

Income and Non-Monetary Benefit Tax (Amendment) Act, 2022

Act 32 of 2022

1. Changes to the monetary benefits tax

As from the 1st January 2023, any income received by an employee from an employer in a lump sum in arrears or as a back payment, will be treated as if it was received in the month to which the emoluments should be attributed. For example, if an employee is entitled to an inducement allowance as from January 2023, and the inducement is finally received in July 2023 as a 'back pay' covering the prior months, the total sum received will be spread over the 7 months (January to July) and Progressive Income Tax rates will be applicable per month.

2. Changes to the third schedule: rates for non-monetary benefit tax

As from the 1st January 2023, the rates for Non-Monetary benefit tax provided by an employer to an employee under the act, will be **15%** of the actual cost or taxable value of the Non-Monetary benefit as specified under the Fourth Schedule of the INMBT act as amended.

3. Changes to the fourth schedule: Non-Monetary taxable value



Employers are advised to take note of the change and apply the rates accordingly.

Act 32 of 2022 can be downloaded from the SRC website.

For more information about the changes, kindly visit the SRC website www.src.gov.sc.

Description	Changes (refer to Act 32 of 2022)
Meals	The cost incurred in providing meals to an employed person is exempted from Non-Monetary Benefit tax.
Motor Vehicles	<i>"Conditions apply refer to Act 32 of 2022."</i>
Medical Expenses	b) Medical expenses incurred by employers on behalf of an employed person, is exempted from Non-Monetary Benefit tax.
Health Insurance	Exempted from Non-Monetary Benefit tax.
Insurance e.g. house and content, income protection, motor vehicle or fire and burglary Insurance	Exempted from Non-Monetary Benefit tax.
Transport to/from work (excluding motor vehicle)	Exempted from Non-Monetary Benefit tax.
Private Pension	Actual cost incurred by employer, is taxable @ 15%.

Note: the above table highlights the changes to the fourth schedule. Please refer to the fourth schedule of Act 32 of 2022, for the full list of the Taxable Non-Monetary benefits. Terms and conditions may be applicable for certain Non-Monetary benefits.