

**TAX3702**

May/June 2015

TAXATION OF INDIVIDUALS

Duration 2 Hours

100 Marks

EXAMINATION PANEL AS APPOINTED BY THE DEPARTMENT.

Use of a non-programmable pocket calculator is permissible

Closed book examination.

This examination question paper remains the property of the University of South Africa and may not be removed from the examination venue.

This paper consists of six (6) pages, plus schedules (pp i - xi)

IMPORTANT INSTRUCTIONSAssumptions:

1. All amounts exclude VAT unless stated otherwise.
2. All persons mentioned are residents of the Republic unless stated otherwise.

Regarding the answering of this paper:

1. This paper consists of five (5) questions.
2. All questions must be answered
3. Each question must be commenced on a new (separate) page
4. **All workings, where applicable, must be shown. Where an amount is subject to a limitation, clearly indicate the application of the limitation. Where any item is exempt from tax or not allowable as a deduction, this must be indicated and a brief reason provided. All amounts must be rounded to the nearest Rand.**
5. Please complete the cover page of the answer book in full.
6. You are reminded that answers may **NOT** be written in pencil.
7. Proposed timetable (try as far as possible not to deviate from this timetable):

Question	Subject	Marks	Minutes
1	Net normal tax	30	36
2	Employees' tax and retirement benefits	25	30
3	Provisional tax	10	12
4	Capital gains tax	15	18
5	Donations tax and estate duty	20	24
TOTAL		100	120

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QUESTION 1 (30 marks, 36 minutes)

Benjamin (50 years old) has been employed as a lecturer at a university from the beginning of the current year of assessment. He is married in community of property and has one minor child. He supplies you with the following information relating to the 2015 year of assessment:

	Notes	R
<u>Income/benefits</u>		
Salary (retirement funding employment income)		650 000
Travel allowance	1	?
Parking facility	2	?
Bursary	3	18 000
Housing	4	?
Foreign dividends (earned by Benjamin from a unit trust).....		6 400
Local interest (earned by Benjamin's wife).....		57 600
<u>Expenses/contributions</u>		
Medical expenses	5	96 000
Pension fund contributions.....		52 000
Retirement annuity fund contributions.....		12 000

Notes:1. Travel allowance

Benjamin was reimbursed by the university for distances he had to travel with his own vehicle during the year for university business purposes. The university reimbursed him at R3,00 per kilometre. His vehicle cost him R160 000 (VAT exclusive). Benjamin's logbook indicated that he travelled a total of 18 000 kilometres during the year. Benjamin travelled 2 000 kilometres in respect of university related trips, according to his logbook.

2. Parking facility

Undercover parking facilities are made available to employees at the university. Benjamin's parking cost him R2 000 for the year. A market-related fee in respect of a similar parking facility would have cost him R4 000 for a year.

3. Bursary

The university supports employees who want to further their studies. Benjamin received a bursary from the university and enrolled for a doctorate degree at the university. The bursary conditions stipulate that employees must reimburse the university if they do not complete their studies.

4. Housing

Benjamin rented one of the university's houses from 1 June 2014. In terms of the agreement with the university, Benjamin is entitled to purchase the house after five years at the price stated in the agreement. The agreement further stipulates that the rental Benjamin must pay, is calculated as a given percentage of the house's price in the agreement, which is R1 000 000. He paid R30 500 rent for the period.

It is estimated that the house's value will be R1 300 000 at the end of the five-year agreement.

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QUESTION 1 (continued)

Assume the South African repurchase rate (REPO rate) was 6% per annum and the prime bank lending rate was 9% per annum, for the full year.

5 Medical expenses

Benjamin's medical expenses for the 2015 year of assessment are made up as follows.

