JENN
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SUBJECT: MATHEMATICAL LITERACY

GRADE 12

AUTUMN CLASSES

TEACHER AND LEARNER CONTENT MANUAL

TAXATION: Income Tax

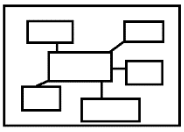
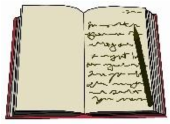
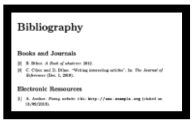
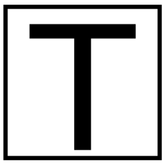
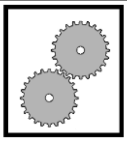
JENN MAREMATLOU TRAINING INSTITUTE
A Division of Marematlou Group Holdings

MATHEMATICAL LITERACY PROGRAMME FOR 2026 AUTUNM CLASSES

STRUCTURE OF EXAMINATION			
PAPER	**TOPICS**	**TOTAL MARKS**	**WEIGHTING**
PAPER 1: (FINANCE & DATA HANDLING)	**Finance**	**±90**	**± 60 %**
	Data Handling	±53	± 35 %
	Probability	±7	5%
TOTAL		**± 4**	**± 32%**
PAPER 2: (MEASUREMENT, MAPS, PLANS & SCALES)	Measurement	± 83	± 55%
	Maps, Plans and Scale	± 60	± 40%
	Probability	±7	± 5%
TOTAL		**150**	**±100%**
Autumn Classes: Focus will be on Finance: Income Tax Pre-test and Post-test to be administered only on Finance: Income Tax			

CONTENTS **PAGE**

ICON DESCRIPTION

 MIND MAP	 EXAMINATION GUIDELINE	 CONTENTS	 ACTIVITIES
 BIBLIOGRAPHY	 TERMINOLOGY	 WORKED EXAMPLES	 STEPS

FINANCIAL DOCUMENTS: EXAMINATION GUIDELINES				
TOPIC: FINANCE				
Section	**Level 1:** Knowing	**Level 2:** Applying routine procedures	**Level 3:** Applying multi-step procedures in a variety of contexts	**Level 4:** Reasoning and reflecting
Taxation	• Identify the name of the employee listed on a pay slip and the month for which the pay slip has been issued. * Identify the employee's monthly salary. • State how the employees 'taxable income' has been determined by referring to the salary and deduction values shown on the payslip. • Define the terms 'gross pay', 'net pay', 'deductions', and 'taxable income' shown on a payslip.	• Read appropriate tax values from given income tax deduction tables. * Identify the income tax bracket into which an individual falls based on a given monthly and/or annual income.	• Use formulae provided on income tax bracket tables to calculate an individual's annual and monthly income tax. • Investigate through calculation how the tax rebate value is determined. • Calculate compound growth/decline.	• Compare income tax tables over different financial periods and explain how an individual's tax may have changed from one period to another. • Investigate the effect that an increase in salary has on increased tax payments. • Analyse graphs showing changes in income tax over different time periods and explain differences

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LESSON OBJECTIVES
TOPIC: FINANCE (INCOME TAX)

At the end of this module, you will be able to:

Taxation (PAYE)

- Understand terminology used in taxation.
- Know why we must pay tax.
- Working with tax tables income brackets and formulae.
- Know how to calculate taxable income and personal tax.
- Know how to interpret the impact of salary increase in personal income tax.
- Know the impact of rebates and Medical tax Credits on the tax payable.
- Working with medical Tax Credits and Tax threshold.
- Know how to calculate the fixed/minimum tax in each tax bracket.

T

IMPORTANT TERMS AND DEFINITIONS	
FINANCE (INCOME TAX)	
Salary	An amount of money paid for the work you do. (This is normally paid monthly.)
Income	The amount of money received for work done, investments or providing services as well as products.
Variable Income	an amount of money a person receives, and it changes over time, or changes according to the situation
Salary	A fixed amount of money paid by an employer to an employee for work done over some longer period – usually per month or per year. .
Gross Income	The total amount of all an individual's income before deductions.
Nett Income	The amount an employee "takes home" after income tax has been deducted
Employer	A person, company, or organization that pays people to work for them.
Employee	a person who is paid to work for an individual, company or institution.
Tax Rebate	A refund on taxes when the tax liability is less than the taxes paid. An amount of money that is paid back to you if you have paid too much tax.
Taxable Income	It is the amount of income used to calculate how much tax an individual or a company owes to the government in a given tax year.
Tax Threshold	An income below which you do not pay any income tax
Tax Invoice	
PAYE	Pay As You Earn. If you are an employee, you normally pay tax through PAYE
IRP5	An IRP5 is a certificate of various earnings and fringe benefits. It includes the tax paid and taxpayers' details for any given tax year.
SARS	South African Revenue Services
UIF	Unemployment Insurance Fund. Gives short-term relief to workers when they become unemployed or are unable to work because of maternity, adoption and parental leave, or illness

