

SOUTH AFRICAN

NATIONAL BUDGET

TWENTY | TWENTYTWO

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:

> SINTAXES

- 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
- Vapes:** up by 2.90 per 1ml



> COVID-19

An additional R110.8 billion has been allocated to fund the special Covid-19 social relief of distress grant for the next 12 months, bringing the total to R44 billion.

> 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**
- State Old Age, over 75**
- Foster Care**
- War Veterans**
- Child Support**

R95 increase
2021/22 – R1890
2022/23 – R1985

R95 increase
2021/22 – R1910
2022/23 – R2005

R20 increase
2021/22 – R1050
2022/23 – R1070

R95 increase
2021/22 – R1910
2022/23 – R2005

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.

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