	R
Total medical aid fund contributions	84 000
Qualifying medical expenses not covered by the medical aid fund	12 000
	<u>96 000</u>

The university contributed 50% of the total medical aid fund contributions on his behalf

Benjamin's wife and their minor child are dependant members of his medical aid fund Neither he, his wife or minor child has a disability as defined

REQUIRED:	MARKS
Calculate Benjamin's net normal tax for the 2015 year of assessment	30

QUESTION 2 (25 marks, 30 minutes)

Stanley is 60 years old, unmarried and he retired on 31 March 2014

Details of his remuneration and expenses for the month of March 2014, his final month of employment, are as follows

Stanley earned a basic salary of R22 000 per month and a travel allowance, in respect of his own vehicle, of R2 000 per month

He also had the right of use of an employer-owned vehicle for the month of March The vehicle was originally purchased by his employer on 1 December 2013 for R190 000 (excluding VAT) and was subject to a maintenance plan. Stanley was obliged to pay a monthly consideration of R400 for the right of use of the vehicle

Stanley's employer also paid his home internet subscription of R350 per month. During the month of March, 30% of Stanley's home internet usage was work-related

Stanley's employer also made a monthly donation of R800 to a registered public benefit organisation, on his behalf In addition, Stanley contributed R1 900 per month to a provident fund and R1 200 per month to a medical aid fund He continued to contribute to the medical aid fund after his retirement

On his retirement on 31 March 2014, Stanley received a lump sum from his employer amounting to R200 000 On that same date he also received a provident fund lump sum benefit amounting to R950 000 Stanley decided to transfer R310 000 of the provident fund lump sum to an approved provident preservation fund His total contributions to the provident fund, up to 28 February 2014, amounted to R520 000

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QUESTION 2 (continued)

Stanley had previously received a retirement annuity fund lump sum, amounting to R650 000, during the 2013 year of assessment.

REQUIRED:	MARKS
a) Calculate the employees' tax that should have been withheld from Stanley's remuneration (excluding the lump sums) for the month of March 2014	15
b) Calculate the tax payable on the lump sums that Stanley received on 31 March 2014.	10

QUESTION 3 (10 marks, 12 minutes)

Monica is a 58-year-old hairdresser and a provisional taxpayer, who owns and runs a hair salon as a sole trader

Details regarding her 2015 second provisional tax payment are as follows:

- The 2013 assessment, issued on 1 February 2015, is her most recent income tax assessment for the period. That assessment reflected a taxable income amount of R320 000
- Monica believed that trading conditions declined markedly in the 2015 year of assessment and she accordingly made a second provisional tax payment of R19 556 by the due date, based on an estimated taxable income of R210 000

Her first provisional tax payment for the 2015 year of assessment amounted to R8 000.

REQUIRED:	MARKS
a) Calculate the basic amount that should have been reflected on Monica's IRP6 tax return for the 2015 second provisional tax payment period.	2
b) Assume that Monica's 2015 assessment was issued on 1 September 2015 and reflected taxable income of R260 000. Calculate the automatic penalty that will be levied as a result of there being a shortfall in her second provisional tax payment.	8

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QUESTION 4 (15 marks, 18 minutes)

On 1 May 2014, Kevin sold the five-roomed house that he and his wife had lived in for many years. The property was sold for a net amount of R4 199 000, after the deduction of a 5% estate agent's commission.

The house was originally acquired in 1994 for R1 000 000. All of Kevin's children had left home by 1999 and that same year he and his wife decided to start renting out the newly vacant bedrooms to lodgers. The bedrooms continued to be let to lodgers up until the date that the property was sold. The floor space utilised by lodgers amounted to 170m², while the total area of the house amounted to 400m².

The property was not valued at 1 October 2001 but assume the time apportionment base cost has been correctly determined at R1 700 000.

Total property insurance costs, from 1 October 2001 to the date of disposal, added up to R78 000.

During 2004 Kevin was involved in a legal dispute with his neighbour regarding the boundaries of their respective properties. Kevin won the case but the cost of defending his legal rights in the property resulted in him paying attorneys' fees of R16 000.

During 2006 a burglar alarm was installed and integrated into the house's electronic systems at a cost of R9 000. By 2013, the alarm had become faulty and unreliable, and Kevin was obliged to replace the alarm system's control panel at a cost of R2 200. Total interest cost on Kevin's home loan, from 1 October 2001 to the date of disposal, amounted to R154 000.

