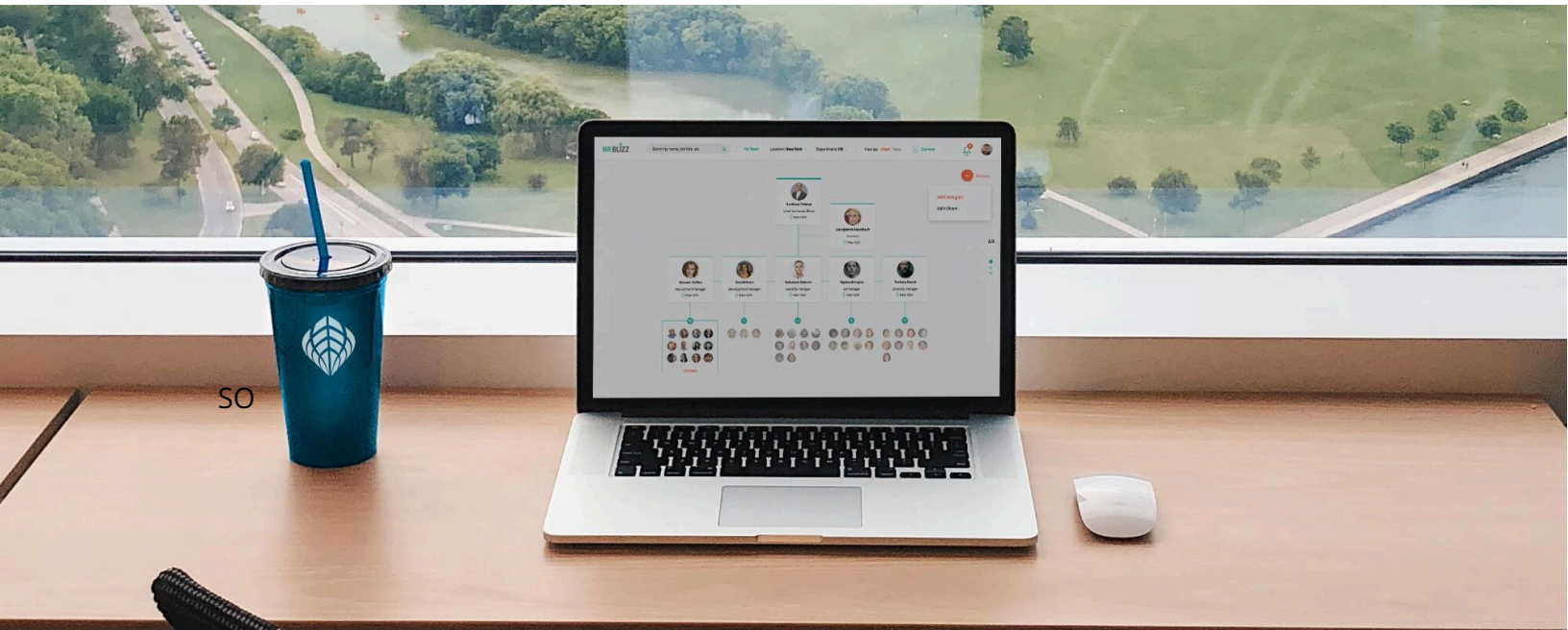




Simplifying Employment
Tasks Worldwide

Statutory Change Alert

South Africa – Regulation Change – 1 March 2025



SOUTH AFRICA



Mar 18, 2025

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We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



Global Payroll Solutions – Boost your HR brand and employee satisfaction

Rationalize your HR budgets, monitor your data, and optimize your global payroll tasks in real-time. Systematize processes and streamline HRM lifecycles with HR Blizz™, our unified SaaS platform, to ensure your employees are paid accurately and on time.



PEO/GEO Services – Easily hire, deploy and manage your workforce abroad

A reliable Professional Employer Organization (PEO), Mercans is your trusted employer of record to globally select, engage, and manage highly qualified personnel on your behalf, through integrated Global Employment Outsourcing (GEO).



Global Talent Acquisition – Quickly fill vacancies with only the best candidates

Mercans supports you in designing/deploying long-term HR strategies and processing full-cycle recruitment. Our ATS Suite Mesaar™ and our hiring experts help to screen, select, attract the right candidates for your organization and populate your pipeline of prequalified talents.



BPO Services – Reclaim the focus on your core activities to expand your business

Concentrate on the essentials: outsource non-primary activities and your front- and back-office functions to Mercans. Save the time, money, and energy needed to refine the value chain engagement of your customers and suppliers and increase revenue.



