



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

PUBLICATION OF GAZETTED REGULATIONS ON INCREASE OF DE-MINIMUS AMOUNT IN RELATION TO WITHDRAWAL FROM RETIREMENT ANNUITY FUNDS AND INCREASE OF UNEMPLOYMENT INSURANCE FUND CONTRIBUTION CEILING

The National Treasury has published the final notices (Government Gazette numbers 4460 and 4461 dated 28 May 2021) to give effect to the 2021 Budget announcements to increase the *de-minimus* amount in relation to withdrawals for paid up annuities and the UIF contribution ceiling.

The Regulations published are the “Notice in terms of Paragraph (b) (x)(cc) of the proviso to the definition of “retirement annuity fund” in section 1 of the Income Tax Act No 58 of 1962” and “Determination of limit on amount of remuneration for purposes of determination of contribution in terms of section 6 of the Unemployment Insurance Act no 4 of 2002”. The Regulations are available on the official Government Printers website and also on both National Treasury and SARS websites at (www.treasury.gov.za) and (www.sars.gov.za).

The gazetting of these Regulations follows an announcement in Chapter 4 of the 2021 Budget Review to increase the *de-minimus* amount in relation to withdrawals from retirement savings for members with paid up annuities from R7 000 to R15 000 and to increase the UIF contribution ceiling from R14 872 to R17 712 per month. The change to the withdrawal threshold is intended to assist households in accessing funds, while the revised UIF contribution ceiling will align with the benefit threshold and provide additional funds to the UIF after a large portion of the available funds have been used for the Temporary Employment Relief Scheme.

Following the Budget announcement, draft Regulations were published for public comment on the National Treasury website on 24 February 2021 and 26 February 2021, respectively. These two draft Regulations dealt with the definition of “retirement annuity fund” in section 1 of the Income Tax Act No 58 of 1962, and the determination of contribution in terms of section 6 of the Unemployment Insurance Act no 4 of 2002 dealing with the increase the UIF contribution ceiling from R14 872 to R17 712 per month. Taxpayers and stakeholders were given more than 30 days to submit their written comments to National Treasury, with the closing date of 31 March 2021. National Treasury received 91 written comments. Following receipt and consideration



of public comments, and after consideration of such comments, further changes were made to for the final Regulations.

The effective date for the Regulation, namely, “Notice in terms of Paragraph (b) (x)(cc) of the proviso to the definition of “retirement annuity fund” in section 1 of the Income Tax Act, 1962” was **1 March 2021** and the effective date for the Regulation, namely, “Determination of limit on amount of remuneration for purposes of determination of contributions in terms of section 6 of the Unemployment Insurance Contribution Act, 2002” was **1 June 2021**.

Issued by National Treasury

Date: 5 July 2021

