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# 32m drought relief



Agriculture, Forestry and Fisheries Minister Senzeni Zokwana has announced funding that will bring relief to farmers affected by the drought.

Mpumalanga and Northern Cape. The Eastern Cape has applied, while Western Cape has not yet reprioritised, the Minister said.

In Limpopo, an additional amount of R51 million has been set aside, with R20 million going towards the procurement of fodder to assist smallholder and subsistence farmers, while R31 million will be spent on water for livestock.

The Free State has allocated R10.692 million and R29 million from its Equitable Share and Comprehensive Agricultural Support Programme budget to assist subsistence, smallholder and commercial farmers.

The Gauteng province has to date spent R6 200 000 on animal feed, water infrastructure, phosphate licks and de-silting of earth dams.

A total of R7 717 080 was approved in the Northern Cape and has already assisted 257 farmers and helped in the distribution of 2 500 tons of fodder during October and November.

The North West has made available R25 million for drought relief. As at 18 January, 2016, 57 010 bags were distributed and 10 228 farmers received assistance.

An amount of R114 million was allocated in Mpumalanga for procurement of input supply for livestock, water harvesting, aggressive de-worming of livestock and borehole drilling, amongst others.

Meanwhile, Minister Zokwana met with MECs responsible for agriculture to take stock of the current drought and discuss the ongoing relief support provided to affected farmers and livestock owners.

Rural Development and Land Reform Minister Gugile Nkwinti also joined the meeting, which engaged on plans and solutions they can employ from now on.

Minister Zokwana acknowledged that there was a clear picture of the negative impact of drought on crop production, livestock, agro-processing and agriculture infrastructure, as well as food security in all affected provinces.

He highlighted that the department's priority was developing and implementing a climate change adaptation plan and programmes for the sector.

"We will give more support to Climate Smart Agriculture in terms of conservation agriculture," he said.

**\*For more on how government is assisting farmers see p8.**

**Priscilla Khumalo**

**G**overnment has pledged R32 million to help farmers affected by drought.

The Industrial Development Corporation (IDC) has made available soft loans as emergency funding towards working capital, infrastructure and a small portion for carry-over debt for the commercial sector.

A soft loan is a loan with a below-market rate of interest.

Giving an update on the status of drought

relief support to the agricultural sector, Agriculture, Forestry and Fisheries Minister Senzeni Zokwana said the R32 million had already been approved.

"The IDC will consider financial assistance to its existing clients that apply for drought relief support while for non-IDC clients, lending will not be made available directly to the end-beneficiary but rather through National Credit Act-compliant intermediaries like Land Bank and Agri-Business," Minister Zokwana explained.

The Minister said that the loan agreement would be entered into by the IDC and the

relevant intermediary.

"These intermediaries will have to apply to the IDC on a case-by-case basis and a due diligence will be applicable."

In relation to the directive, Minister Zokwana said the department had given provinces 20 per cent - or R226 million in total - of the Letsema grant, initially aimed at boosting food security but which was not going to be used in the immediate future because of the ongoing drought.

Provinces that have applied and received approval include KwaZulu-Natal, Free State, North West, Limpopo, Gauteng,

## LOKUVAMILE

# Protect your retirement savings

Albert Pule

**G**overnment has introduced a law that aims to encourage South Africans to save and plan better for their retirement.

In December last year, President Jacob Zuma signed into law the Taxation Laws Amendment Act of 2015 to assist households and ensure that they are not vulnerable to poverty, especially during retirement.

The new law is not aimed at preventing public servants from accessing their pension monies when retiring or resigning.

According to a circular from both National Treasury and the Department of Public Service and Administration (DPSA), the reforms coming into effect next month (March) seek to make provident funds similar to pension and retirement annuity funds.

Retirement Fund Director at National Treasury Alvina Thela said there had been a misunderstanding about the intention of the new law and as a result people were leaving their jobs out of fear that they would lose their money.

"Don't resign because of false rumours. If you resign you will lose a lot of your retirement benefit because the benefit will be taxed heavily. This means that after the tax is paid you will be left with much less money.

"If your savings stay in your fund, your money will grow bigger and you will pay

very little tax on your money when you retire. There will be a lot more money by the time you retire."

## BENEFITS OF THE NEW LAW

Thela said that the Taxation Laws Amendment Act had a number of benefits and would help people save money for retirement.

"One of the advantages is that as a provident fund member, you won't be taxed when you put money into a provident fund when you are saving for retirement.

"This is likely to increase your take home pay, so you'll have money that goes into your provident fund that is not taxed meaning that your taxable income will be less and your net pay will be more."

The other benefit, said Thela, is that "you are encouraged to save because now you are able to contribute without being taxed and you will be able to save more for retirement and that will protect you from poverty at old age and protect you from relying on the state or your family members to take care of you".

