



## INDIVIDUAL TAX FILING SEASON: 2020

(Period 1 March 2019 - 29 February 2020)

\*The following has been extracted from various South African Revenue Service sources.

The 2020 tax filing season for individuals officially opens on 1 September 2020, pushed back due to the COVID-19 pandemic and efforts by the government to enforce social distancing. As part of these efforts, SARS has implemented various measures to simplify tax filing and eliminate the need for face-to-face interactions between taxpayers and SARS branch consultants. The 2020 tax season will be rolled out in phases.

### 2020 tax season phases

Phase	Process	Applicable dates	Taxpayer type
Phase 1	<ul style="list-style-type: none"> <li>Submission of employer year-end reconciliation</li> <li>Submission of taxpayer third-party data</li> </ul>	By 31 May 2020	<ul style="list-style-type: none"> <li>All employers</li> <li>Third-party data providers including banks, medical and retirement funds</li> </ul>
Phase 2	<ul style="list-style-type: none"> <li>Validation of third-party data by SARS</li> <li>Updating registered details by taxpayers</li> </ul>	1 June 2020 – 31 July 2020	<ul style="list-style-type: none"> <li>SARS</li> <li>All taxpayers</li> </ul>
Phase 3	<ul style="list-style-type: none"> <li>Issuing of auto-assessments by SARS to taxpayers whose third-party data has been provided in full during Phase 1</li> </ul>	From 1 August 2020	<ul style="list-style-type: none"> <li>Taxpayers selected to be 'auto-assessed'</li> </ul>
Phase 4	<ul style="list-style-type: none"> <li>Filing of tax returns by taxpayers not auto-assessed under Phase 3, or taxpayers who did not accept the auto-assessment issued during Phase 3</li> </ul>	From 1 September 2020	<ul style="list-style-type: none"> <li>All taxpayers filing electronically and at a SARS branch</li> <li>Provisional taxpayers filing electronically</li> </ul>

### Individual tax filing dates

Channel	Opening date	Deadline	Type of Taxpayer
Manually at a SARS branch: <b>BY APPOINTMENT ONLY</b>	1 September 2020	22 October 2020	All taxpayers unable to file electronically
Electronically (via eFiling or the SARS MobiApp)	1 September 2020	16 November 2020	Non-provisional taxpayers
Electronically (via eFiling or the SARS MobiApp)	1 September 2020	29 January 2021	Provisional taxpayers

### Who must register for tax?

Every person receiving taxable income, above the tax thresholds indicated in the tables below, is required to register for income tax, including:

- Every person aged 64 and below whose income (consisting of basic salary *plus* bonus *plus* any other incentive *plus* any pension benefit payment) in respect of the 2020 tax year exceeds R79 000.
- Every person who derives any income from his/her own business (irrespective of the taxable income or assessed loss).

- Any person under the age of 65 years who receives interest of more than R23 800 or anyone aged 65 and older who receives interest of more than R34 500 in respect of the tax year.
- Every person whose capital gain or loss for the 2020 tax year exceeds R40 000.

### ***How to register for tax***

There are three ways to register for personal income tax:

#### ***i. Auto-registration via eFiling***

Effective March 2020, when you register for eFiling for the first time and do not have a personal income tax number, SARS will automatically register and issue you with an income tax reference number. You can request a *Notice of Registration* document on eFiling that will reflect your income tax reference number.

#### ***ii. Registration via your employer***

You may request that your employer register you for income tax.

#### ***iii. Registration at a SARS branch***

You may visit a SARS Branch to register for personal income tax, ensuring you take the necessary [registration supporting documents](#) that SARS may require.

### ***How to register for eFiling***

You must be registered for tax before you can register for eFiling. Visit the SARS eFiling website [www.sarsefiling.co.za](http://www.sarsefiling.co.za) and click on “REGISTER NOW”. It will take approximately 10 minutes to complete the registration process. Your individual eFiling account will be automatically activated, unless SARS requires certain supporting documents to successfully activate your account. Refer to the [SARS eFiling Registration Guide](#) for more information.