REQUIRED:	MARKS
Calculate Kevin's capital gain/(loss) on the disposal of the property	15

QUESTION 5 (20 marks, 24 minutes)

Charlene Nakedi was diagnosed with terminal cancer during August 2014. She is married to Daniel out of community of property and they have a daughter, Janette aged 21, and a son James, aged 19. A few months later, on 25 February 2015, Charlene died in Pretoria, South Africa, where she resided.

Before Charlene died, she made the following donations.

- On 15 July 2014, she told James that he would receive her vehicle when she dies one day. The value of the vehicle was R300 000 on that date. The value of the vehicle on Charlene's death was R250 000.
- On 5 October 2014, she donated her holiday flat in Durban to her husband, Daniel. The flat was valued at R1 500 000 at the time of the donation.
- On 30 January 2015 she donated listed shares valued at R200 000, to Janette. Charlene made the donation as she realised she would not live much longer.

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QUESTION 5 (continued)

The executor in Charlene’s estate found the following:

	R
1 A house, situated in Waterkloof, Pretoria. The house was Charlene’s primary residence and at the time of her death, it was valued at.....	4 500 000
2. A flat in London, Great Britain, that Charlene inherited five years ago from her grandfather. He purchased the flat with money he earned in London while he was living there. He was not a resident of South Africa. At the time of Charlene’s death the flat was valued at.....	3 000 000
3 Unlisted shares valued at R4 000 000 at the time of Charlene’s death. The executor subsequently sold the shares for.....	4 200 000
4. An insurance policy that Charlene’s business partner, Anne, had taken out on Charlene’s life to enable her to acquire Charlene’s interest should she die. Charlene did not pay any of the premiums on this policy. The proceeds of this policy amounted to.....	3 800 000
5 Daniel had taken out an insurance policy on Charlene’s life, of which he is the beneficiary. Their prenuptial contract did not include this policy. Daniel paid premiums and interest of R190 000 on the policy.....	1 700 000
6. Furniture and effects, valued at.....	510 000

Charlene bequeathed the house in Pretoria to her husband Daniel and the flat in London to her two children. The residue was to be paid out to Charlene’s only brother, David.

Accept that the only liabilities in the estate are an accrual claim in favour of Daniel of R750 000, the Master’s fees of R600 and executor’s remuneration of R383 950.

REQUIRED:	MARKS
(a) Calculate the donations tax that Charlene paid on each of the donations that she made in 2014. Provide a brief reason should a donation not be subject to donations tax.	4
(b) Calculate the estate duty payable in the estate of Charlene Nakedi. No apportionment of the duty is required. Give reasons should certain assets not be subject to estate duty. Consider whether any donation might form part of the estate.	16

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SCHEDULES

A. 2015 – TAX TABLES

(i) Persons (other than companies and trusts)

Taxable income	Rates of tax
Where the taxable income does not exceed R174 550	18 % of each R1 of the taxable income;
exceeds R174 550 but does not exceed R272 700. ...	R31 419 plus 25% of the amount by which the taxable income exceeds R174 550,
exceeds R272 700 but does not exceed R377 450. .	R55 957 plus 30% of the amount by which the taxable income exceeds R272 700,
exceeds R377 450 but does not exceed R528 000 ...	R87 382 plus 35% of the amount by which the taxable income exceeds R377 450,
exceeds R528 000 but does not exceed R673 100 ..	R140 074 plus 38% of the amount by which the taxable income exceeds R528 000,
exceeds R673 100	R195 212 plus 40% of the amount by which the taxable income exceeds R673 100

(ii) Trusts (other than special trusts)

40 per cent of each R1 of the taxable income.

