

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 2102 [NW2609E]

DATE OF PUBLICATION: 17 AUGUST 2012

2102. Adv A de W Alberts (FF Plus) to ask the Minister of Finance:†

Whether, in the light of the rising cost of living, of predominantly small pensions received by pensioners who contributed to the country's economy, he will consider any form of tax relief specifically for this group of tax payers; if not, why not; if so, what are the relevant details?

NW2609E

REPLY:

The Honourable Member is aware that the Minister of Finance generally only makes new tax announcements on Budget Day, or when responding to specific anti-tax avoidance measures. The question by the Honourable Member is also not entirely clear, as the request for *“any form of tax relief”* is very wide and does not take into account existing tax relief measures. I will focus on existing measures.

The tax announcements made on Budget Day this year indicated that for the tax year 2012/13, taxpayers 65 years and older but younger than 75 years will not pay any personal income tax on taxable income below R99 056 per annum (R8 254.67 per month) and for taxpayers 75 years and older this figure is equal to R100 889 per annum (R9 240.75 per month). It should be noted that this tax free threshold for taxpayers younger than 65 year old is equal to R63 566 per year (R5 296.33 per month). Taxpayers 65 years and older will also not pay any income tax on interest income up to R33 000 per annum.

In addition to the personal income relief already mentioned, additional support for targeted groups is best provided for on the expenditure side of the budget, through efficient government expenditure programmes, including *inter alia* those on education, health, social services and grants.