

# Don't get caught short this tax season

*by Carrie Furman, tax specialist at Allan Gray*

With the tax season deadlines brought forward by a month this year, it's time to get your supporting documents ready and to do your return, urges Allan Gray's Carrie Furman, who answers your tax questions.

## Does everyone need to submit a tax return?

No, not everyone needs to submit an income tax return, asserts Carrie Furman, tax specialist at Allan Gray. "If you earn under R350 000 from one employer for the whole tax year and you don't have any deductions that you want to claim, then you don't need to file a tax return," she explains.

"However, if you earn under the tax threshold, but you made a capital gain above R40 000, received allowances, such as a travel allowance, fringe benefits (if your employer contributed to your retirement fund, for example), or you have deductions to claim, such as medical expenses or retirement fund contributions, then you may need to submit a return." If you're unsure whether to file or not, Furman recommends using the tool on the SARS website or giving SARS a call on their toll-free number.

## How do I go about submitting my tax return?

Start by getting all your supporting documents together, suggests Furman. This may include an IRP5 or IT3(a), which report all employment and annuity income as well as lump sum payments (from retirement funds). An IRP5 is issued when tax was deducted and an IT3(a) when tax was not deducted.

Other certificates you may get are an IT3(b), which reports interest and dividends for local and offshore investments, and an IT3(c), which lists capital gains and losses for local and offshore investments. Those who have tax-free investments (TFIs) may also receive an IT3(s), which gives details of all contributions, withdrawals and returns earned on TFIs. Retirement annuity fund members will receive a retirement annuity fund contributions certificate if they made contributions during the tax year.

In most cases, your investment firm will send you these certificates before the tax season begins.

"Once you've got your documents together, you need to decide whether you're going to file manually in a SARS branch or online," says Furman.

She recommends filing your return sooner rather than later as the new deadline for manual submissions is 21 September, whereas for e-filing it is 31 October for non-provisional taxpayers and 31 January 2019 for provisional taxpayers.

"When you're e-filing, you can stop at any point and save it for later," says Furman. "There's also a calculator tool which you should check before submitting your return as it will pick up any errors and will give you an indication of how much money you owe or can expect from SARS."

### **What information does SARS need about tax-free investments?**

“If you don’t have any deductions to claim and you have a tax-free investment, you don’t need to submit an income tax return,” responds Furman. “But if you do have deductions to claim and you are submitting a tax return, you will need to include the details of your tax-free investments,” she adds. “The reason for this is that SARS needs to check that you are sticking to your annual and lifetime contribution limits.”

### **I opened an investment for my minor child. Do they need to submit a tax return?**

It depends, answers Furman. “If your child has a tax-free investment and they don’t have any other income or deductions to claim, then you don’t need to submit a tax return. However, if they earned income in their own right, for example, from part-time modelling work, and they have a tax-free investment, then they need to submit a return and include the details of that tax-free investment because it’s in their name.”

Tax can feel overwhelming, but it’s important that you attend to it. If you need guidance, it may be worthwhile talking to your independent financial adviser or hiring a tax consultant to help you.