












BEL 300: EXEMPTIONS (s10)


Exemption:	S10:	Notes:
WAR PENSIONS & AWARDS FOR DISEASES	10(1)(g) 	<ul style="list-style-type: none"> ✓ Compensation iro diseases contracted in mining operations ✓ War pensions
DISABILITY PENSION & WORKMEN'S COMP.	10(1)(gA) & (gB) 	<ul style="list-style-type: none"> ✓ Disability received ito Social Assistance Act ✓ Compensation ito Workmen's Com Act & Occupational Injuries & Diseases Act ✓ Compensation by E'R iro death E'E during work ✓ Any compensation for Road Accident Fund Act
FOREIGN PENSIONS <i>SILKE eg. 6.2</i> 	10(1)(gC)	<ul style="list-style-type: none"> ✓ ALL pensions (including foreign pensions) ✓ Included in resident's GI ✓ To resident iaw: <ul style="list-style-type: none"> - Social security system of another country - Pension from source outside RSA in consideration of past E.MENT outside RSA ✓ DEEMED SA SOURCE IF – <ul style="list-style-type: none"> - At least 2/10 years immediately before pensions becomes due = services rendered in SA <p style="text-align: center;">Calc proportion not SA: use actual years outside</p> $\text{Amount rec or accr. from SA SOURCE} = \frac{\text{Total amount}}{\text{Total period during services rendered}} \times \text{Period services rendered in SA}$
INTEREST EARNED BY NON-RESIDENTS 	10(1)(h)	<p><u>UNTIL 30 JUNE 2013</u></p> <ul style="list-style-type: none"> ✓ Interest or deemed interest ✓ Rec / accrued during YOA ✓ By / to person who is NOT a resident ✓ Person was NOT present in RSA > 183 days during YOA OR ✓ Person does not carry on a business (PE) in RSA <p style="text-align: center; color: green;">(Therefore: if present in RSA > 183 days or has PE business in RSA: exemption N/A)</p>

		<p>✓ NB!!! N/A to amounts received by way of annuity</p> <p><u>From 1 JULY 2012</u></p> <p>✓ Interest To non-resident IF</p> <ul style="list-style-type: none"> ○ Person was not present in RSA for > 183 days during a <u>12 month period BEFORE date of interest received/accrued</u> ○ Person does not carry on a business (PE) in RSA <p>✓ NB: Exemption N/A to amounts received as annuity!</p>
<p>INTEREST EXEMPTION</p> 	<p>10(1)(i)</p>	<p>✓ Any portion of any foreign div & i rec by / accr to a NATURAL PERSON</p> <p>✓ Interest:</p> <ul style="list-style-type: none"> - 65 yrs or older: R33 000 (2012: R33 000) - Younger 65 yrs: R22 800 (2012: R22 800) <p>NB! NO MORE R3 700 Foreign dividend exemption from 1 March 2012!!!!!!</p>
<p>LOCAL DIVIDENDS</p>	<p>10(1)(K)</p>	<p>✓ General:</p> <ul style="list-style-type: none"> - RSA dividends: exempt - Foreign: taxable <p>➔ NOT EXEMPT if in form of ANNUITY</p> 
<p>PAYMENTS TO NON-RESIDENTS</p> <p>Income part 2</p>	<p>10(1)(l)</p>	<p>✓ ROYALTIES:</p> <ul style="list-style-type: none"> - Any amount rec / accrued to any person - Amount subject to withholding tax - Only to NON-RESIDENTS <p>✓ FOREIGN ENTERTAINERS & SPORTSPERSONS</p> <ul style="list-style-type: none"> - Amount rec / accrued to non-resident - Subject to tax on foreign entertainers & sportspersons  <p><small>Copyright © Chud Tsankov * www.HitToon.com/77814</small></p>
<p>COPYRIGHT © / AUTHORS</p> <p>Income part 2</p> 	<p>10(1)(m)</p>	<p>✓ Amount author receives for his work OR</p> <p>✓ Iro cession of an interest in a ©</p> <p>EXEMPT</p> <p><u>PROVIDED:</u></p> <ul style="list-style-type: none"> ▪ Amount subject to tax in foreign country ▪ DOES NOT apply to a CO OR ▪ To a person who is NOT FIRST OWNER OF ©

