

# STATUTORY LIMITS TABLE



Summarised notes on the taxation of your investment.

## Withholding taxes on Income Distributions

The below are general rates applied and does not detail particulars of exemptions available or the potential application of a reduced rate in terms of certain Double Taxation Agreements.

Tax Type	Income Type	Investor Residency and Exemption Status	Rate of Tax
Dividends Tax	Local Dividend	South African: non-exempt	20%
	Local REIT*	South African: exempt and non-exempt	0%**
Dividends Tax	Local REIT	Non-South African	20%
Dividends Tax	Dividend from a Dual listed share	Non-South African with applicable Exemption provided	0%
Withholding Tax on Interest	Interest from certain instruments specified in Section 50 of the Income Tax Act.	Non-South African: non-exempt	15%

\* Real estate investment trust (REIT).

\*\* Dividends paid by a REIT to a South African resident are subject to income tax, in the hand of the investor.

## Tax Free Savings Account

Contribution Limit	Limit in Rands
Annual Contribution Limit	Local REIT
Lifetime Contribution Limit	Dividend from a Dual listed share

- Capital contributions in excess of the limits are penalised at a rate of 40%.
- Investment returns that are reinvested automatically are not viewed as contributions.
- Investment returns and capital gains are not taxed.

## Tax on Endowments

Policyholder	Interest, rental and foreign dividends	Dividends	Capital Gains Tax Deduction
Natural persons	30%	20% withholding tax	12%
Trusts with natural beneficiaries	30%	20% withholding tax	12%
Companies	28%	Exempt	22.4%

## Tax on Retirement Fund Products

Retirement fund lump sum withdrawal benefits in aggregate from a pension, pension preservation, provident, provident preservation or retirement annuity fund (including assignment in terms of a divorce order):

Taxable Income (Rand)	Rate of Tax (Rand)
0 – 25 000	0% of taxable income
25 001 – 660 000	18% of taxable income above 25 000
660 001 – 990 000	114 300 + 27% of taxable income above 660 000
990 001 and above	203 400 + 36% of taxable income above 990 000

Retirement fund lump sum benefits or severance benefits in aggregate from a pension, pension preservation, provident, provident preservation or retirement annuity fund on death, retirement or termination of employment due to attaining the age of 55 years, sickness, accident, injury, incapacity, redundancy or termination of the employer's trade:

Taxable Income (Rand)	Rate of Tax (Rand)
0 – 500 000	0% of taxable income
500 001 – 700 000	18% of taxable income above 500 000
700 001 – 1 050 000	36 000 + 27% of taxable income above 700 000
1 050 001 and above	130 500 + 36% of taxable income above 1 050 000

- The taxable portion of a lump sum benefit may be reduced by contributions that have not been allowed as a deduction.
- The taxable portion may be impacted by all lump sums previously received.

Income received from a living annuity after retirement is taxed as income in the hands of the annuitant. Investment returns and capital gains are exempt from tax within the living annuity.

## Pension Preservation Fund

The full retirement benefit may be taken as a cash lump sum if the pre-tax value of the benefit, on the date of retirement is R247 500 or less; otherwise only one third of the total value exceeding R247 500 may be taken as a cash lump sum.

## Retirement Annuity Fund

- A client may request a full withdrawal benefit prior to retirement if the market value of the fund is less than R7 000.
- The full retirement benefit may be taken as a cash lump sum if the pre-tax value of the benefit, on the date of retirement is R247 500 or less; otherwise only one third of the total value exceeding R247 500 may be taken as a cash lump sum.

## Interest Exemptions

Interest received by natural persons from a South African source:

- Persons under the age of 65 years: R23 800
- Persons aged 65 years and older: R34 500

## Capital Gains Tax

Inclusion rates and effective rates:

Taxpayer	2018 Inclusion rate	2018 Maximum effective rate
Individuals	40	18
Special Trusts	40	18
Companies	80	22.4
Trusts	80	36

Annual exclusion:

- Natural persons and special trusts: R40 000
- Natural persons in the year of death: R300 000

### Disclaimer

The information provided is sourced from the South African Revenue Service and may change from time to time. The information is based on tax that your investment may attract but is summarised and other tax implications dependent on your own circumstances may be applicable. Ruling South African tax law will take precedence over any information provided and any practices employed by Ashburton Investments. This document and the information provided is not, and should not, be construed as tax advice. We will not be liable for any loss, damages or costs (howsoever arising) from you relying on this information. The above does not constitute tax advice and should you have any queries we suggest you contact a tax advisor.

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