



# **GUIDE FOR EMPLOYERS**

  

## **IN RESPECT OF TAX DEDUCTION TABLES**

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## 1 PURPOSE

- a) The purpose of this document is to assist employers in determining the amount of employees' tax to be deducted from remuneration paid/payable according to the prescribed tax deduction tables.

## 2 SCOPE

- a) This basic guide is issued by the South African Revenue Service (SARS) to employers to assist them in calculating the amount of employees' tax deductible from the remuneration including variable remuneration paid/payable to employees. It further explains the different methods that employers are allowed to apply in this calculation process.

## 3 PRESCRIBED TAX RATES

**Reference to the Act** Paragraphs 9(1), (2), 10 and 11 of the Fourth Schedule  
Sections 5 and 6 of the IT Act  
Section 27(1) of the Public Finance Management Act.

**Meaning** The new tax rates chargeable shall be announced by the Minister of Finance in his / her National Annual Budget as contemplated in the Public Finance Act with effect from a date or dates mentioned in the announcement.

Any changes with regard to the rates shall come into effect on the date or dates determined by the Minister of Finance in that announcement and continues to apply for a period of 12 months from that date.

**When to use the tables** In the absence of a tax directive to the contrary as prescribed in Paragraphs 10 and 11 of the Fourth Schedule, employers must make use of the deduction tables prescribed by the Commissioner or use the statutory rates as an alternative.

**Implementation of new rates of tax** The new tax rates must be implemented by employers as soon as possible as contained in the Government Gazette by no later than 1 April of a tax year and employees' tax must be calculated according to these new rates.

Any **over deduction** of employees' tax arising as a result of the implementation of new rates not in the employer's possession on 1 March of each new tax year, may be refunded to the employee as soon as new rates (tables) are implemented.

Any **under deduction** of employees' tax arising as a result of the implementation of new rates not in the employer's possession on 1 March of the new tax year, may be adjusted over the remainder of the new tax year (from the date of implementation until 28 February).

**Employee leaves employment before introduction of new tables** If an employee leaves your employment after 1 March of the new tax year but before the implementation of the new rates, the employees' tax deductions made in accordance with the previous rates are regarded as final.

Rebates for individuals which are prescribed in section 6 of the Income Tax Act are deducted from the normal tax determined according to the statutory rates of tax.

## 4 STATUTORY RATES OF TAX

### Tax Tables for Individuals and Trusts

#### 2025/2026 Tax Year (1 March 2026 to 28 February 2027)

TAXABLE INCOME (R)	RATES OF TAX (R)
0 – R 245 100	18% of taxable income
R 245 101 – R 383 100	R 44 118 + 26% of taxable income above R 245 100
R 383 101 – R 530 200	R 79 998 + 31% of taxable income above R 383 100
R 530 201 – R 695 800	R 125 599 + 36% of taxable income above R 530 200
R 695 801 – R 887 000	R 185 215 + 39% of taxable income above R 695 800
R 887 001 – R 1 878 600	R 259 783 + 41% of taxable income above R 887 000
R 1 878 601 and above	R 666 339 + 45% of taxable income above R 1 878 600

Tax rebates applicable to individuals	2027
Primary rebate	R 17 820
Secondary rebate (for persons 65 years and older)	R 9 765
Tertiary rebate (for persons 75 years and older)	R 3 249

Tax thresholds applicable to individuals	2027
Persons under 65 years	R 99 000
Persons 65 years and older	R 153 250
Persons 75 years and older	R 171 300

The rebates for individuals must be deducted from normal tax determined according to statutory rates of tax.

- The primary rebate is deductible for all individuals.
- The secondary rebate may only be applied for individuals who will be 65 years or older on the last day of the relevant year of assessment.
- The tertiary rebate is deductible only for individuals who will be 75 years or older on the last day of the relevant year of assessment.
- With effect from 1 March 2014, the Medical Scheme Fees Tax Credit for individuals is a rebate which applies in respect of contributions paid by the taxpayer during the year of assessment to a registered medical scheme. The amount of the rebate (tax credit) is based on the following values per month in the year of assessment in respect of which the contributions were paid in respect of the taxpayer himself/herself, his/her spouse and any dependant of the taxpayer.

Medical scheme fees tax credit	2027
For the taxpayer	R376
For the first dependant	R376
For each additional dependant	R254

## 5 DIFFERENT VERSIONS OF TAX DEDUCTION PROGRAMS

**Differences between tables and tax programs** Small differences may occur between the manual tables, and other computer programs based on the statutory rates of tax. These methods are acceptable in terms of the Income Tax Act provided that the results are within the provisions of this Act.

**Other computer programs** Employers may use computer programs that render the same results, as the results that the employers receive when using the statutory rates of tax. Where an employer uses a computerised payroll or his/her/its own created payroll program, the instructions and guidelines as prescribed by SARS must still be followed.