<p>UIF</p>	<p>10(1)(mB)</p>	<p>✓ Amounts rec ito UIF ACT</p>
<p>UNIFORMS & ALLOWANCES</p> 	<p>10(1)(nA)</p>	<p>✓ Cash equivalent = fringe benefit = include</p> <p>✓ VALUE of uniform provided by E'R → E'E = EXEMPT</p> <p>PROVIDED</p> <ul style="list-style-type: none"> ▪ E'E wears uniform = condition of E.ment ▪ Wears while on duty ▪ Clearly distinguishable <p>→ IF E.R grants allowance: REASONABLE VALUE = EXEMPT</p>
<p>RELOCATION & TRANSFER COSTS</p> 	<p>10(1)(nB)</p>	<p>✓ Provided by E'R → E'E : FRINGE BENEFIT</p> <p>✓ EXEMPT:</p> <ul style="list-style-type: none"> ▪ Transporting E'E; household & possessions ▪ Costs incurred iro sale of previous residence ▪ IRO: hiring accommodation for period ending 183 days AFTER transfer / appointment
<p>SERVICES OUTSIDE RSA BY RESIDENT</p> <p><i>SILKE eg 6.15 & 6.16 NB</i></p> 	<p>10(1)(o)</p>	<p>✓ Worldwide income of resident taxed</p> <p>✓ DTA may prohibit RSA to tax employment income if services rendered in another country</p> <p>✓ IF RSA may tax ito STA / if no DTA exists: residents who meet requirements of s10(1)(o) can still have an exemption</p> <p>(i) Any remuneration earned by person as OFFICER / CREW-MEMBER of ship engaged in:</p> <ul style="list-style-type: none"> ▪ INTERNATIONAL TRANSPORTATION of passengers/goods for rewards OR ▪ person engaged in PROSPECTING; EXPLORATION; MINING / PRODUCTION MINERALS from seabed outside SA <p>AND</p> <ul style="list-style-type: none"> ▪ OUTSIDE SA > 183 full days (specific YOA!) <p>(ii) Salary, wage, bonuses etc</p> <ul style="list-style-type: none"> ▪ Includes: fringe benefits & s8, 8B, 8C awards ▪ Excludes: lump sums from remployer

		<ul style="list-style-type: none"> ▪ REQUIREMENTS - Person outside RSA > 183 DAYS in 12MONTHS - Outside SA CONTINUOUS PERIOD > 60DAYS in 12months - SERVICES rendered ON BEHALF E'R
EMPLOYMENT OF <u>NON-RESIDENTS</u>	10(1)(p)	<ul style="list-style-type: none"> ✓ With regard to SERVICES RENDERED OUTSIDE SA ✓ By non-resident ✓ For National/provincial sphere of Gov/Municipality in SA, and ✓ 80% or more of exp. Of the entity is defrayed directly/indirectly from funds allocated by Parliament ✓ PROVIDED <ul style="list-style-type: none"> ▪ Amount is subject to tax in country of residence ▪ & not refunded by Gov/municipality
BURSARIES + SCHOLARSHIPS	10(1)(q)	<ul style="list-style-type: none"> ✓ GENERAL: EXEMPT IF- <ul style="list-style-type: none"> ▪ Bona fide ▪ Granted to enable / assist person to study @recognised education / research institution ✓ PAID TO – <ul style="list-style-type: none"> ▪ NON-E'E: exempt ▪ E'E: exempt IF: <ul style="list-style-type: none"> ○ E'E agrees to pay back bursary if fails to complete studies ▪ Relatives of E'E: exemption LIMITED <ul style="list-style-type: none"> ○ IF remuneration during YOA > R100 000: NO exemption ○ IF remuneration < R100 000 R10 000 exemption ALLOWED
ALIMONY ; ALLOWANCE & MAINTENANCE RECEIVED	10(1)(u)	<ul style="list-style-type: none"> ✓ Amount rec ito order of judicial separation / divorce ✓ From spouse / former spouse ✓ Alimony / maintenance of person / children ➔ IF Proceedings instituted AFTER 21 MAR 1962



<p>EXEMPT ANNUITIES: PURCHASED ANNUITIES</p> 	<p>10A</p>	<p>✓ Annuities = GI</p> <p>✓ Annuity purchased can have capital element (exempt) + non-capital element</p> <p><u>CALCULATE CAPITAL PORTION:</u></p> <p>Y = A/B X C</p> <ul style="list-style-type: none"> • A: Lump sum • Y : capital element exempt • B : total expected returns of all annuity <i>(if for life = then work out mortality table: life expectancy table = always work with NEXT birthday = life expectancy will be provided this semester)</i> • C : annuity amount received <p><u>ANNUITY TERMINATED</u></p> <p>X = A-D</p> <ul style="list-style-type: none"> • X = Exempt portion • A = amount originally paid for annuity ctr • D = total prev exempt portion <i>(add all amounts together)</i>
<p>FOREIGN DIVIDEND EXEMPTION</p>	<p>10B</p>	<p>✓ Later</p>