

PAYROLL TAX GUIDE

Tax rates for the year of assessment: 2024/2025

(year of assessment ending 28 February 2025) No change from last year

Taxable Income (R)	Rate of Tax (R)	
1 – 237 100	0	18% of taxable income
237 101 – 370 500	42,678	+ 26% of taxable income above 237 100
370 501 – 512 800	77,362	+ 31% of taxable income above 370 500
512 801 – 673 000	121,475	+ 36% of taxable income above 512 800
673 001 – 857 900	179,147	+ 39% of taxable income above 673 000
857 901 – 1 817 000	251,258	+ 41% of taxable income above 857 900
1 817 001 and above	644,489	+ 45% of taxable income above 1 817 000

Tax rebates INDIVIDUALS

Age	2024	2025
Primary (below 65)	R17,235	R17,235
Secondary (65 and older)	R9,444	R9,444
Tertiary (75 and older)	R3,145	R3,145

Tax Thresholds INDIVIDUALS

Age	2024	2025
Primary (below 65)	R95,750	R95,750
Secondary (65 and older)	R148,217	R148,217
Tertiary (75 and older)	R165,689	R165,689

Deductions (INDIVIDUALS)

Medical Scheme Fees Tax Credit per month

Type of person	2024	2025
Main Member	364	364
Main Member + one dependant	728	728
Additional credit per additional dependant	246	246

Local Interest Exemption (INDIVIDUALS)

Type of person	2024	2025
Younger than 65 years	23,800	23,800
65 years or older	34,500	34,500
From 1 March 2023, this exemption will be reduced proportionally (based on 365/366 days) where the individual has a year of assessment less than 12 months		

Estate Duty Tax

Description	2024	2025
Estate Duty: First R 30 Million	20%	20%
Estate duty Above R 30 Million	25%	25%
Abatement for determining dutiable amount	3,500,000	3,500,000

Donations Tax

Description	2024	2025
Annual exemption: Natural persons	100,000	100,000
Annual exemption: Others (subject to apportionment)	10,000	10,000
Tax rate: First R 30 million	20%	20%
Tax rate: Above R 30 million	25%	25%
The R 30 million aggregate value is determined for donations made from 1 March 2018 to date		

Fringe Benefits

Type of fringe benefit or allowance	2024	2025
Subsistence Allowance: deemed expenditure per day		
South Africa: Only incidental costs	161	169
South Africa: Meals and incidental costs	522	548
Outside South Africa	Per country	Per country
Exempt Bursary to relative of employee		
Remuneration Proxy limit	600,000	600,000
Relative of employee - no disability		
Grade R to 12 and NQF 1 - 4	20,000	20,000
NQF 5 - 10	60,000	60,000
Relative of employee - with disability		
Grade R to 12 and NQF 1 - 4	30,000	30,000
NQF 5 - 10	90,000	90,000
Employer provided low-cost housing/loans		
Remuneration proxy limit	250,000	250,000
Limit on market value of immovable property	450,000	450,000
Employees' accommodation "B" in formula	95,750	95,750
Accommodation: Non-resident employees (monthly)	25,000	25,000
Awards for bravery and long-service	5,000	5,000
Staff loans: loan limit for no value interest benefit	3,000	3,000
Reimbursive Travel Allowance: Non-taxable	4.64	4.84
Employer -owned vehicles - Monthly determined value		
Not subject to a maintenance plan	3.50%	3.50%
Subject to a maintenance plan	3.25%	3.25%
Travel allowance /vehicle fringe benefit subject to PAYE	80%	80%
Travel allowance /vehicle fringe benefit subject to PAYE where business travel is at least 80% of the year	20%	20%
Travel allowance: actual costs		
Vehicle owned: Limit on vehicle cost and debt	800,000	800,000
Vehicle held under operating lease	Fixed cost plus fuel	

Travel Costs

Deemed expenditure - 2024/2025

Value of the vehicle (incl VAT) (R)	Fixed Cost (R)	Fuel (c)	Maintenance (c)
0 – 100 000	34480	151.70	46.00
100 000 – 200 000	61770	169.40	57.60
200 000 – 300 000	89119	184.00	63.50
300 000 – 400 000	113436	197.90	69.30
400 000 – 500 000	137752	211.80	891.50
500 000 – 600 000	163178	243.00	95.60
600 000 – 700 000	188653	247.10	107.30
700 000- 800 000	215447	251.20	118.90
800 001 - and above	215447	251.20	118.90

Deemed expenditure - 2023/2024

Value of the vehicle (incl VAT) (R)	Fixed Cost (R)	Fuel (c)	Maintenance (c)
0 – 100 000	33760	141.50	43.80
100 000 – 200 000	60329	158.00	54.80
200 000 – 300 000	86958	171.70	60.40
300 000 – 400 000	110554	184.60	65.90
400 000 – 500 000	134150	197.60	77.50
500 000 – 600 000	158856	226.60	91.00
600 000 – 700 000	183611	230.50	102.10
700 000- 800 000	209685	234.30	113.10
800 001 - and above	209685	234.30	113.10

The fixed cost must be reduced on a pro-rata basis if the vehicle for business purposes for less than a full year. The actual distance travelled during a tax year and the distance travelled for business purposes substantiated by a log book are used to determine the costs a travelling allowance. which may be claimed against

Alternatively:

- Where the distance travelled for business purposes does not exceed 12 000 kilometres per annum, no tax is payable on an allowance paid by an employer to an employee up to the rate of 484 cents per kilometre, regardless of the value of the vehicle.
- This alternative is not available if other compensation in the form of an allowance or reimbursement (other than for parking or toll fees) is received from the employer in respect of the vehicle.

Retirement Benefits

Retirement fund lump sum or severance benefit tax table

Years of assessment ending 29 February 2024 and 28 February 2025

Taxable Income	Tax Rate
0 - 550 000	0%
550 001 - 770 000	18% above 550 000
770 001 - 1 155 000	39,600 + 27% above 550 000
1 155 001 - and above	143,550 + 36% above 1 15 000

Retirement fund lump sum withdrawal benefit tax table

Years of assessment ending 29 February 2024 and 28 February 2025

Taxable Income	Tax Rate
0 - 27 500	0%
27 501 - 726 000	18% above 27 500
726 001 - 1 089 000	125,730 + 27% above 726 000
1 089 001 and above	223,740 +36% above 1 089 000

Amounts contributed to pension, provident and retirement annuity funds during a tax year are deductible by members of those funds
Amounts contributed by employers and taxed as fringe benefits are treated as contributions by the individual employee

Skills Development Levy

A skills development levy is payable by employers at a rate of 1% of the total remuneration paid to employees. Employers paying annual remuneration of less than R500 000 are exempt from the payment of Skills Development Levies

Unemployment Insurance Fund Contributions

Unemployment insurance contributions are payable monthly by employers on the basis of a contribution of 1% by employers and 1% by employees, based on employees' remuneration below a certain amount. Employers not registered for PAYE or SDL purposes must pay the contributions to the Unemployment Insurance Commissioner