(iii) Tax on retirement lump sum benefits (or death)

Taxable income from benefit	Rate of Tax
R0 – R500 000	0 per cent of taxable income
Exceeding R500 000 but not exceeding R700 000	R0 plus 18% of taxable income exceeding R500 000
Exceeding R700 000 but not exceeding R1 050 000	R36 000 plus 27% of taxable income exceeding R700 000
Exceeding R1 050 000	R130 500 plus 36% of taxable income exceeding R1 050 000

(iv) Tax on retirement lump sum withdrawal benefits (pre-retirement)

Taxable income from benefit	Rate of Tax
R0 – R25 000	0 per cent of the taxable income
Exceeding R25 000 but not exceeding R660 000.	18% of taxable income exceeding R25 000
Exceeding R660 000 but not exceeding R990 000	R114 300 plus 27% of taxable income exceeding R660 000
Exceeding R990 000	R203 400 plus 36% of taxable income exceeding R990 000

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B. FRINGE BENEFIT TABLES

(i) Employee-owned vehicles (section 8(1))

SCALE OF VALUES

Where the value of the vehicle	Fixed cost R	Fuel cost c	Maintenance cost c
does not exceed R80 000	25 946	92,3	27,6
exceeds R 80 000 but does not exceed R160 000	46 203	103,1	34,6
exceeds R160 000 but does not exceed R240 000	66 530	112,0	38,1
exceeds R240 000 but does not exceed R320 000	84 351	120,5	41,6
exceeds R320 000 but does not exceed R400 000	102 233	128,9	48,8
exceeds R400 000 but does not exceed R480 000	120 997	147,9	57,3
exceeds R480 000 but does not exceed R560 000	139 760	152,9	71,3
exceeds R560 000	139 760	152,9	71,3

(ii) Employer owned vehicles (Paragraph 7(4) of the Seventh Schedule)

Scale of values

Value of private use per month, vehicle not subject to maintenance plan = 3,5% x determined value

Value of private use per month, vehicle subject to maintenance plan = 3 25% x determined value

C. REBATES

Persons under 65	R12 726
Persons 65 and under 75 (R12 726 + R7 110)	R19 836
Persons 75 and over (R12 726 + R7 110 + R2 367)	R22 203

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D. FORMULAE**Section 10A (purchased annuity)**

$$Y = A/B \times C$$

- Y = the capital element to be calculated
A = the total cash price payable by the purchaser to the insurance company in terms of the annuity contract
B = the sum of all the expected returns over the term of the contract, and
C = the total receipts during the current year of assessment

Second Schedule**Formula C**

$$A = \frac{B}{C} \times D$$

- A = the portion subject to tax that must be calculated
B = the total completed years of service from 1 March 1998
C = the total completed years of service that are recognised as pension funding
D = the lump sum that is payable

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E. EXTRACT FROM THE INCOME TAX ACT (ACT 58 OF 1962, AS AMENDED) – EIGHTH SCHEDULE

25. Determination of base cost of pre-valuation date assets. – The base cost of a pre-valuation date asset (other than an identical asset in respect of which paragraph 32 (3A) has been applied), is the sum of the valuation date value of that asset, as determined in terms of paragraph 26, 27 or 28 and the expenditure allowable in terms of paragraph 20 incurred on or after the valuation date in respect of that asset

26. Valuation date value where proceeds exceed expenditure or where expenditure in respect of an asset cannot be determined. – (1) Where the proceeds from the disposal of a pre-valuation date asset (other than an asset contemplated in paragraph 28 or in respect of which paragraph 32 (3A) has been applied) exceed the expenditure allowable in terms of paragraph 20 incurred before, on and after the valuation date in respect of that asset, the person who disposed of that asset must, subject to subparagraph (3), adopt any of the following as the valuation date value of that asset–

- (a) the market value of the asset on the valuation date as contemplated in paragraph 29;
- (b) 20 per cent of the proceeds from disposal of the asset, after deducting from those proceeds an amount equal to the expenditure allowable in terms of paragraph 20 incurred on or after the valuation date, or
- (c) the time-apportionment base cost of the asset as contemplated in paragraph 30.

