

The paragraph 2(2B) fixed rate directives have arrived

9 March 2023

On 23 February 2023, we communicated that we expect the files for the new tax year to arrive. We can confirm that we are now in possession of the new fixed rate directives and files that are valid for the 2024 tax year.

We are currently analysing the data and doing what is necessary on our side. We are therefore not yet able to provide the new paragraph 2(2B) fixed rates per affected annuitant. SARS did, however, indicate that all affected annuitants will receive generic letters directly from SARS over the course of the next week or two.

Both Sanlam Life and Glacier will implement the new rates during the course of the month of April 2023, starting on the first of the month, as income runs are actioned throughout the month.

Remember that the new paragraph 2(2B) fixed rates will apply per affected annuitant, unless:

1. the annuitant has a valid *opt-out* instruction loaded from 2022, in which case the new 2(2B) fixed rate will *not* be applied, and the PAYE rate (or any higher rate on record), *will* be applied; or
2. the annuitant provides the insurer with a new instruction now to *opt out* of the 2(2B) fixed rates of the directive.

What you can expect in your inbox during March

Sanlam Life will communicate with intermediaries who have affected clients, and provide a list of these clients, as per the previous year.

Glacier will include a list of your affected clients and their new paragraph 2(2B) fixed rates for the 2024 tax year in our daily *summary of Electronic Client Communication* email to you, on the day before the client letter is sent out. The fixed rate received will appear in the individual client letter available on the Glacier intermediary web. To view this, go to the correspondence tile on the Glacier landing page and filter on the document type *Par 2(2B) confirmation letter*.

What your affected clients can expect during March

<i>Annuitants/Clients</i>	<i>Glacier will send communication to clients</i>	<i>Sanlam Life will send communication to clients</i>
<i>Included for the first time in 2024 tax year</i>	Confirming their 2(2B) fixed rate and the option to <i>opt out</i> via an easy click-through process. An alternative PDF version of this letter with a form will also be available on the Glacier intermediary web.	Confirming their 2(2B) fixed rate and the option to <i>opt out</i> by means of an option form attached to the letter.
<i>Included in 2023 tax year and <u>did not</u> opt out, and again included in 2024 tax year</i>	Providing an opportunity to <i>opt out</i> now via an easy click-through process. An alternative PDF version of this letter with a form will also be available on the Glacier intermediary web.	Providing an opportunity to <i>opt out</i> now by means of an option form attached to the letter.
<i>Included in 2023 tax year and <u>did</u> opt out, and again included in 2024 tax year</i>	Confirming that the existing <i>opt-out</i> instruction remains applicable and also providing an <i>opt-in</i> process for those clients who wish to now change their choice made in 2022, via an easy click-through process. An alternative PDF version of this letter with a form will also be available on the Glacier intermediary web.	Confirming that the existing <i>opt-out</i> instruction remains applicable and also providing an <i>opt-in</i> process for those clients who wish to now change their choice made in 2022, by sending an email to instalments.tax@sanlam.co.za .

The opt-out and opt-in processes

Glacier	Sanlam
<p>To ensure that we receive the instruction as soon as possible, the client will be able to complete and submit the <i>Opt-out</i> or <i>Opt-in</i> form online via a link in the body of the email. Alternatively, they can complete the appropriate form in the PDF document and send it by email to client.services@glacier.co.za.</p> <p>Both the online forms and PDF documents will be password-protected with the client's date of birth.</p>	<p>To <i>opt out</i>, the client must complete the appropriate form in PDF format and email it to instalments.tax@sanlam.co.za.</p> <p>To <i>opt in</i>, the client must email the request to instalments.tax@sanlam.co.za to remove the <i>opt-out</i> instruction and to apply the fixed rate as provided by SARS.</p>

Thank you in advance for your co-operation; we look forward to a seamless process for the 2024 tax year.

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