

EXTERNAL GUIDE

GUIDE FOR EMPLOYERS

IN RESPECT OF TAX DEDUCTION TABLES

REVISION HISTORY TABLE

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1 PURPOSE

- This guide in its design, development, implementation and review phases is guided and underpinned by the SARS Strategic Plan 2020/21 – 2024/25 and the applicable legislation. Should any aspect of this guide conflict with the applicable legislation the applicable legislation will take precedence.
- 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

- 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

2024/2025 Tax Year (1 March 2024 to 28 February 2025)

TAXABLE INCOME (R)	RATES OF TAX (R)
0 – R 237 100	18% of taxable income
R 237 101 – R 370 500	R 42 678 + 26% of taxable income above R 237 100
R 370 501 – R 512 800	R 77 362 + 31% of taxable income above R 370 500
R 512 801 – R 673 000	R121 475 + 36% of taxable income above R 512 800
R 673 001 – R 857 900	R179 147 + 39% of taxable income above R 673 000
R 857 901 – R 1 817 000	R251 258 + 41% of taxable income above R 857 900
R 1 817 001 and above	R644 489 + 45% of taxable income above R 1 817 000

Tax rebates applicable to individuals	2025
Primary rebate	R17 235
Secondary rebate (for persons 65 years and older)	R 9 444
Tertiary rebate (for persons 75 years and older)	R 3 145

Tax thresholds applicable to individuals	2025
Persons under 65 years	R 95 750
Persons 65 years and older	R148 217
Persons 75 years and older	R165 689

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	2025
For the taxpayer	R364
For the first dependent	R364
For each additional dependent	R246

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 use 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 R190 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 287
Less: Medical Scheme Fees Tax Credit (R364+R364 p/m ÷ 4 weeks)	R 182
Amount of Tax to be deducted	R 105

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 R150 to a retirement annuity fund as well as R380 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 150
Balance of remuneration	R8 510
Employees' tax on balance of remuneration according to the fortnightly tax tables	R 866
Less: Medical Scheme Fees Tax Credit (R364+R364 p/m ÷ 2 weeks)	R 364
Amount of Tax to be deducted	R 502

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 R800 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 1 705
Less: Medical Scheme Fees Tax Credit (R364+364 p/m)	R 728
Amount of Tax to be deducted	R 977

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 R800 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 15 569
Less: Medical Scheme Fees Tax Credit (R364+364 p/m x 12)	R 8 736
Amount of Tax to be deducted	R 6 833

7 REFERENCES

7.1 LEGISLATION

Legislation and Rules administered by SARS:	Sections 5 and 6, Paragraphs 9(1), (2) and 10 of the Fourth Schedule to the Income Tax Act No.58 of 1962 Section 27 of the Public Finance Management Act No. 1 of 1999 Tax Administration Act No. 28 of 2011 The Employment Tax Incentive Act No. 26 of 2013
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-G03-A01	Rate per Kilometre Schedule
PAYE-GEN-01-G03-A02	Subsistence Allowance in respect of Foreign Travel
PAYE-GEN-01-G19	Guide for employer in respect of Employees' Tax for 2025
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
- 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).