taxation Laws Amendment Act increases the *de minimis* threshold for annuitisation from R150 000 (in the 2013 legislation, the Tax Laws Amendment Act No 31 of 2013) to R247 500; and closes certain coverage gaps in the 2013 legislation. The 2013 legislation which also takes effect on 1 March 2016 allows for a tax deduction for all retirement funds up to 27.5% of the greater of taxable income or remuneration, up to a limit of R350 000.

Final regulations relating to retirement reforms pertaining to the determination of fund member category factor and information to be contained in contribution certificates were also signed by the Minister of Finance and published in Government Gazettes 39582 and 39538, respectively.

All the changes relating to retirement reforms will take effect on 1 March 2016.

All the above-mentioned Acts and the Regulations are available on the National Treasury website (www.treasury.gov.za), as well as the 3 December 2015 press release on tax-related retirement reforms.

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