

# All you need to know for the 2013 tax season

## Who needs to register for income tax?

The South African Revenue Service (SARS) requires everyone who receives employment income, including those below the tax threshold, to register for income tax.

## Who is required to submit an income tax return to SARS?

Everyone who earns an income is required to submit a completed and signed income tax return to SARS, unless they meet all of the following requirements (according to SARS' current practice):

- They earn an income of less than R120 000 for a tax year (i.e. from 1 March to 28 February)
- Their full income is earned from one source (i.e. the Allan Gray Living Annuity)
- Their income does not include any other allowances or deductions

For the 2012/2013 tax year, the taxable income threshold for individuals on which no tax is payable is as follows:

- Below age 65 R63 556
- Age 65 and below 75 R99 056
- Age 75 and over R110 889

Once these thresholds have been exceeded, the specific rates at which individuals are taxed depend on the amount of taxable income received. A year of assessment for an individual consists of twelve months starting from 1 March and ending on the last day of February of the following year.

## What is an income tax return?

This is a declaration of income earned and capital gains or losses realised in a tax year (i.e. from 1 March to 28 February). If your clients are required to submit an income tax return (see above requirements) they will need to complete and file a tax return each year during SARS' tax filing period. More information on the filing period and processes is available at [www.sars.gov.za](http://www.sars.gov.za).

## Dividend Withholding Tax

Dividend Withholding Tax (DWT) came into effect on 1 April 2012. It is a withholding tax that falls outside of the normal tax rules (i.e. the rules that govern the calculation of an individual's personal income tax return calculation). Dividends are taxable in the hands of the investor for dividends tax purposes, but remain exempt for income tax purposes.

We are required to deduct DWT at the applicable rate (e.g. 15%) from the value of your clients' dividends and pay it to SARS. The way in which your clients complete their income tax return is not affected in any way. They should include all local gross dividends they have received in the 'exempt dividends' field on their income tax return.

## Which tax certificate will you receive?

Tax certificate or statement	Tax certificate description	Product
IRP5 / IT3(a)	This certificate is used to report: <ul style="list-style-type: none"> <li>• Where tax has been deducted – IRP5</li> <li>• Where tax has not been deducted – IT3(a)</li> </ul>	<ul style="list-style-type: none"> <li>• Allan Gray Living Annuity</li> <li>• Allan Gray Pension and Provident Preservation funds</li> <li>• Allan Gray Retirement Annuity Fund</li> </ul>
IT3(b)	This certificate is used to report interest and dividends for local and offshore investments.	<ul style="list-style-type: none"> <li>• Allan Gray Unit Trust</li> <li>• Investments on the Allan Gray Local Platform</li> <li>• Investments on the Allan Gray Offshore Platform</li> </ul>
IT3(c)	This certificate is used to report capital gains and losses for local and offshore investments.	<ul style="list-style-type: none"> <li>• Allan Gray Unit Trust</li> <li>• Investments on the Allan Gray Local Platform</li> <li>• Investments on the Allan Gray Offshore Platform</li> </ul>

Offshore annual statement	This statement can be used to calculate capital gains and losses. It is issued to investors who cannot receive an IT3(c) because of insufficient transfer details regarding their weighted average unit cost supplied from their transferring company.	Investments on the Allan Gray Offshore Platform
Retirement annuity fund contribution certificate	This certificate provides a record of retirement annuity fund contributions made during the tax year.	Allan Gray Retirement Annuity Fund

## How will your clients receive their tax certificates?

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We will send your clients their tax certificates according to their communications preference (i.e. email or post). Alternatively, they can access their tax certificates from the secure section of our website (under the 'Tax certificates' tab) or by calling our Client Service Centre on 0860 000 654. Your clients' tax certificates will reach them by the time the 2013 filing season starts.

## Joint accounts

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We issue tax certificates or statements in the name of the joint account holders, but only include the primary account holder's ID number. Each joint account holder is required to submit the tax certificate to SARS detailing how the investment is split between the account holders.

## Taxpayer season

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The 2013 taxpayer season will commence on 1 July 2013. The deadlines are as follows:

- 1 July 2013 - 27 September 2013 (for non-provisional and provisional taxpayers who submit their tax returns manually)
- 1 July 2013 - 22 November 2013 (for non-provisional taxpayers who submit their returns via eFiling)
- 1 July 2013 - 31 January 2014 (for provisional taxpayers who submit their returns via eFiling)