## 6 EXPLANATION ON HOW TO USE THE TAX DEDUCTION TABLES

**Weekly tables** A weekly remunerated employee under the age of 65 receives a weekly wage of R3 600 and contributes R160 to a pension fund as well as R200 to a registered medical scheme in respect of himself/herself and one dependant.

Weekly wage	R3 600
Less: allowable pension fund contributions	R 160
Balance of remuneration	R3 440
Employees' tax on balance of remuneration according to the weekly tax tables	R 276
Less: Medical Scheme Fees Tax Credit (R376+R376 p/m ÷ 4 weeks)	R 188
Amount of Tax to be deducted	R 88

**Fortnightly tables** A fortnightly remunerated employee under the age of 65 receives a fortnight wage of R8 980 and contributes R320 to a pension fund and R160 to a retirement annuity fund as well as R390 to a registered medical scheme in respect of himself/herself and one dependant.

Fortnight wage	R8 980
Less: allowable pension fund contributions	R 320
Less: allowable retirement annuity fund contributions	R 160
Balance of remuneration	R8 500
Employees' tax on balance of remuneration according to the fortnightly tax tables	R 844
Less: Medical Scheme Fees Tax Credit (R376+R376 p/m ÷ 2 weeks)	R 376
Amount of Tax to be deducted	R 468

**Monthly tables** A monthly remunerated employee under the age of 65 receives a salary of R18 600 and contributes R775 per month to a pension fund and R325 per month to a retirement annuity fund as well as R900 to a registered medical scheme in respect of himself/herself and one dependant.

Monthly salary	R 18 600
Less: allowable pension fund contributions	R 775
Less: allowable retirement annuity fund contributions	R 325
Balance of remuneration	R 17 500
Employees' Tax on balance of remuneration according to the monthly tax tables	R 1 660
Less: Medical Scheme Fees Tax Credit (R376+R376 p/m)	R 752
Amount of Tax to be deducted	R 908

**Annual tables** An employee under the age of 65 received a salary (retirement funding income) of R15 500 per month and contributes R300 per month to a pension fund as well as R1 000 per month to a registered medical scheme in respect of himself/herself and one dependant.

Annual salary (R15 500 x 12)	R 186 000
Less: allowable pension fund contributions	R 3 600
Balance of remuneration	R 182 400
Employees' tax on balance of remuneration according to the annual tax tables	R 14 984
Less: Medical Scheme Fees Tax Credit (R376+R376 p/m x 12)	R 9 024
Amount of Tax to be deducted	R 5 960

## 7 REFERENCES

### 7.1 LEGISLATION

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Sections 5 and 6, Paragraphs 9(1), (2) and 10 of the Fourth Schedule to the <b>Income Tax Act No.58 of 1962</b> Section 27 of the <b>Public Finance Management Act No. 1 of 1999</b> <b>Tax Administration Act No. 28 of 2011</b> <b>The Employment Tax Incentive Act No. 26 of 2013</b>
Other Legislation:	None

### 7.2 CROSS REFERENCES

DOCUMENT #	DOCUMENT TITLE
PAYE-GEN-01-G01-A01	Weekly tax deduction tables
PAYE-GEN-01-G01-A02	Fortnightly tax deduction tables
PAYE-GEN-01-G01-A03	Monthly tax deduction tables
PAYE-GEN-01-G01-A04	Annual tax deduction tables
PAYE-GEN-01-G02	Guide for Employers in respect of Fringe Benefits
PAYE-GEN-01-G03	Guide for Employers in respect of Allowances
PAYE-GEN-01-G21	Guide for employer in respect of Employees' Tax for 2027
PAYE-GEN-01-G05	Guide for Employers in respect of Employment Tax Incentive
SDL-GEN-01-G01	Guide for Employers in respect of SDL
UIF-GEN-01-G01	Guide for Employers in respect of UIF

## 8 DEFINITIONS AND ACRONYMS

Link for centralised definitions, acronyms, and abbreviations: [Glossary A-M | South African Revenue Service \(sars.gov.za\)](https://www.sars.gov.za/glossary)

### DISCLAIMER

The information contained in this guide is intended as guidance only and is not considered to be a legal reference, nor is it a binding ruling. The information does not take the place of legislation and readers who are in doubt regarding any aspect of the information displayed in the guide should refer to the relevant legislation or seek a formal opinion from a suitably qualified individual.

#### For more information about the contents of this publication you may:

- Visit the SARS website at [www.sars.gov.za](http://www.sars.gov.za)
- Visit your nearest SARS branch
- Contact your own tax advisor/tax practitioner
- If calling from within South Africa, contact the SARS Contact Centre on 0800 00 SARS (7277)
- If calling from outside South Africa, contact the SARS Contact Centre on +27 11 602 2093 (only between 8am and 4pm South African time).