HR Management SaaS – Access customizable cloud-based online platforms

Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesaar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



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Local Statutory Compliance – Forget the hassle of setting up branches abroad

Mercans seasoned HR advisory team are compliance experts specialized in local cultures, business protocols, and tax and legal specificities. They are committed to ensure quick go-to-market abroad and achieve a compliant global expansion, risk-free from A to Z.



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Mercans at a Glance

160+ Countries	20 Years of Success	1K+ Payroll and HR Specialists
22k+ Clients Worldwide	97% Client Retention Rate	1.5X Annual Revenue Growth
95k+ Largest Single Country Payroll	25M+ Pay Slips per Annum	0 Security Breaches

Number one for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certificate certificate





South Africa - Regulations Change - 1 March 2025

The South African minister of finance announced the 2025/26 budget speech on 12 March 2025. Similar to the 2024/25 budget speech, there were no changes made to the income tax tables, tax threshold, rebates and medical aid tax credits.

Income Tax

Taxable Income (R)	Rate of Tax
1 – 237 100	18% of taxable income
237 101 – 370 500	42 678 + 26% of taxable income above 237 100
370 501 – 512 800	77 362 + 31% of taxable income above 370 500
512 801 – 673 000	121 475 + 36% of taxable income above 512 800
673 001 – 857 900	179 147 + 39% of taxable income above 673 000
857 901 – 1 817 000	251 258 + 41% of taxable income above 857 900
1 817 001 and above	644 489 + 45% of taxable income above 1 817 000

Tax Rebates

Rebate	Amount
Primary	R17 235
Secondary (Persons 65 years and older)	R9 444
Tertiary (Persons 75 years and older)	R3 145



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Tax Threshold

Age	Amount
Below age 65	R95 750
Age 65 to below 75	R148 217
Age 75 and above	R165 689

Retirement Fund Lump Sum Withdrawal Benefits

Taxable income (R)	Rate of Tax (R)
1 – 27 500	0% of taxable income
27 501 – 726 000	18% of taxable income above 27 500
726 001 – 1 089 000	125 730 + 27% of taxable income above 726 000
1 089 001 and above	223 740 + 36% of taxable income above 1 089 000

Retirement Fund Lump Sum Benefits or Severance Benefits

Taxable income (R)	Rate of Tax (R)
1 – 550 000	0% of taxable income
550 001 – 770 000	18% of taxable income above 27 500
770 001 – 1 155 000	125 730 + 27% of taxable income above 726 000
1 155 001 and above	223 740 + 36% of taxable income above 1 089 000

Additionally, the South African Revenue Services (SARS) issued a notice announcing new rates for subsistence and travel allowance rates as per below. The new rates are effective from 1 March 2025.

Subsistence Allowance:

- Overnight Trips - Meals and incidentals: Increased from R548 to **R570**.
- Overnight Trips - Incidentals only: Increased from R169 to **R176**.
- Day Trips - Meals and incidentals: Increased from R169 to **R176**.

Travel Allowances

Motor vehicle rate per kilometre - Reduced from R4.84 to **R4.76**.



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Table for Determining Travel Allowance

Where the value of the vehicle -	Fixed Cost R	Fuel Cost (c/km)	Maintenance Cost (c/km)
Does not exceed R 100 000	33 940	146.7	47.4
Exceeds R100 000 but does not exceed R200 000	60 688	163.8	59.3
Exceeds R200 000 but does not exceed R300 000	87 497	177.9	65.4
Exceeds R300 000 but does not exceed R400 000	111 273	191.4	71.4
Exceeds R400 000 but does not exceed R500 000	135 048	204.8	83.9
Exceeds R500 000 but does not exceed R600 000	159 934	234.9	98.5
Exceeds R600 000 but does not exceed R700 000	184 867	238.9	110.5
Exceeds R700 000 but does not exceed R800 000	211 121	242.9	122.5
Exceeds R800 000	211 121	242.9	122.5

Please contact your Mercans' services delivery team for any additional information regarding the implications of the above change



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They already trust Mercans





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What Makes Mercans your HR and Payroll Partner of Choice?

We Simplify Employment Tasks Worldwide

Everywhere for Everyone

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

Local Presence. Regional Strategy. Global Success

Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

A Revolutionary Service Delivery System

Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesaar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

Trailblazing Cloud-Based SaaS Products

HR Blizz & Mesaar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.



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