

NATIONAL TREASURY

NO. 636

05 JUNE 2020

MINISTER OF FINANCE

NOTICE IN RESPECT OF METHOD OR FORMULA FOR PURPOSES OF DETERMINATION OF AMOUNT FOR PURPOSES OF PARAGRAPH (b) OF DEFINITION OF LIVING ANNUITY IN SECTION 1(1) OF INCOME TAX ACT, 1962

I, Tito Titus Mboweni, Minister of Finance, hereby prescribe that—

- (a) at the election of the annuitant, from 1 June 2020 to 30 September 2020, the amount referred to in paragraph (b) of the definition of “living annuity” in section 1(1) of the Income Tax Act, 1962 (Act 58 of 1962), may be determined to be not less than 0,5 per cent and not greater than 20 per cent of the value of assets referred to in paragraph (a) of that definition, irrespective of the date on which the living annuity contract was concluded;
- (b) in addition to the election contemplated in paragraph (a), for the purposes of the amount referred to in paragraph (b) of the definition of “living annuity” in section 1(1) of the Income Tax Act, 1962 (Act 58 of 1962) as prescribed by Government Notice 290 published in Government Gazette 32005 of 11 March 2009, an annuitant may elect a different draw-down percentage at the anniversary date of inception if that anniversary date falls within the period 1 June 2020 to 30 September 2020.



TT MBOWENI
MINISTER OF FINANCE