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SOUTH AFRICAN NATIONAL BUDGET

TWENTY | TWENTY TWO

2022

On 23 February Minister Enoch Godongwana delivered his first Budget Speech. He was faced with an exceptionally difficult challenge considering that the national economy is still struggling to recover from the effects of Covid-19, and the resulting economic recession. Here are the highlights:

The Bare Bones of the Annual Budget

The aspects that affect you directly:

SIN TAXES

Beer and Cider: up by 11 cents per 340ml bottle
Wine: up by 17 cents per 750ml bottle
Sparkling Wine: up by 76 cents per 750ml bottle
Spirits: up by R4.83 per 750ml bottle
Cigarettes: up by R1.03 per pack of 20
Tobacco: up by 37 cents per 25g
Cigars: up by R6.77 per 23g
Sugar: up by R2.31 per 1g over 4g per 100ml
Vapes: up by 2.90 per 1ml

COVID-19

Additional allocations were made to fund the special Covid-19 social relief of distress grant, the total cost of which is now **R44 billion** for another 12 months.

GOOD NEWS

- **Education and culture** will receive the largest share of the government budget (24%), with the bulk of the spending going towards basic education.
- A freeze has been implemented on the **fuel tax levy** for the first time since 1990.
- **Individual taxpayers** receive a R13.5 billion break through an adjustment of personal tax brackets in line with inflation.

SOCIAL GRANTS

State Old Age **Disability** **Care Dependency**	**R95 increase** 2021/22 – **R1890** 2022/23 – **R1985**
State Old Age, over 75	**R95 increase** 2021/22 – **R1910** 2022/23 – **R2005**
Foster Care	**R20 increase** 2021/22 – **R1050** 2022/23 – **R1070**
War Veterans	**R95 increase** 2021/22 – **R1910** 2022/23 – **R2005**
Child Support	**R20 increase** 2021/22 – **R460** 2022/23 – **R480**

RETIREMENT FUND REGULATIONS

- National Treasury will publish draft legislation regarding its long-awaited 'two-pot' system later this year, which aims to give people in financial distress access to a portion of their pensions before they retire. The government is still busy with the restructuring that is necessary before this can be implemented, and all funds will have the final say before permission is granted.
- In March, changes to Regulation 28, which sets out where retirement funds may invest, will also be published. The changes will allow funds to invest up to 45% (previously 40%) of their capital offshore (this includes the 10% allowance for other African countries); as well as investment in infrastructure.