

National Budget 2021



Being in charge of a country's finances is never an easy job, no matter which country it is. This year, Minister Mboweni faced an exceptionally difficult challenge, with the national economy still struggling to recover from the effects of Covid-19 and the resulting economic recession.

THANKFULLY, AND DESERVING OF A MASSIVE SIGH OF RELIEF, SARS ISN'T IMPOSING ANY NEW TAXES THIS YEAR.

Government is increasing personal income tax brackets by 5% on average, which is above inflation. All individual taxpayers will pay **LESS** in income tax this tax year than in the previous year, with lower earners getting more relief.

The Bare Bones of the Annual Budget The aspects that affect you directly:



VACCINES | R19.3 billion has been allocated for vaccine procurement and distribution in the medium term.



SOCIAL GRANTS

- The state pension, disability grant and care dependency grant increase by just **R30** per month, the child support grant by **R15** a month, and the foster care grant by no more than **R10** per month.
- On a more encouraging note, a provision of **R2.1 billion** has been made to extend the emergency Covid grant until the end of **April**.



SIN TAXES

Beer and Cider: up by 14 cents per 340ml bottle
Wine: up by 26 cents per 750ml bottle
Sparkling Wine: up by 86 cents per 750ml bottle
Spirits: up by R5.50 per 750ml bottle



Cigarettes: up by R1.39 per pack of 20
Tobacco: up by 47 cents per 25g
Cigars: up by R7.71 per 23g



FUEL LEVIES

You will pay **15 cents a litre more** in fuel levies starting from April this year.

The Road Accident Fund levy rises by **11 cents a litre**. This means a total of **26 cents a litre** more to fill up your car.

GENERAL

- Other priorities include stabilising the supply of electricity, embarking on partnerships with the private sector, and supporting industries with the potential to employ high numbers of people.
- There is a provisional allocation of **R11 billion** for the public employment initiative, which hopes to create another **180 000** jobs by March.
- The National Youth Development Agency has been allocated **R1.4 billion** for its operations and to run youth employment support programmes.
- The Department of Women, Youth and Persons with Disabilities will get **R15 million** over the next three years to combat gender-based violence.
- Treasury has found **R9 billion** over the next three years, through reprioritising budgets, to bail out the struggling Land Bank. This was the only lifeline extended to a struggling state-owned entity that was included in the budget.
- Treasury is also taking concrete steps to reduce the unsustainable **public wage bill**.

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