

SARS paragraph 2(2B) tax directives with more than one source of income

28 July 2022

Earlier this year retirement funds, retirement fund administrators and insurers implemented tax directive rates received from SARS in relation to annuitants earning more than one source of annuity income. Sanlam Life implemented this in March for life annuitants and Glacier implemented it in April for living annuitants.

Revised rate files

SARS has now sent revised rate files to the industry. These new rates serve as an update to the previous rates, which means that there are new annuitants on the lists, new rates in some instances and even previously affected annuitants who are no longer on the lists (we will remove the rate for these individuals).

The industry has been given 45 days from the date of their own tax directive to implement the changes.

The good news is that the directive received by Glacier confirms that annuitants who opted-out of this rate earlier in the year, can be disregarded for the purposes of this updated directive (i.e. they do not need to opt-out again).

Implementation at Glacier

The various teams in Sanlam and Glacier, that are responsible for the annuity incomes, are at the moment:

- analysing the data;
- awaiting a few points of clarification from SARS; and
- finalising implementation of the rules based on available information.

We will communicate the relevant detail to all affected intermediaries and annuitants in due

course and will provide you with the information needed to assist your clients.

Glacier Financial Solutions (Pty) Ltd is a licensed financial services provider.

Sanlam Life is a Licensed Life Insurer, Financial Services and Registered Credit Provider (*NCRCP43).

This document is intended for use by clients, alongside their financial intermediaries. The information in this document is provided for information purposes only and should not be construed as the rendering of advice to clients. Although we have taken reasonable steps to ensure the accuracy of the information, neither Sanlam nor any of its subsidiaries accept any liability whatsoever for any direct, indirect or consequential loss arising from the use of, or reliance in any manner on the information provided in this document. For professional advice, please speak to your financial intermediary.

Glacier Financial Solutions (Pty) Ltd.

A member of the Sanlam Group

Private Bag X5 | Tyger Valley 7536 | Email client.services@glacier.co.za | Tel +27 21 917 9002 / 0860 452 364 | Fax +27 21 947 9210 |

Web www.glacier.co.za | Reg No 1999/025360/07

Licensed Financial Services Provider | Glacier Financial Solutions (Pty) Ltd. is also a Licensed Discretionary Financial Services Provider FSP 770, trading as Glacier Invest | Sanlam Multi-Manager International (Pty) Ltd. | A member of the Sanlam Group

Private Bag X8 | Tyger Valley 7536 | Tel +27 21 950 2600 | Fax +27 21 950 2126 | Web www.smmi.com |*Reg No 2002/030939/07

Licensed Discretionary Financial Services Provider, acting as Juristic Representative under the Glacier Financial Solutions FSP 770

Glacier International is a division of Sanlam Life Insurance Limited

Sanlam Life Insurance Ltd. | Email life@sanlam.co.za | Tel + 27 21 916 5000 / 0860 726 526 | Fax +27 21 947 9440

Reg No 1998/021121/06 | Licensed Financial Services Provider