### ***Who is required to submit an income tax return to SARS?***

Individuals who meet all the following criteria do not need to submit a tax return:

- Their total gross employment income for the year is not more than R500 000
- They receive employment income from one employer for the full tax year
- They have no other form of income (e.g. car allowance, company car, business income, and rental income, taxable interest, capital gains, or income from another job)
- They do not have any additional allowable tax-related deductions to claim (e.g. medical expenses, retirement annuity contributions and/or travel expenses)

### ***2020 Auto-Assessment process***

For the first time, SARS will be implementing an Auto-Assessment process in order to simplify the tax filing process and to limit the number of visitors to branches during the COVID-19 pandemic. During August 2020, SARS will auto-assess individual taxpayers based on the information received from employers and third-party data providers such as banks, medical aid and retirement funds administrators. Taxpayers selected for auto-assessment will be informed via SMS and will have the option to accept the assessment or edit and re-file the tax return.

If you are still not sure if you need to submit a tax return, you can complete the quick assessment on the SARS website [here](#).

### ***Supporting documents that may be required with your submission***

When submitting your tax return, ensure that all your supporting documents are readily available, in case of an audit or verification by SARS. Supporting documents include, but are not limited to, the following:

- IRP5 / IT3(a) tax certificate(s) from your employer or retirement fund
- IT3(b) certificates for investment returns (interest, dividend and other income)
- IT3(s) certificates for Tax Free Savings/Investments
- IT3(c) certificates which report on gains/losses in respect of the disposal of unit trust or other financial instruments
- Financial statements, if applicable e.g. business income
- Medical aid contribution certificates and receipts for medical expenses incurred
- Completed confirmation of diagnosis of disability form ([ITR-DD form](#)) to claim additional disability medical expenses incurred, if applicable, and available on the SARS website
- Retirement annuity fund contribution certificate(s)
- Travel logbook(s) and other documents in support of business-related travel expenses
- Any other relevant income and tax deduction information
- Bank account confirmation details

**Tip 1:** *Even though you will be using the supporting documents to complete your tax return, these documents must not be sent to SARS, unless specifically requested by SARS. All supporting documents must be kept safely for a period of five (5) years. Any expenses claimed will require proof of payment and an invoice as these would generally be requested by SARS.*

**Tip 2:** *If you are filing your tax return at a SARS branch, you must take all the supporting documents applicable to your submission, plus original proof of identity (ID, temporary ID, passport or driver's licence). Remember that branch visits for the 2020 tax filing season are **BY APPOINTMENT ONLY**.*

### ***Consequences of non-compliance***

With the current process of electronic reconciliation and validation of employees' tax certificates (IRP5/IT3 certificates) and third-party data, it is relatively easy for SARS to identify employees who are not registered for tax or have not submitted a tax return. Should an individual fail to register for tax or submit a tax return where they are required to do so, they may be subject to administrative non-compliance penalties ranging from R250 to R16,000 (including interest) for each month that the non-compliance continues.

In certain circumstances and in line with legislated procedures, SARS may also appoint your bank or employer as an agent to withhold/deduct any outstanding taxes or penalties from your salary or bank account should you fail to comply with your tax compliance obligations.

### 2020 income tax thresholds and rebates

Age	Taxable income threshold	Individual rebate
65 and below	R79 000	Primary rebate: R14 220
65 to 74	R122 300	*Secondary rebate: R7 794
75 and over	R136 750	*Tertiary rebate: R2 601

\*Additional to primary rebate

### Interest exemptions

Local interest exemption	
65 and below	R23 800 per annum
65 and over	R34 500 per annum

### Capital gains tax

Exclusions	
Individuals	R40 000 annual exclusion
Individuals in year of death	R300 000 annual exclusion
Primary residence exclusion on disposal of primary residence	R2 million (gain/loss)

### 2019/2020 tax tables

Taxable income	Rate of tax
R0 – R195 850	18% of taxable income
R195 851 – R305 850	R35 253 + 26% of taxable income above R195 850
R305 851 – R423 300	R63 853 + 31% of taxable income above R305 850
R423 301 – R555 600	R100 263 + 36% of taxable income above R423 300
R555 601 – R708 310	R147 891 + 39% of taxable income above R555 600
R708 311 – R1 500 000	R207 448 + 41% of taxable income above R708 310
1 500 001 and above	R532 041 + 45% of taxable income above R1 500 000

### Need more information?

For assistance with your tax submission, please contact SARS directly on 0800 007 277 (between 08h00 and 16h00 on week days) or visit [www.sars.gov.za](http://www.sars.gov.za).