

## Tax on pre- retirement lump sum withdrawals (excluding retrenchment)

To withdraw the benefits in cash and pay the tax. Tax will be calculated by SARS using the following table:

Tax on pre- retirement lump sum withdrawals (excluding retrenchment) as from 1 March 2023	
R0 – R27 500	Tax free
R27 501 – R726 000	18% of amount above R27 500
R726 001 – R1 089 000	R125730 plus 27% of amount above R276 000
R1 089 001 and above	R223 740 plus 36% of amount above R1 089 000

The tax-free threshold of R27 500 is cumulative and applies to the aggregate amount of all your retirement fund withdrawals paid in cash over your lifetime commencing on or after 1 March 2009.

This excludes and government service tax free portion that may apply for members in service prior to 1 March 1998. The government service tax free portion is over and above the R27 500 mentioned above.

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