



SOUTH AFRICA'S BUDGET IN A NUTSHELL 2025



Now that we are in the new tax year, eligible members may withdraw from their Savings Pot again. Remember that withdrawals are taxed at your marginal tax rate, so it's worth thinking twice before accessing your retirement savings.

Your Total Retirement Savings = Your Savings Pot + Retirement Pot + Vested Pot

1.9% real GDP growth is expected in 2025.

61% of government expenditure goes to community development, jobs, health, education and social protection over the next 3 years.

VAT rate increases from 15% to 15.5% on 1 May 2025 and to 16% on 1 April 2026.

VAT zero-rating introduced on specific edible offal, specific meat cuts, unflavoured dairy liquid blends and specific canned vegetables to assist poor households.

No change to the general fuel levy and road accident levy.

Tax Rates on Retirement Benefits

There are no changes to the retirement lump sum tax tables or the R550 000 tax-free withdrawal limit at retirement compared to last year.

Retirement Fund Lump Sum Withdrawal Benefits

Taxable Income (R)	Rate of Tax
1 – 27 500	0% of taxable income

Retirement Fund Lump Sum Benefits

Taxable Income (R)	Rate of Tax
1 – 550 000	0% of taxable income

Sin Tax

Increases in alcohol and tobacco duties

Specific excise duties on alcoholic beverages increase by 6.75% and tobacco products will increase by between 4.75% and 6.75%, with effect from 12 March 2025.

	Increases by:
Malt beer	16c per 340ml can
Unfortified wine	29c per 750ml bottle
Fortified wine	48c per 750ml bottle
Sparkling wine	90c per 750ml bottle
Ciders and alcoholic fruit beverages	16c per 340ml can
Spirits	R5.97 per 750ml bottle
Cigarettes	R1.04 per packet of 20
Heated tobacco product sticks	77c per packet of 20
Cigarette tobacco	R1.16 per 50g
Pipe tobacco	50c per 25g
Cigars	R8.49 per 23g
Nicotine and non-nicotine solution for electronic delivery systems	14c per ml

Personal Income Tax

How do the personal income tax rates affect you?

Personal income tax brackets and rebates have not been adjusted since 2023. The amount an individual can earn before being required to pay tax for the tax year from 1 March 2025 to 28 February 2026 is as follows:

Tax threshold	Tax year: 2025/26
Below age 65	R95 750
Age 65 to 74	R148 217
Age 75 and over	R165 689

The tax rebates for individual taxpayers are as follows:

Tax rebates	Tax year: 2025/26
Primary (all individuals)	R17 235
Secondary (age 65 and over)	R9 444
Tertiary (age 75 and over)	R3 145

Social Grants

The Budget will increase the values of permanent grants above inflation.

19.3 million people to receive social grants by March 2028

	2024/25	2025/26
Old age grant	R2 185	R2 315
War veterans grant	R2 205	R2 335
Disability grant	R2 185	R2 315
Foster care grant	R1 180	R1 250
Care dependency grant	R2 185	R2 315
Child support grant	R530	R560
Grant-in-aid	R530	R560