



**MINISTRY: FINANCE
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MEDIA STATEMENT

**OVER RECOVERY OF TAX PAYMENTS FROM EDUCATORS IN THE MOUTSE AREA –
LIMPOPO PROVINCE**

As part of the programme to rollout the cross boundary transfer of personnel and assets between the Limpopo and Mpumalanga provinces, the Mpumalanga province instructed PERSAL on 13 April 2006 to programmatically transfer 2541 educators to the Limpopo province with effect from 01 July 2006.

PERSAL should have obtained an instruction from the Mpumalanga province to also transfer the tax on bonus provision programmatically, which did not happen.

Consequently, PERSAL proceeded with the transfer but excluded the transfer of the IRP5 accumulations based on the instruction received from the Mpumalanga Province not to include the tax accumulations. This led to the unfortunate situation where educators who opted to pay tax bonus provision being over taxed during the tax recalculation on the February 2007 salaries.

We have established that the officials' tax was deducted by the Mpumalanga province and such information was not transferred to the Limpopo province.

I have instructed my officials to correct the over recovery of tax and ensure that the affected educators are reimbursed by Friday, 02 March 2007.

We would like to extend our sincerest apologies to those educators and their families for the inconvenience caused.

Issued by: Ministry of Finance

1 March 2007