GEPF	Government Employees Pension Fund. A fund that manages pensions and related benefits on behalf of government employees in South Africa.
Gross Income	The total amount of all an individual's income before deductions.
Nett Income	The amount an employee "takes home" after income tax has been deducted.
Zero rated VAT items	These are goods that are exempted from VAT. Groceries that are basic foodstuffs are zero-rated in South Africa, e.g. brown bread, milk, mielie meal, samp, rice, etc.

SECTION: TAXATION:

Learners must be able to:

OUTCOMES

What is Personal Income Tax?

- Individual income tax is also referred to as personal income tax. This type of income tax is levied on an individual's wages, salaries, and other types of income. This tax is usually a tax the state imposes. Because of exemptions, deductions, and credits, most individuals do not pay taxes on all of their income.

Documents related to Income Tax:

- Payslips
- Tables containing income tax brackets and income tax formulae
- Tax deduction tables issued by SARS to employers
- IRP5 forms
- Personal Income tax forms to be completed by employees

Facts to be considered when dealing with taxation:

- **UIF:** stands for unemployment insurance fund. UIF is not a TAX DEDUCTION. (Take note: some textbooks are WRONG).
- **Net Pay or net income – It is a person's income after all deductions were done.** Take note: the Net income and taxable income can be the same, but it is not necessarily the same. Example of Net income: Net income = Gross income – pension fund contribution – medical aid contribution – tax payable - UIF (whatever is applicable to a person's situation).
- **Tax rebate:** An amount deducted from or taken off the tax after your tax payable has been worked out. For mathematical literacy we only work with the ***primary, secondary and tertiary*** rebates – which is age dependent. MTC (Medical tax credit) is also a rebate and not a deduction.

  Primary rebate – qualify for only one rebate (Primary)

  Secondary rebate – qualify for two rebates (Primary and Secondary)

  Tertiary rebate – qualify for three rebates (Primary, Secondary and Tertiary)

  N.B – If the age of the person/individual is not given, the person/individual automatically qualifies for **primary rebate**
- **Tax threshold:** Persons with gross annual income less than these amounts do not pay any income tax (it is age dependent).

  When calculating tax threshold, we use the age of a person/individual to determine the amount of rebates they qualify for and divide the amount by 18%.

  Under 65 years - Amount for primary rebate divide by 18%

  65 – 75 years – Amount for primary rebate plus amount for secondary rebate divide by 18%

