

**NATIONAL COUNCIL OF PROVINCES**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 483 [CW488E]**

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**483. Mr D Joseph (DA-WC) to ask the Minister of Finance:**

Whether, in light of the current period of low economic growth, he will (a) implement any new or (b) rethink any current initiatives which will encourage and/or benefit senior citizens in their efforts to save money; if not, why not; if so, what are the relevant details? CW588E

**REPLY:**

(a) and (b) The annual Budget takes into account projections on economic growth, including recent trends after the global financial crisis. A number of announcements on retirement savings were made in the 2012 Budget, and further details were published on 14 May 2012 in an overview document "Strengthening Retirement Savings", which is available on the National Treasury website.

The tax announcements made on Budget Day this year also 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 year (R8 254.67 per month) and for taxpayers 75 years and older this figure is equal to R110 889 (R9 240.75 per month). It should be noted that this tax free threshold for taxpayers younger than 65 years 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.

A further announcement in the 2012 Budget included a proposal to introduce tax incentivised individual savings products which will have a tax exemption on both earnings and capital growth. More details can be found in the above overview document, and in a forthcoming discussion paper to be published shortly.