



Tax Benefits for the autism diagnosis

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Bendel Consulting ® - The Tax Disability Specialist ® specialises in securing relief for qualifying families and may be contacted using:

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Section 18A – Donations

This section covers the tax relief available to businesses, trusts and individuals who donate gratuitously to The Star Academy. The tax relief in relation to the payment of a dependant's Star Academy fees is detailed under "Relief in respect of qualifying expenses".

The Star Academy is a public benefit organisation (PBO) and is able to issue section 18A tax certificates in respect of donations received. The Tembisa Outreach Program is a Star Academy initiative that assists children with autism. Through the team's deep commitment, they have trained Tembisa residents in The Star Academy teaching methodology to uplift the lives of both parents and their children. Be part of this uplifting program by making a donation, no matter how big or small, to assist in raising the required funds to bring hope to these families and to give these children a voice. With your help, The Star Academy can give these children the chance to fly as high as they are able to go.

Any taxpayer (individual, trust, company /CC) is allowed a deduction (subject to 10% limit of taxable income) of the sum of donations made to qualifying PBO's during the relevant tax year. For example, a taxpayer with a taxable income of R250 000 for a particular tax year will only be allowed to take into account donations of up to R25 000 in that tax year. Any donations in excess of the 10% may be carried forward and treated as a donation in the next year.



The tax relief in respect of a donation in the form of a deduction, which means that the level of relief will be determined by your tax bracket.

The following tax rates are applicable for the 2019 tax year:

- Ordinary company – 28%
- Qualifying small business corporation (SBC) – 7%, 21% or 28%
- Trust – 45%
- Individuals – 18%, 26%, 31%, 36%, 41% or 45%

For individuals or a qualifying SBC, the applicable tax rate depends on your level of taxable income.

The following examples illustrate the tax savings:

Example	Amount Donated	Tax Rate	Tax Savings
Individual with taxable income of R150 000	R5000	18%	R900
Individual with taxable income of R250 000	R8000	26%	R2080
Individual with taxable income of R350 000	R12 000	31%	R3720
Individual with taxable income of R500 000	R16 000	36%	R5760
Individual with taxable income of R650 000	R19 000	39%	R7410
Individual with taxable income of R1 000 000	R22 000	41%	R9020
Individual with taxable income of R1 600 000	R25 000	45%	R11 250
Individual with taxable income of R1 600 000	R5000	45%	R2250
Trust with taxable income of R50 000	R10 000	45%	R4500
SBC with taxable income of R200 000	R10 000	7%	R700
Company with taxable income of R600 000	R40 000	28%	R11 200



Tip: You will see in the above examples that a R5 000 donation made by a person in the 18% tax bracket yields tax savings of R900, whilst the same R5000 donation made by an individual in the 45% tax bracket generates tax relief of R2 250. Thus, if a couple is considering making a donation, it is best for the higher-earning spouse to make the donation, as more relief should be available.

Companies that are looking to make a positive impact on community by donating to The Star Academy can do so whilst reducing their overall tax liability.

Once a donation has been made to The Star Academy, a section 18A donation receipt tax certificate will be issued to the donor and this is to be submitted as part of your annual tax return.

Tip: The full amount of the donation is declared on your own tax return and if you have exceeded the 10% rule, SARS will automatically carry the excess forwards to the next tax year for you.

Relief in respect of qualifying expenses

Individuals who have qualifying impairment or “disability” as defined for tax purposes and individuals who have a dependant with such impairment or “disability”, are entitled to tax relief in relation to their medical scheme premiums, out-of-pocket medical expenses as well as expenses which they have paid in consequence of that impairment or “disability”.

Tip: There is a common misconception that the tax relief is only available if you are a member of a medical aid. This is not true, and relief is still available in respect of out-of-pocket medical expenses and/or other qualifying expenses.

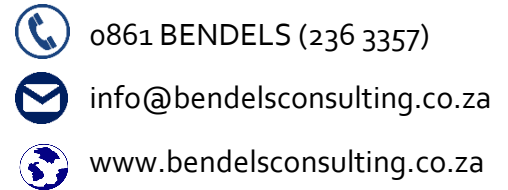
A suitable duly registered medical practitioner must first complete an ITR-DD form so that it can be determined whether the person or their dependant meet the qualifying diagnosis criteria.

Once it has been determined that the qualifying criteria have been met, it is important to consider all expenses that have been incurred in the consequence of the impairment or “disability”. Examples of such expenses include, but are not limited to:

- Special needs education
- Additional tutoring
- Classroom facilitator
- Personal attendant caregiver
- Therapies and therapeutic activities
- Prosthetics
- Assistive aids and devices



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- Special needs educational toys
- Training for parents and caregivers
- Service animal
- Modifications to a house or a vehicle
- Insurance, maintenance, repairs and suppliers for devices and modifications
- Travel
- Age-inappropriate continence products

Tip: It could be that you have not claimed all variable tax relief in respect of previous tax periods. In such situations, it might be possible to reopen those tax years in an effort to secure the missed relief. Specialist tax advice is recommended.

Tip: It is important to retain record of all expenses paid in consequence of impairment or “disability” as there is a significant burden of proof placed on those who claim tax relief in respect of qualifying expenses.

Each family circumstance is unique and it is important to ensure that the most tax efficient approach is adopted in order to maximise the possible relief.

Bendels Consulting ® - The Tax and Disability Specialist ® offer free of charge review of your tax matters to determine the extent to which they can be of assistance to you and your family.

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