## DIFFERENT TYPES OF RETIREMENT FUNDS

Contributions towards retirement can be done in three different ways namely: by making a contribution towards a pension fund, retirement annuity fund and/or a provident fund.

A pension fund is similar to a retirement annuity fund in that when you contribute to those two funds, you get a tax deduction.



A tax deduction means that the money that goes into that fund is not taxed and this is different from a provident fund. A member that contributes to a provident fund gets taxed when the money goes into that fund.

The other difference is at retirement and when you exit these three products. When you exit from a pension fund or retirement annuity fund, you get a third as a lump sum and the remaining two thirds are paid as an annuity.

A provident fund is treated differently.

When you exit from a provident fund, you get a cash lump sum and your entire savings are given to you at one go.

Thela has also encouraged people who want to resign and cash in on their retirement to get proper financial advice before taking their savings.

"Protect your retirement savings. Your retirement is your future income. Seek financial advice and protect and preserve your money when you change jobs or resign."

## Mitsetfo lemisha yahulumende yemhlalaphasi

Mitsetfo lemisha yemhlalaphasi ihlose kusita bantfu baseNingizimu Afrika kutsi bavikele imali yabo yemhlalaphasi. Nali lwatiso lolunyenti:

### KUNGANI HULUMENDE ENTE LETINGUCUKO?

Lemitsetfo lemisha ifuna kuvikela bantfu labatsetse umhlalaphasi ekutseni bangabi ngulabaphuyile eminyakeni yabo yebudzala ngekutsi ibakhutsate kutsi bongele umhlalaphasi. Iphindze futsi ifune kwenta lenchubo lekhona kwanyalo kutsi ibe lula futsi kwentiwe tinhlobo tetikhwama temphesheni tibe sebaleni kakhudlwana.

### NGUTIPHI LETINGUCUKO LETITAWUCALA KUSEBENTA KUSUKELA MHLA LU-1 INDLOVULENKHULU 2016?

Umtsetfo Wekuchibiyela Imitsetfo Yemtselo wanga-2013 na-2015 utawucala kusebenta mhlalaphasi lu-1 Indlovulenkulu 2016. Lemitsetfo ivumela emalunga etikhwama temhlalaphasi kutsi tinciphise umtselo letiwukhokhako ngekutsi tidvonse imali letiyikhokha njalo ngenyanga ifakwe kutesikhwama semhlalaphasi kufikela ku-27.5% (kufikela enanini lelikhulu leli-R350 000) ngemnyaka, njengencenye yemali yabo lengenako. Lemitsetfo lemisha ibuye futsi ikhulise linani lemali lekhokhwa njalo ngenyanga nawutsatsa umhlalaphasi kusukela ku-R75 000 kuya ku-R247 500 (lebitwa ngekutsi pheceleti "de minimis").

### YINI INKINGA YALENCHUBO LEKHONA KWANYALO LENA UMTSETFO LETAMA KUYILUNGISA?

Kwanyalo, tinhlobo letehlukene tetikhwama temhlalaphasi tiniketa tinzuzo temtselo letehlukene. Sibonelo, timali temhlalaphasi (*i-retirement annuity*) letikhokhwa njalo ngenyanga tivumela inzuzo yemtselo kufika ku-15%, sikhwama seprovidenti (*i-provident*

*fund*) kufika ku-20%, bese kutsi tikhwama tempensheni (*i-pension fund*) kufika ku-27.5%. Kwesibili, emalunga esikhwama seprovidenti akakhokhiswa umtselo wetimali tawo letitikhokha njalo ngenyanga, kepha emalunga esikhwama sempesheni wona ayakhokhiswa. Timali temhlalaphasi letikhokhwa njalo ngenyanga netempesheni tidzinga incenye (k.k. i-2/3rd) yalemali kutsi bayikhokhelwe njengemali lengena njalo nje, kepha tikhwama teprovidenti tivumela umuntfu lotsatsa umhlalaphasi kutsi ayitsatse yonkhe imali yakhe lesizumbulu semali lengukheshi.

### LOMTSETFO LOMUSHA UTAWUCEDZA NJANI LOMEHLUKO WEKUPHATFWA KWEMTSELO NETINZUZO?

Letingucuko letinkhulu titawusebenta kutikhwama teprovidenti. Emalunga etikhwama teprovidenti manje atawutfole kunye kwalokutsatfu (i-1/3rd) wemali yabo yemhlalaphasi njengesizumbulu nabatsatsa umhlalaphasi bese kutsi loku lokubili kwalokutsatfu (i-2/3rd) lokusele kufanele kutsi kukhululwe njalo ngenyanga. Sibonelo, nangabe imali yakho yemhlalaphasi ngu-R300 000, kutawutsatfu-R100 000 (k.k. i-1/3) njengesizumbulu bese kutsi i-R200 000 (k.k. i-2/3) itawukhokhwa njalo ngenyanga. Leningucuko lena itawentiwa KUPHELA kutimali letikhokhwa njalo ngenyanga letitawukhokhwa ngemuva kwamhla lu-1 Indlovulenkulu 2016. Emalunga esikhwama seprovidenti nawo atawukhokhiswa umtselo emali yawo layikhokha njalo ngenyanga.

