

Budget Speech 2021



R9bn Covid-19 vaccine

As South Africans unite in fighting the second wave of the Covid-19 infections, hope is restored as the country prepares for a vaccination programme.

Taxpayers anticipated a substantial tax hike aimed at bankrolling the procurement of vaccines. However, a wave of elated relief was felt as Finance Minister Tito Mboweni presented the 2021 Budget Speech and announced that the personal income tax brackets and rebates will increase by 5%, providing relief to individual tax payers who will pay less income tax this tax year than in the previous year.

[Sanlam Tax Calculator](#) 

5%
Increase

TAXABLE INCOME



18%
marginal rate

26%
marginal rate

31%
marginal rate

	R10 000	R25 000	R35 000
Current monthly salary *	R10 000	R25 000	R35 000
Current annual salary	R120 000	R300 000	R420 000
Annual tax using 2020 table	R6 642	R46 570	R82 690
Annual tax using 2021 table	R5 886	R44 990	R80 300
Annual take-home Difference	(R756)	(R1 580)	(R2 390)
Additional take home pay per month	R63	R132	R199



MEDICAL EXPENSES



Family of 2

2020 you received R638 p.m.
2021 you will receive R664 p.m.

A saving of R312 p.a.



Family of 4

2020 you received R1 068 p.m.
2021 you will receive R1 112 p.m.

A saving of R528 p.a.

*We did not take into account any salary increases you may receive in 2021

SIN TAXES

8%
Increase



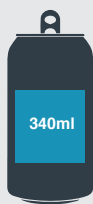
Wine



- 1 bottle a week
- R75 per bottle
- 26c increase p/bottle

2021 / R3 914 p.a.

Beer



- 6 cans p/week
- R13 p/can
- 14c increase p/can

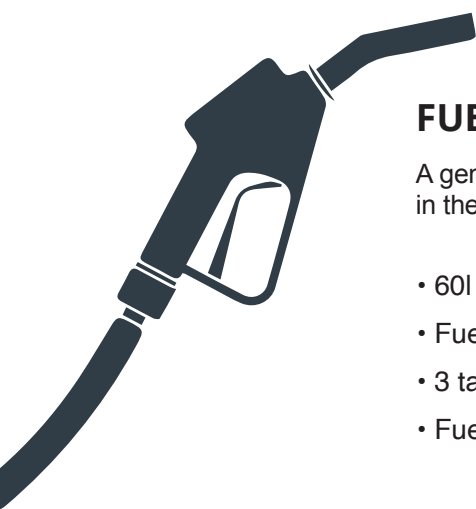
2021 / R4 101 p.a.

Cigarettes



- 1 packet p/day
- R40 p/packet
- R1.39 increase p/packet

2021 / R15 107 p.a.



FUEL TAXES

A general fuel levy increase of 15c/litre for petrol and diesel, and an increase of 11c/litre in the Road Accident Fund levy, and a carbon tax increase of 1c/litre.

- 60l tank
- Fuel levy, RAF and carbon tax of 27c
- 3 tanks p/month
- Fuel price R15.50 (93 octane)

2020 / You paid
R 33 480

2021 / You will pay
R 34 020

Total fuel for the year



SOCIAL GRANTS

Despite the challenging economic times a yearly increment of the social grant was provided, although less than inflation.

	2020	2021	INCREASE
Old age/disability	R1 860 p.m.	R1 890 p.m.	R30 p/month
Foster care	R1 040 p.m.	R1 050 p.m.	R10 p/month
Child support	R445 p.m.	R460 p.m.	R15 p/month

UIF CONTRIBUTION CEILING

The maximum contribution ceiling for UIF moves from R14 842 to R17 712, aligning it to the maximum benefit. This increases the maximum contribution from R148.42 to R177.12, **an increase of R28.70 per month**. The UIF benefit provision assisted 13.9 million workers in the last year.

SARS Notice issued on 26 February 2021: The Minister of Finance, after consultation with the Minister of Labour and the Unemployment Insurance Commission withdrew the increase of R28.70 p.m.

TAX-FREE SAVINGS ACCOUNT



Remains unchanged

R36 000 p/annum