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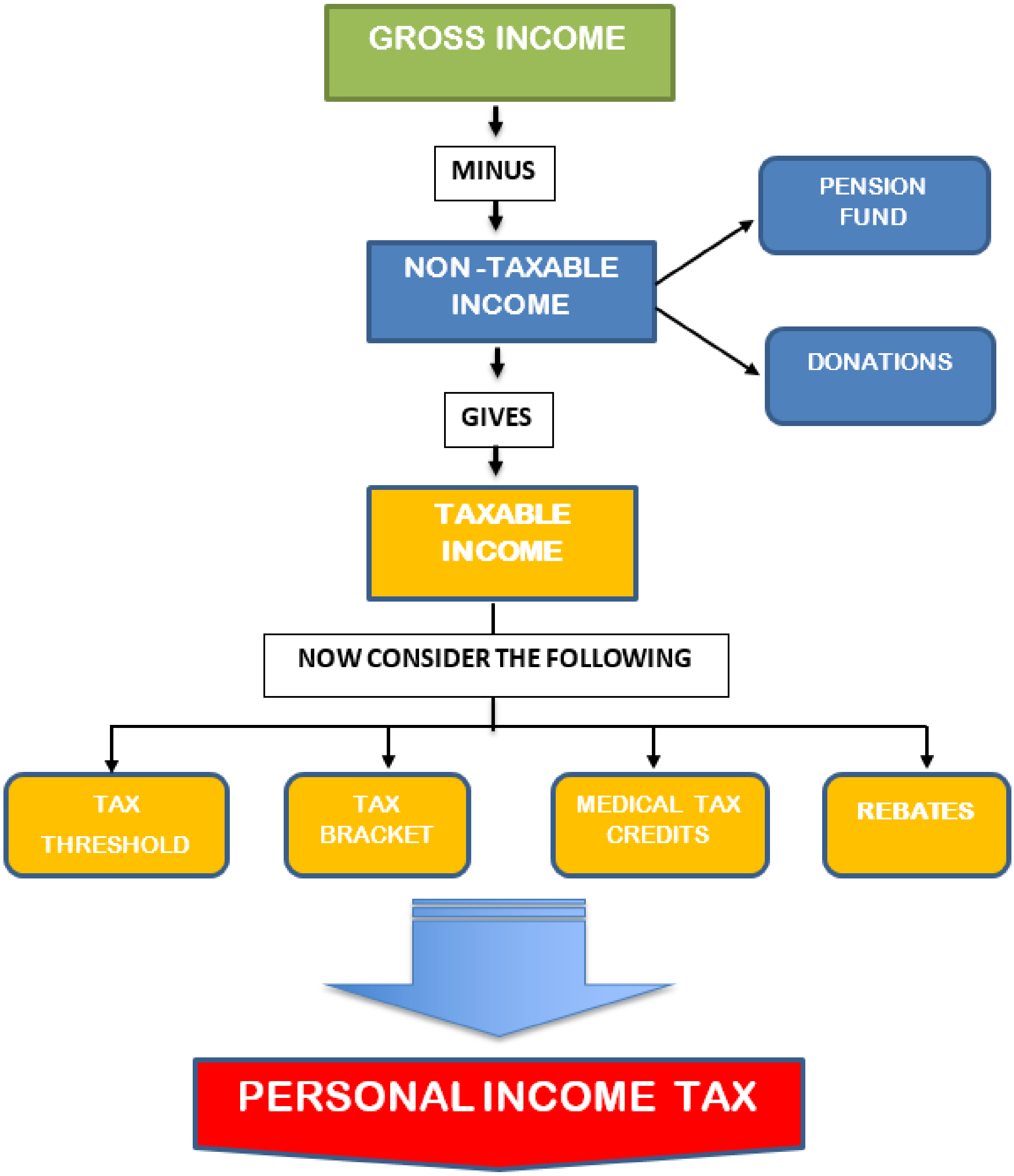
75 years and above – Amount for primary rebate plus amount for secondary rebate plus amount for tertiary rebate divide by 18%

- **Taxable Deductions:** Taxable deductions (e.g. medical aid, pension fund – CAPS doc p. 59): SARS does not indicate the word taxable deductions, but rather talk of "**tax deductable expenses**". Since MTC was introduced, medical aid is no longer a tax deductable expense. **Pension fund is a tax deductable expense**. It was always 7,5% but changed and provision is now made for a combination of pension fund, annuity and provident fund. Learners don't have to learn maximums; the question must be clear about how much is deductable.
- **Taxable income:** The income on which the tax will be calculated. In mathematical literacy we usually deal with the following to get the taxable income: it is the gross income minus deductions
  Taxable income = Gross income – pension fund contributions
  If there is not pension fund contributions: Taxable income = Gross Income
  Sometimes taxable income will be given, if it is given you check if it is given as per month or per annum. When it is given as per month, you have to multiply the monthly taxable income by 12 (We have 12 months in a year)
- **Medical Tax credits (MTC):** A Medical Scheme Fees Tax Credit (also known as an "MTC") is a rebate which is used to reduce the normal tax a person pays. MTC is not a DEDUCTION, but a REBATE.
- **Rebates and MTC** reduces/less the tax payable.

TAKE NOTE: DEDUCTION - subtracted BEFORE tax calculation
REBATE – subtracted AFTER tax calculation

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8
Get the annual salary (if necessary)	Deduct pension fund (if necessary)	Check the tax threshold – Lower: stop -Higher: proceed	Identify the tax bracket	Do calculation	Subtract correct rebate (depending on age).	Subtract MTC (ensure that it is the annual MTC)	If asked per month: divide by 12


GROSS INCOME
MINUS
NON -TAXABLE INCOME
PENSION FUND
DONATIONS
GIVES
TAXABLE INCOME
NOW CONSIDER THE FOLLOWING
TAX THRESHOLD
TAX BRACKET
MEDICAL TAX CREDITS
REBATES
PERSONAL INCOME TAX

DAY 1

Working with **Income Tax**

<u>Conceptual knowledge</u>

Income tax terminology

Activity 1

TABLE 1 below gives definitions and terminology used in Mathematical literacy.

