

Retrenchment and retirement tax table

Your cumulative cash portions of your aggregated retirement funds are subject to the following tax consequences (i.e. tax will be applied to the cumulative cash you elect to withdraw from retirement funds):

Tax on lump sums on retrenchment/redundancy	
Up to R500 000	Tax free
R500 001 – R700 000	18% of amount above R500 000
R700 001 – R1 050 000	R36 000 + 27% of amount above R700 000
R1 050 001 +	R130 500 + 36% of amount above R1 050 000

All lump sums paid to you in cash over your working lifetime, commencing on or after 1 March 2009, will be taken into this consideration by SARS.

Any retrenchment/severance package, outside of retirement funds paid to you would also be included in this calculation.

Any government service tax free portion that may apply is over and above the R500 000 mentioned above.

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