

SARS PAYE deduction percentage

Paragraph 2(2B) directive instruction

Declaration by an annuitant who had received a PAYE fixed percentage tax rate directive in terms of Paragraph 2 (2B) of the Fourth Schedule to the Income Tax Act from the South African Revenue Service (SARS) and would like to opt out (not apply the PAYE fixed percentage tax rate directive) or opt in (apply the PAYE fixed percentage tax rate), to any annuity income being received from Momentum.

Notes on completion of this instruction

1. This declaration must be completed by annuitants who receive income from an annuity at Momentum and who would like to opt out of the PAYE fixed percentage tax rate directive received from SARS.
 - 1a. This declaration can also be submitted by annuitants who previously opted out of the PAYE fixed percentage tax rate directive received from SARS, and now want to opt back in by selecting a preferred tax rate equal to the initial PAYE fixed percentage rate directive.
2. The annuitant understands that if they opt out and opt for the standard PAYE tax tables, this may result in a tax debt on assessment.
3. SARS will advise Momentum of the PAYE fixed percentage tax rate directives.
4. As an annuitant, you have the right to not accept the paragraph 2(2B) directive (opt out) at any stage during the tax year, provided that you complete this opt out instruction form and send the instruction to us, confirming your choice and that you understand the potential implications of opting out.

Explanatory notes on tax rates

SARS fixed tax rate % - This is the fixed rate issued by SARS on an annual basis

The SARS fixed tax rate % as provided by SARS in terms of Paragraph 2 (2B) of the Fourth Schedule to the Income Tax Act will be applicable to annuity income earners where multiple sources of income have been identified by SARS. Therefore, not all annuity income earners are necessarily impacted. This rate is expected to be provided by SARS on an annual basis.

Annuitant preferred tax rate % - The preferred tax rate % as selected by the annuitant

This rate should in principle always be higher than the Income tax table rate % calculated by default on all annuity income transactions. No verification or approval from SARS is required.

NOTE: If this rate has been selected and is lower than the income tax table rate %, Momentum will apply the income tax table rate %.

Reduced tax directive rate % - This is not your paragraph 2(2B) tax rate directive that SARS sent to US

This is a directive that the annuitant may have received from SARS and that is usually lower than the SARS standard Pay-As-You-Earn tax tables % and only applies to Double Taxation Agreements. The annuitant will need to follow the RST01 process with SARS to apply for such directive.

NOTE: a commission income earner directive does not qualify as a reduced tax directive on annuity income. This directive is only applicable to a specific contract referred to on the directive and not across all annuity contracts.

Income tax tables tax rate % - Tax rate % based on the SARS standard Pay-As-You-Earn tax tables.

The Momentum Tax aggregation calculator combines all the annuity income linked to an annuitant's ID number across their Momentum Investments and Momentum Retail portfolios and then applies the expected annual income to the SARS standard Pay-As-You-Earn tax tables.

Contract number

1 Annuitant details

1.1 Personal details

Title	<input type="text"/>	Initials	<input type="text"/>	First name(s)	<input type="text"/>
Surname	<input type="text"/>			Previous surname(s)	<input type="text"/>
ID/Passport number (if foreign national)	<input type="text"/>			Date of birth	<input type="text"/>
Expiry date of passport	<input type="text"/>	<input type="text"/>	<input type="text"/>	Passport country of issue	<input type="text"/>
Nationality	<input type="text"/>			Country of birth	<input type="text"/>
Citizenship	<input type="text"/>			Country of residence	<input type="text"/>
Physical address	Unit number	<input type="text"/>	Complex	<input type="text"/>	
	Street number	<input type="text"/>	Street name/farm	<input type="text"/>	
	Suburb/district	<input type="text"/>			
	City/town	<input type="text"/>			
	Postal code	<input type="text"/>		Country code	<input type="text"/>
Income tax reference number	<input type="text"/>				

1.2 Communication details

Cell phone number	<input type="text"/>	Other	<input type="text"/>
Email address	<input type="text"/>		

To protect your information and ensure speedy delivery, we will communicate with you electronically.

2 Annuitant - Opt out

I wish to opt out of the Paragraph 2 (2B) directive that you have received from SARS and instruct you to apply the tax rate on my income according to: **(only one option can be selected)**:

- ☐ 1. The SARS standard PAYE tax tables
- ☐ 2. My preferred tax rate of . %
- ☐ 3. The attached tax directive issued by SARS in terms of the Fourth Schedule to the Income Tax Act

3 Annuitant - Opt in

I wish to Opt In to the Paragraph 2(2B) directive that I originally Opted out of and I understand that in order to do so, I need to request a preferred tax rate equal to the Paragraph 2(2B) directive rate which would be subject to the preferred tax rate rules as indicated in the explanatory notes above.

☐ My preferred tax rate of . %

4 Annuitant declaration

1. I declare that the information furnished in this instruction is true and correct.
2. I understand the tax consequences to opt out of the Paragraph 2(2B) directive that I have received from SARS or to opt in to the Paragraph 2(2B) directive that I originally received from SARS and of my instruction in either section 2 or 3 above.
3. I consent to Momentum collecting, collating and storing the information I provide as well as any other information that may be lawfully obtained from third parties.
4. I consent to and understand that Momentum will verify the information I provide and that Momentum requires the information for the purpose of providing the product, including ancillary benefits thereto, to me and/or my beneficiaries.
5. I consent to the sharing of the information with any third party that is required to obtain the information to provide the product and/ or ancillary benefit to me and/or my beneficiaries, on condition that any such third party adheres to the laws governing the confidentiality of personal information.
6. I understand and acknowledge that this instruction will remain valid to the end of the tax year applicable, although such instruction may not necessarily result in the deletion of the information, as Momentum may have to continue collecting, collating and storing the information as may be required of it by law.
7. I am aware that further details of my rights in relation to my personal information, including the use and protection of the information, complaints, and escalation procedures, are available on your website at momentum.co.za

Name and surname			
Signed at		Date	D D M M Y Y Y Y
Annuitant signature	<div style="border: 1px solid black; width: 200px; height: 50px; margin: 0 auto;"></div>		

Contact details

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