1. Match the terminology in COLUMN A with definitions in COLUMN B. Write only the letter (A – I) next to the question number (1 – 9) e.g. 1 F

COLUMN A Terminology	COLUMN B Definitions
1. Rebate	**A.** A certificate of various earnings and fringe benefits. It includes the tax paid and taxpayers' details for any given year.
2. Tax threshold	**B.** A refund on the tac liability taxes is less than the taxes paid. A discount from SARS.
3. SARS	**C.** The amount an employee "takes home" after deductions.
4. Taxable income	**D.** The total amount of all individuals' income before deductions.
5. Net income	**E.** The institution responsible for tax collection in South Africa.
6. Gross income	**F.** A fixed amount of money paid by an employer to an employee for work done over some longer period.
7. Medical Tax Credits	**G.** The income on which the tax will be calculated. Gross minus deductions.
8. Salary	**H.** A medical scheme fees credit, it reduces he tax payable, but it is not a deduction.
9. IRP5	**I.** An income below which you are not liable to pay tax.
	J. An amount of money a person receives, and it changes over time, or changes according to the situations

(9)

2. Give two reasons why it is necessary for individuals to pay tax in South Africa. (2)

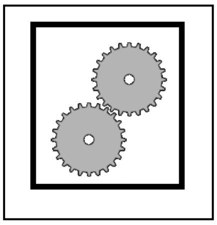
3. What is the impact of the rebates and MTC on the tax payable? (2)

[13]

DAY 2

Working with tax tables with different tax brackets

Calculating income tax when taxable income is not given.



Worked example 1

1. Mrs Ndlovu, who is 58 years old, earns a monthly income of R60 000.
Each month she contributes the following from her monthly income:

• 7,5% of her basic income is contributed to a pension fund.

Use the tax table on ANNEXURE A below to answer the questions that follow.

Tax Table Annexure A Worked Example 1	
Taxable Income	**Taxable Rate**
R0-R205 900	18% of taxable income
R205 901-R321 600	R37 062 + 26% of taxable income above R205 900
R321 601-R445 100	R67 144 + 31% of taxable income above R321 600
R445 101-R584 200	R105 429 + 36% of taxable income above R445 100
R584 201-R744 800	R155 505 + 39% of taxable income above R584 200
R744 801-R1 577 300	R288 139 + 41% of taxable income above R744 801
R1 577 301 and above	R559 464 + 45% of taxable income above R1 577 300

Tax Threshold

• R83 100 for taxpayers younger than 65
• R128 650 for taxpayers aged 65 to 74
• R143 850 for taxpayers aged 75 and over

Rebates
• R14 958 per year for all individuals
• R8 199 for taxpayers aged 65 and over
• R2 736 for taxpayers aged 75 and over

[Adapted from: www.sars.gov.za]

1.1 Explain what the tax threshold for people 65 years and younger means to a taxpayer.

Possible Answer:

It means that people 65 years and younger, receiving an annual income of R83 100 or less, does not have to pay tax (2)

1.2 Calculate Mrs Ndlovu's annual taxable income

Possible Answer:

Income – pension = taxable income

R60 000 - (7,5% × 60 000) = R55 500

R55 500 × 12 = R666 000

1.3 Identify Mrs Ndlovus tax bracket.

Possible answer:

Tax bracket 6

(2)

1.4 Mrs Ndlovu stated that her monthly tax contribution is R 9 111,75.
Verify, showing ALL calculations, whether her statement is valid.

Possible Answer:

R155 505 + 39% (R666 000 – R584 200)

R155 505 + R31 902

R187 407

R187 407 – R14 958

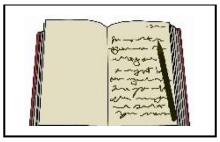
R172 449

R172 449 ÷ 12 = R14 370,75

(8)

No, her claim is NOT VALID **[12]**

ACTIVITY 2



Thelma is a 67-year-old manager at Zenzile Holdings. She receives an annual salary of R680 000. She also receives a bonus equal to her monthly salary during the 2025 tax year. She donates 30% of her annual salary to the local orphanage. An individual can donate a maximum of R100 000 over a period of 1 tax year. Use TABLE 7 below to answer the questions that follow.