### KUSHO KUTSINI KUTFOLE INCENYE NJALO NGENYANGA?

Kutfole incenye yemali yakho yemhlalaphasi njengemholo lomncane njalo ngenyanga, kunekutsi uyitfole yonkhe ngesikhatsi sinye isizumbulu semali lengukheshi.

### SIKHWAMA SEPROVIDENTI

### SITAWUPHATFWA KANJANI NGEKWEMIBANDZELA YEMTSELO?

Emalunga etikhwama teprovidenti manje asatawukwati kufaka ticolonkhokhelo temtselo etimalini tawo kwekucala ngca. Kwesibili, imali labayikhokhelwa bacashi babo nyalo itawubonakala etiliphini tabo temholo. Kwesitsatfu, emalunga lemanengi etikhwama lafaka timali etikhwameni tawo atawubona imiholo layiholako seyitse kukhula kancane. Kwesine, tonkhe timali letinsha letifakwa (kanye nekukhula kwato) etikhwameni ngemuva kwamhla lu-1 Indlovulenkulu 2016 ngulabo labangaphasi kweminyaka lenge-55 budzala batawutfole umhlalaphasi wekukhokhelwa njalo ngenyanga lingate linani libe ngetulu kwa- R247 500 (k.k. lizinga le-de minimis). Onkhe emalunga esikhwama seprovidenti solo atawukhona kutsatsa yonkhe imali yawo yemhlalaphasi layongile, nentalo yayo, letawube seyikhona kufika kumhla lu-1 Indlovulenkulu 2016 njengemali lengukheshi lesizumbulu nasebatsatsa umhlalaphasi.

### LOMTSETFO UTANGITSINTSA NANGABE NGINEMINYAKA LEMINGAKI?

Emalunga etikhwama teprovidenti laneminyaka lenge-55 budzala mhlalaphasi lu-1 Indlovulenkulu 2016 ANGEKE atsintfwe ngulemitsetfo lemisha nangabe akhatsa kutsi angatintjintji tikhwama. Timali letitawungena ngemuva kwamhla lu-1 Indlovulenkulu 2016 (k.k. timali letinsha) temalunga etikhwama teprovidenti kuphela atawutsintseka LANGAPHASI kweminyaka lenge-55 budzala mhlalaphasi lu-1 Indlovulenkulu 2016, futsi kuphela nangabe letimali letifakwako letinsha tingetulu kwe-R247 500.

### LOMTSETFO LOMUSHA USEBENTA KANJANI KULABO LABANTJINTJA IMISEBENTI?

Lomtsetfo lomusha AWUSEBENTI nangabe untjintja imisebenti. Emalunga etikhwama teprovidenti nobe newetikhwama tempensheni solo atawukhona kuntjintja imisebenti futsi atsatsa tonkhe timali tawo temhlalaphasi. Nanoma nje hulumente ukhutsata bantfu kutsi balondvolote timali tabo labatongele umhlalaphasi kunekutsi batitsatse tonkhe ngaso sonkhe sikhatsi nabantjintja imisebenti.

### LOMTSETFO LOMUSHA UTAWUSEBENTA NJANI KUSIKHWAMA SEMPENSHENI SETISEBENTI TAHULUKEMENDE (KU-GEPP)?

I-GEPP angeke itsintseke ngaletingucuko leti ngoba vele bakhokha samba semali lengukheshi lesizumbulu nempensheni lekhokhwa njalo ngenyanga yemalunga lasasebente iminyaka lengetulukwali-10. Kepha ngekwekwekwe yemtselo, emalunga e-GEPP atawukhokha umtselo wemkhawulo lofanako wetimali letikhokhelwa umhlalaphasi leticuketfwe kulomtsetfo longetulu.

### KUNGANI HULUMENDE ASITJELA KUTSI KUFANELE SIYITFOLE NJANI IMPENSHENI YETFU?

Hulumente umayelana nekusita bantfu kutsi balilungele kancono likusasa ngekutsi bongele umhlalaphasi wabo nekutsi batfole imali lengena njalo nje lengemanani lamancane nasebatsetse umhlalaphasi. Lemali lengena njalo nje ivikela lasebatsetse umhlalaphasi ekutseni bangasebentisi imali yabo masinyane bese sekudzingeka kutsi batsebele kakhulu etihlobeni nakuhulumende. Lucwaningo lukhombisa kutsi bangaphasi kwe-10% bantfu baseNingizimu Afrika labakhonako kutsatsa umhlalaphasi futsi bachubeke nekugcina lizinga lekuphila kahle.

Mayelana nelwatiso lolubanti vakashela ku: [www.treasury.gov.za](http://www.treasury.gov.za)



