

## 2017-2018 Tax Tables

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*Abacus Payroll Software V7.0 includes the 2017-2018 tax tables as announced in the national budget speech on Wednesday 22 February 2017. As soon as this update has been installed you will be able to do a payroll run into March 2017.*

## Employment Tax Incentive Act: Extended to February 2019

The Employment Tax Incentive Act which came into effect in January 2014 was originally scheduled to come to an end on 31 December 2016. The Taxation Laws Amendment Act 2016 which was assented to by the President on 18 January 2017 has now extended this deadline to 28 February 2019. Once Abacus Payroll Software V7.0 has been installed, any ETI amounts that the employer might be entitled to in respect of qualifying employees will continue being calculated automatically, as before.

## Unemployment Insurance Amendment Act, 2016

The Unemployment Insurance Amendment Act 2016 which has been in the works for the last few years was finally assented to by the President on 18 January 2017. The Act contains (amongst others) the following amendments:

## Application of the Act

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Prior to being amended by the Unemployment Insurance Amendment Act of 2016, section 3(1) of the Unemployment Insurance Act of 2001 (which defines the scope of the application of the Act) used to read as follows:

### This Act applies to all employers and employees, other than—

- ✚ employees employed for less than 24 hours a month with a particular employer, and their employers;
- ✚ employees under a contract of employment contemplated in section 18(2) of the Skills Development Act, 1998 (Act No. 97 of 1998), and their employers;
- ✚ employees in the national and provincial spheres of government who are officers or employees as defined in section 1(1) of the Public Service Act, 1994 (Proclamation No. 103 of 1994), and their employers, and;
- ✚ persons who enter the Republic for the purpose of carrying out a contract of service, apprenticeship or learnership within the Republic if upon the termination thereof the employer is required by law or by the contract of service, apprenticeship or learnership, as the case may be, or by any other agreement or undertaking, to repatriate that person, or that person is so required to leave the Republic, and their employers.

The Unemployment Insurance Amendment Act of 2016 has now replaced section 3 of the original Act (as amended) with the following section:

1. This Act applies to all employers and their employees, other than employees employed for less than 24 hours a month with a particular employer, and their employers.
2. This Act does not apply to members of parliament, cabinet ministers, deputy ministers, members of provincial executive councils, members of provincial legislatures and municipal councillors.

### As a result of this amendment:

- ✚ Employees under a contract of employment contemplated in section 18(2) of the Skills Development Act, 1998, and their employers, are no longer excluded from the Act.
- ✚ Employees who enter the Republic for the purpose of carrying out a contract of service within the Republic and who are required by law or by the contract of service to be repatriated at the end of their service, and their employers, are no longer excluded from the Act.

### How this affects your payroll:

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On Abacus Payroll Software you can exclude certain employees from contributing to UIF by setting the Contribution Type. The list of valid reasons for not contributing to the UIF is largely based on the section 3 of the Unemployment Insurance Act of 2001 (Application of the Act). Because of the fact that this section has now been changed, the list of valid reasons for not contributing to UIF which are available for selection in Abacus Payroll Software has now also changed.

As of 01 March 2017, the UIF non-contribution reasons 02 (Learner in terms of the Skills Development Act) and 04 (Employee will be Repatriated at end of service) will no longer be valid. If any of the employees on your payroll have been excluded from contributing to UIF due to one of these two reasons, you will receive a message box to inform you that these employees status will be changed to UIF, so to include them in any UIF contributions.