



**the dpsa**

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## **HEADS: NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS**

### **IMPLICATIONS OF 2022 TAX AMENDMENTS ON THE SENIOR MANAGEMENT SERVICE (SMS), MIDDLE MANAGEMENT SERVICE (MMS) AND OCCUPATION SPECIFIC DISPENSATIONS (OSD)**

1. The Minister of Finance announced the following tax amendments, effective from 1 March 2022 (2023 tax year):
  - 1.1. Revised income tax rates, of which the details are available from the SA Revenue Service (SARS).
  - 1.2. The following revised medical scheme contribution tax credits:
    - 1.2.1. R347 per month (R4 164 per annum) for the principal member of the medical aid scheme.
    - 1.2.2. Additional R347 per month (R4 164 per annum) for the 1<sup>st</sup> dependant.
    - 1.2.3. Additional R234 per month (R2 808 per annum) for each further (additional) dependant.
  - 1.3. Revised primary rebate of R16 425 per annum.
2. Due to these amendments, approval is granted to SMS and MMS members and affected OSD employees, **who so wish**, to restructure the flexible portion of their Total Cost-to-Employer (TCE) packages, with effect from 1 April 2022.

3. Please note that this approval does not pertain to once-off choices by members to the percentage that constitutes the basic (pensionable) salary in their TCE packages.
4. The 2022 SMS, MMS and OSD Models, which serve as tools to members and employees to structure their packages, have been updated and are available on the DPISA website: [https://www.dpsa.gov.za/policy-updates/nlrrm/remuneration-policy/models to structure remuneration packages/](https://www.dpsa.gov.za/policy-updates/nlrrm/remuneration-policy/models-to-structure-remuneration-packages/).
5. Departments are requested to inform SMS and MMS members and affected OSD employees accordingly.



**MS YOLISWA MAKHASI**  
**DIRECTOR-GENERAL**  
DATE: 28/03/2022