TABE 7: Tax year 1 March 2025 to 28 February 2026

Taxable income (R)	Rates of tax (R)
1 – 237 100	18 % of taxable income
237 101 – 370 500	24 678 + 26 % of taxable income above 237 100
370 501 – 512 800	77 362 + 31 % of taxable income above 370 500
512 801 – 673 000	121 475 + 36 % of taxable income above 512 800
673 001 – 857 900	179 147 + 39 % of taxable income above 673 000
857 901 – 1 817 000	251 258 + 41 % of taxable income above 857 9000
1 817 001 and above	644 489 + 45 % of taxable income above 1 817 0000

Tax Rebate	Tax year
	2025
Primary	R17 235
Secondary	R9 444
Tertiary	R3 145

[Adapted from sars.gov.za]

1. Determine the rebate amount for which Thelma qualifies for. (2)

2. Calculate her annual gross salary. (4)

3. Show, with calculations, that Thelma's annual donation is R100 000. (3)

4. Hence determine Thelma's annual taxable income. (3)

5. Thelma claimed that a person under the age of 65 years old with a taxable income of R95 750 per annum is not liable to pay tax in the 2025/2026 tax year.

   Show with calculations, whether her claim is valid or not. (6)

[18]

ACTIVITY 3

TABLE 2: Rates for individuals 2020/2021 Tax year.

2020 – 28 February 2021

Tax bracket	Taxable income (R)	RATES OF TAX (R)
1	1 – 205 900	18 % of taxable income
2	205 901 – 321 600	37 062 + 26 % of taxable income above 205 900
3	321 601 – 445 100	67 144 + 31 % of taxable income above 321 600
4	445 101 – 584 200	105 429 + 36 % of taxable income above 445 100
5	584 201 – 744 800	155 505 + 39 % of taxable income above 584 200
6	744 801 – 1 677 300	218 139 + 41 % of taxable income above 744 800
7	1 677 301 and above	559 464 + 45 % of taxable income above 1 677 301

	Rebate	Tax threshold
Below age 65	R14 958	R83 100
Age 65 to below 75	R8 199	R128 650
Age 75 and above	R2 736	R143 856

[Source: SouthAfricanRevenueServices.taxpocketguide2020/2021]

Use the information above to answer the questions that follow.

1. Determine the maximum income a person that is 65 years old must earn before they start to pay tax. (2)

2. Mrs Sithole a 65 year-old saleswoman, earned a gross monthly salary of R35 455 during the 2020/2021 tax year. 7,5 % of her gross salary is deducted for contribution towards her pension fund.

   2.1 Calculate her annual gross salary. (2)

   2.2 Determine her tax rebate. (2)

   2.3 Calculate her annual taxable income. (3)

   2.4 Hence, use the tax table for 2020/2021 and the information above to calculate Mrs Sithole's annual income tax. (6)

[13]

DAY 3

Working with income tax

- Calculating income tax when taxable income is given with rebates and Medical Tax Credits

Worked example 2

Mr Fuso an educator at Phellang Secondary School, earned a monthly taxable income for R27 00 in 2025/2026 tax year. He is also a member of a medical aid scheme and contributes for himself, his spouse and 2 children.

Tax table for 2025/2026 tax year

Taxable income (R)	Rates of tax (R)
1 – 237 100	18 % of taxable income
237 101 – 370 500	42 678 + 26 % of taxable income above 237 100
370 501 – 512 800	77 362 + 31 % of taxable income above 370 500
512 801 – 673 000	121 475 + 36 % of taxable income above 512 800
673 001 – 857 900	179 147 + 39 % of taxable income above 673 000
857 901 – 1 817 000	251 258 + 41 % of taxable income above 857 900
1 817 001 and above	644 489 + 45 % of taxable income above 1 817 0000

Tax Rebate	Tax year
	2025
Primary	R17 235
Secondary	R9 444
Tertiary	R3 145

Medical Tax Credits (MTC)	Per month
Taxpayer	R364
First dependant	R364
Each additional dependant	R246

[Adapted from:www.sars.gov.co.za]

1.	What does SARS stand for? **Possible answer:** South African Revenue Services	(2)
2.	Calculate Mr Fuso's annual taxable income. **Possible answer:** R27 000 x 12	(2)

