

Practice Note 311b

SARS Para 2(2B) tax directives i.r.o. annuitants receiving more than one source of income

March 2022



Dear Financial Advisor

Further to Practice Note 311, SARS has recently provided Ninety One Investment Platform (Pty) Ltd (Ninety One IP) with an updated bulk tax directive file to withhold tax at a higher rate for a number of our annuity investors, taking into account changes to the 2022/2023 PAYE tax tables.

In line with SARS's recent communication, Ninety One IP will be applying these 2022/2023 tax directive rates with effect from 1 April 2022, and no longer from 1 March 2022 as previously communicated.

Please be reminded that annuitants may request the administrator to apply the normal PAYE rates (therefore to "opt out" of the directive tax rate) at any time, or alternatively they may request the administrator to withhold tax at a higher rate. Annuitants who wish to amend their tax rate must make use of our 'Change of tax details' form which is available at www.ninetyone.com.

Tax rates are annualised. This means that Ninety One IP may be required to deduct smaller/larger amounts of tax from the remaining income for the tax year, if there are any changes to the tax rate during the tax year.

Annuitants who 'opt out' of the tax directive rate must be aware that the PAYE tax withheld may be insufficient to cover their tax liability upon assessment.

If you have any queries, please contact our Advisor Service Centre on 0860 444 487.

Yours faithfully

A handwritten signature in black ink, appearing to read "Janine Langenhoven".

Janine Langenhoven
Legal Counsel

A handwritten signature in black ink, appearing to read "Lallie Lategan".

Lallie Lategan
Head of Service and Operations

Important information

All information and opinions provided are of a general nature and are not intended to address the circumstances of any particular individual or entity. We are not acting and do not purport to act in any way as an advisor or in a fiduciary capacity. No one should act upon such information or opinion without appropriate professional advice after a thorough examination of a particular situation. We endeavour to provide accurate and timely information, but we make no representation or warranty, express or implied, with respect to the correctness, accuracy or completeness of the information and opinions. We do not undertake to update, modify or amend the information on a frequent basis or to advise any person if such information subsequently becomes inaccurate. Any representation or opinion is provided for information purposes only. Ninety One Investment Platform Proprietary Limited and Ninety One SA (Pty) Ltd are authorised financial services providers.