

DEDUCTIBILITY OF RETIREMENT FUND CONTRIBUTIONS

Current position		Changes effective from T-day
Member contributions	The tax deduction that a member of a retirement fund can claim for his/her contributions will differ, depending on whether he/she is a member of a retirement annuity, pension or provident fund.	A member's contributions will be tax deductible irrespective of whether the contributions are made to a retirement annuity, pension or provident fund.
Employer contributions	Employer contributions to pension and provident funds are tax deductible up to 20% of approved remuneration.	Employer contributions to pension, provident and retirement annuity funds will have unlimited tax deductibility.
Retirement Annuity	<p>Member tax deduction: The greater of:</p> <p>15% of non-retirement funding income or R3500 minus deductible pension fund contributions or R1750</p>	<p>Member tax deduction:</p> <ul style="list-style-type: none"> • Members can claim a deduction on all their combined contributions to retirement funds up to 27.5% of the greater of remuneration or taxable income, subject to an annual monetary cap of R350 000 • Any payments made by an employer will be regarded as a fringe benefit in the hands of the employee-member • Members can claim a corresponding tax deduction against the value of the fringe benefit of up to the new deductible limits • Members will be able to deduct both their and their employer's contributions
Pension Fund	<p>Member tax deduction : The greater of: 7.5% of retirement funding income or R1750</p>	
Provident Fund	Member: None	