	R324 000	
3.	Determine Mr Fuso's annual medical tax credit for 2025/2026 tax year. **Possible answer:** R362 + R364 + R246 + R246 R1 220 x 12 R14 640	(2)

4. Calculate Mr Fuso's annual tax payable.

Possible answer:

24 678 + 0,26 (324 000 – 237 100)

24 678 + 0,26 x 86 900

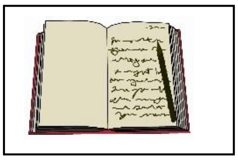
24 678+ 22 594

47 272 – 17 235 (REBATE)

30 037 – 14 640 (MTC) (7)

R28 397 **[13]**

ACTIVITY 4



MR Malinga , a 52-year-old resident at Pretoria North, earned a monthly taxable income of R35 357, during the 2021/22 tax year. During this time Mr Malinga was a member of a medical aid fund for himself, his wife and two children.

TABLE 4 below show the tax table for the 2021/22 tax year.

Tax bracket	Taxable income (R)	Tax rates (R)
1	1 – 216 200	18 % of taxable income
2	216 201 – 337 800	38 916 + 26 % of taxable income above 216 200
3	337 801 – 467 500	70 532 + 31 % of taxable income above 337 800
4	467 501 – 613 600	110 139 + 36 % of taxable income above 467 500
5	613 601 – 782 200	163 335 + 39 % of taxable income above 613 600
6	782 201 – 1 656 000	229 089 + 41 % of taxable income above 782 200
7	1 656 001 and above	587 593 + 45 % of taxable income above 1 656 000

TABLE 5 below shows the tax rebates for the 2021/22 tax year.

Tax rebates	
Primary (under 65 years)	R15 714
Secondary (65 and older)	R8 613
Tertiary (75 and older)	R2 871

Table 6 below shows the medical tax credits for the 2021/22 tax year.

Medical Tax Credits	Amount per month
Main member	R332
First member	R332
Each additional member	R224

[Adapted from www.sars.gov.co.za]

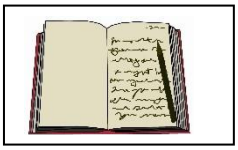
1. Determine Mr Malinga's annual taxable income. (2)

2. Show with calculations that Mr Malinga will receive R13 344 medical tax credits for the 2021/22 tax year. (4)

3. Calculate the amount of tax Mr Malinga must pay for 2021/22 tax year. (8)

[14]

ACTIVITY 5



Mr Nkosi, 47-year-old earned a yearly taxable income of R455 400 for the 2023/24 tax year. During the 2023/24 tax year Mr Nkosi was a member of a medical aid covered himself, his wife and two children.

TABLE 5 below shows the tax table, tax rebates and medical aid credits for the 2023/24 tax year. Some of the values are omitted.

TABLE 5: Tax rates for 2023/24 tax year

Taxable income (R)	**Rates of tax (R)**
1 – 237 100	18 % of taxable income
237 101 – 370 500	42 678 + 26 % of taxable income above 237 100
370 501 – 512 800	77 362 + 31 % of taxable income above 370 500
512 801 – 673 000	121 475 + 36 % of taxable income above 512 800
673 001 – 857 900	179 147 + 39 % of taxable income above 673 000
A – 1 817 000	251 258 + 41 % of taxable income above 857 900
1 817 001 and above	644 489 + 45 % of taxable income above 1 817 0000

Tax Rebate	**Tax year**
	2023
Primary	R17 235
Secondary	R9 444
Tertiary	R3 145

Medical Tax Credits (MTC)	**Per month**
Taxpayer	R364
First dependant	R364
Each additional dependant	R246

[Adapted from www.sars.gov.co.za]

Use **TABLE 5** and the information above to answer the questions that follow.

1. Write down the name of the department responsible for the administration of personal income tax. (2)

2. Determine the value of **A**, the minimum taxable income in tax bracket 6. (2)

3. Calculate Mr Nkosis annual medical tax credits. (4)

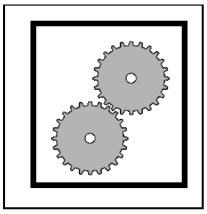
4. Mr Nkosi claims that his monthly tax for the 2023/24 tax year is more than $\frac{1}{6}$ of his monthly taxable income.

(8)

Verify, showing ALL calculations if his statement is correct.

[16]

DAY 4



Working with income tax tables.

- Calculating the minimum/fixed tax in tax brackets.
- Showing how the tax threshold amount was calculated.

Worked example 3

Tax table for 2025/26 tax year

Taxable income (R)	Rates of tax (R)
1 – 237 100	18 % of taxable income
237 101 – 370 500	42 678 + 26 % of taxable income above 237 100
370 501 – 512 800	77 362 + 31 % of taxable income above 370 500
512 801 – 673 000	121 475 + 36 % of taxable income above 512 800
673 001 – 857 900	179 147 + 39 % of taxable income above 673 000
857 901 – 1 817 000	251 258 + 41 % of taxable income above 857 900
1 817 001 and above	644 489 + 45 % of taxable income above 1 817 0000

Tax rebates for 2025/26 tax year

Tax Rebate	Tax year
	2025
Primary	R17 235
Secondary	R9 444
Tertiary	R3 145

Tax threshold for 2025/26 tax year

Age	Amount
Under 65	R95 750
65 and older	R148 217
75 and older	R165 689

[Adapted from www.sars.gov.co.za]

1. Show with calculations how he minimum tax in tax bracket number 6 was calculated.

Possible answer:

179 147 + 0,39 (857 900 – 673 000)

179 147 + 0,39 ×184 900

179 147 + 72 111

251 258 (4)

2. Show with calculations if the tax threshold for 65 an older was calculated correctly.

Possible answer:

R17 235 + R9 444

R26 679

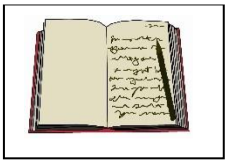
$$\frac{R26\ 679}{0{,}18\ (18\ \%)}$$

R148 217

(4)

[8]

ACTIVITY 6



Daniel is a 53-year-old man earning a monthly gross salary of R32 500. He contributes 7,5% of his salary towards pension each month. He contributes towards medical aid for himself, his wife and three children. Use the tax table below to answer the questions that follow.

TABLE 2: 2023 TAX YEAR (1 MARCH 2022 – 28 FEBRUARY 2023)

Taxable income (R)	Rates of tax (R)
1 – 226 000	18 % of taxable income
226 001 – 353 100	40 680 + 26 % of taxable income above 226 000
323 101 – 488 700	73 726 + 31 % of taxable income above 353 100
488 701 – 641 400	115 762 + 36 % of taxable income above 488 700
641 401 – 817 600	170 734 + 39 % of taxable income above 641 400
817 601 – 1 731 600	293 452 + 41 % of taxable income above 817 600
1 731 601 and above	614 192 + 45 % of taxable income above 1 731 600

Rebates

Primary	R16 452
Secondary (65 and older)	R9 000
Tertiary (75 and older)	R2 997

Medical Tax Credits

Taxpayer	R347
Taxpayer + first dependent	R694
Each additional dependent	R234

[Adapted from www.sars.gov.co.za]

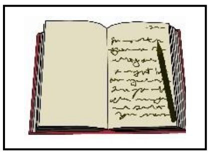
1. Determine the annual contribution towards pension. (2)

2. Daniel claims that his tax is more than 15% of his monthly gross salary. Show with calculations that his statement is VALID or not. (9)

3. Show how R239 452 in tax bracket 6 is calculated. (3)

[14]

ACTIVIY 7



Mr Nxeba is 50 years old and earns a monthly taxable income of R42 835,60 in the 2023/2024 tax year. He is a member of a medical aid scheme and contributes for himself and three children.

TABLE below shows the annual tax table for individuals for the 2023/2024 tax year.

TAX RATES FROM 1 MARCH 2023 TO 29 FEBRUARY 2024

Taxable income	**Rates of tax**
0 – 237 100	18% of taxable income
237101 – 370 500	42 678 + 26% of taxable income above 237 100
370 501– 512 800	77 362 + 31% of taxable income above 370 500
512 801 – 673 000	121 475 + 36% of taxable income above 512 800
673 001 – 857 900	179 147 + 39% of taxable income above 673 000
857 901 – 1 817 000	251 258 + 41% of taxable income above 857 900
1 817 001 and above	644 489 + 45% of taxable income above 1 817 000

Rebates

Rebates Primary	R17 235
Secondary (Persons 65 and older)	R9 444
Tertiary (Persons 75 and older)	R3 145

Tax Threshold

Below age 65	R97 750
Age 65 to below 75	R148 217
Age 75 and older	R165 689

Medical Tax Credit

For the taxpayer or for a dependant who is a member of a medical aid	R364
For the taxpayer and one dependant	R728
For each additional dependant	R246

[Adapted from www.sars.gov.co.za]

1. What should the taxable income be of a 66-year-old person to start paying tax? (2)

2. Identify the tax bracket that Mr Nxeba will use to calculate her income tax payable. (2)

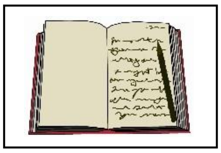
3. Calculate Nxeba's annual tax payable for the 2023/2024 tax year. (8)

4. Show by means of calculations how the tax threshold for a person 75 and older was calculated. (4) **[16]**

DAY 5

Working with tax tables: Income tax

- Post test
- Closing the gaps



ACTIVITY 8

Mr Yusuf is a 38 year old quantity surveyor at Arrrow Quantity Surveyors. He earns a gross monthly salary of R45 000. He contributes 7.5% of his monthly salary towards pension fund and pays R3 200 per month for medical aid which covers himself and three dependents.

Tax table for 2025/26 tax year.

Taxable income	Rates of tax
0 – 237 100	18% of taxable income
237101 – 370 500	42 678 + 26% of taxable income above 237 100
370 501– 512 800	77 362 + 31% of taxable income above 370 500
512 801 – 673 000	121 475 + 36% of taxable income above 512 800
673 001 – 857 900	179 147 + 39% of taxable income above 673 000
857 901 – 1 817 000	251 258 + 41% of taxable income above 857 900
1 817 001 and above	644 489 + 45% of taxable income above 1 817 000

Rebates

Rebates Primary	R17 235
Secondary (Persons 65 and older)	R9 444
Tertiary (Persons 75 and older)	R3 145

Medical Tax Credits

For the taxpayer or for a dependant who is a member of a medical aid	R364
For the taxpayer and one dependant	R728
For each additional dependant	R246

[Adapted from www.sars.gov.co.za]

Use the information above and the tax tables to answer the following questions

1. What does the abbreviation SARS stand for? (2)

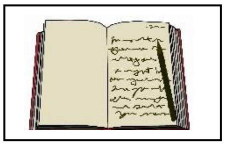
2. Calculate Mr Yusuf's annual taxable income. (4)

3. Determine his annual medical tax credits. (3)

4. Hence, calculate the annual income tax he had paid for the 2024/25 tax year as the percentage of his annual taxable income. (8)

[17]

ACTIVITY 9



A 55 year-old female principal earns a monthly taxable income of R46 294,08; on her birthday month, she receives an extra income equal to her one-month taxable income.

TABLE 3 below as issued by the South African Revenue Services (SARS); could be used to determine the tax amount payable by her.

TABLE 3: 2023/24 Tax year rates (1 March 2023 to 29 February 2024)

Taxable income	Rates of tax
0 – 237 100	18% of taxable income
237101 – 370 500	42 678 + 26% of taxable income above 237 100
370 501– 512 800	77 362 + 31% of taxable income above 370 500
512 801 – 673 000	121 475 + 36% of taxable income above 512 800
673 001 – 857 900	179 147 + 39% of taxable income above 673 000
857 901 – 1 817 000	251 258 + 41% of taxable income above 857 900
1 817 001 and above	644 489 + 45% of taxable income above 1 817 000

Tax rebates 2023/2024

Rebates Primary	R17 235
Secondary (Persons 65 and older)	R9 444
Tertiary (Persons 75 and older)	R3 145

[Adapted from www.sars.gov.co.za]

NOTE:

- During the tax year her salary was constant.
- SARS implement a pay-as-you-earn (PAYE) tax system.

Use the information above to answer the questions that follow:

1. Determine the following

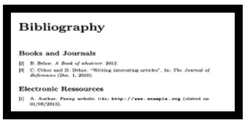
(a) The deputy principals’ total amount taxable income. (2)

(b) The tax bracket that will be used to calculate her income tax. (2)

2. The deputy principal claims the monthly tax deduction of R11 357,36 on her salary is correct.

   Verify, showing ALL calculations, whether her statement claim is VALID. (7)

3. Give ONE advice to the deputy principal on how she can lower the amount of tax she has to pay. (2)
[13]



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4	**Limpopo North district, March 2025 test**
5	**Eastern Cape June 2025 paper 1**
6	**Eastern Cape June 2024 paper 1**
7	**Jenn 2025 term 1 teacher and learner manual**
8	**Gauteng June paper 1 2025**