(2) Where the expenditure incurred before valuation date in respect of a pre-valuation date asset cannot be determined by the person who disposed of that asset or the Commissioner, that person must adopt any of the following as the valuation date value of that asset–

- (a) the market value of the asset on the valuation date as contemplated in paragraph 29; or
- (b) 20 per cent of the proceeds from disposal of the asset, after deducting from those proceeds an amount equal to the expenditure allowable in terms of paragraph 20 incurred on or after the valuation date

(3) Where a person has adopted the market value as the valuation date value of an asset, as contemplated in subparagraph (1) (a), and the proceeds from the disposal of that asset do not exceed that market value, that person must substitute as the valuation date value of that asset, those proceeds less the expenditure allowable in terms of paragraph 20 incurred on or after the valuation date in respect of that asset

27. Valuation date value where proceeds do not exceed expenditure. – (1) Subject to subparagraph (2), where the proceeds from the disposal of a pre-valuation date asset do not exceed the expenditure allowable in terms of paragraph 20 incurred both before and after the valuation date in respect of that asset, the valuation date value of that asset must be determined in terms of this paragraph

(2) This paragraph does not apply in respect of any asset contemplated in paragraph 28 or in respect of which paragraph 32 (3A) has been applied

(3) Where a person has determined the market value of an asset on the valuation date, as contemplated in paragraph 29, or the market value of an asset has been published in terms of that paragraph, and–

- (a) the expenditure allowable in terms of paragraph 20 incurred before the valuation date in respect of that asset–
 - (i) is equal to or exceeds the proceeds from the disposal of that asset, and
 - (ii) exceeds the market value of that asset on valuation date,

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is the valuation date value of that asset must the higher of—

(aa) that market value, or

(bb) those proceeds less the expenditure allowable in terms of paragraph 20 incurred on or after the valuation date in respect of that asset, or

(b) the provisions of item (a) do not apply, the valuation date value of that asset must be the lower of—

(i) that market value, or

(ii) the time—apportionment base cost of that asset as contemplated in paragraph 30

(4) Where the provisions of subparagraph (3) do not apply, the valuation date value of that asset is the time—apportionment base cost of that asset, as contemplated in paragraph 30

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F. INCOME TAX MONETARY THRESHOLDS SUBJECT TO PERIODIC LEGISLATIVE CHANGE:

Description	Reference to Income Tax Act, 1962	Monetary amount
General savings thresholds		
Broad-based employee share plan: Employees can receive tax-exempt shares if the shares are part of a broad-based employee share plan. Companies can also deduct shares issued under the plan		
Maximum exemption for shares received by employees	The definition of "qualifying equity share" in section 8B(3)	R50 000
Maximum deduction for shares issued by the employer	The proviso to section 11(A)	R10 000
Exemption for interest:		
In respect of persons 65 years or older, exemption for interest from a source within the Republic which are not otherwise exempt	Section 10(1)(j)(i)	R34 500
In respect of persons 65 years, exemption for interest from a source within the Republic which are not otherwise exempt	Section 10(1)(j)(ii)	R23 800
Annual donations tax exemption:		
Exemption for donations made by entities	Section 56(2)(a) and the proviso thereto	R10 000
Exemption for donations made by individuals	Section 56(2)(b)	R100 000
Capital gains exclusions:		
Annual exclusion for individuals and special trusts	Paragraph 5(1) of Eighth schedule	R30 000
Exclusion on death	Paragraph 5(2) of Eighth schedule	R300 000
Exclusion for the disposal of a primary residence	Paragraph 45(1)(a) of Eighth Schedule	R2 million
Exclusion in respect of disposal of primary residence (based on amount of proceeds on disposal)	Paragraph 45(1)(b) of Eighth Schedule	R2 million
Maximum market value of all assets allowed within the small business definition on disposal when person over 55	Definition of "small business" in paragraph 57(1) of Eighth Schedule	R10 million
Exclusion amount on disposal of small business when person over 55	Paragraph 57(3) of Eighth schedule	R1 800 000
Retirement savings thresholds:		
Deductible retirement fund contributions: Retirement fund members may deduct their contributions subject to certain percentage or monetary ceilings		
Pension fund monetary ceiling for contributions	Proviso to section 11(k)(i)	R1 750
Pension fund monetary ceiling for past period contributions	Paragraph (aa) of the proviso to section 11(k)(ii)	R1 800

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Description	Reference to Income Tax Act, 1962	Monetary amount
Retirement annuity fund monetary ceiling for contributions (if also a member of a pension fund)	Section 11(n)(aa)(B)	R3 500
Retirement annuity fund ceiling for contributions (if not a member of a pension fund)	Section 11(n)(aa)(C)	R1 750
Retirement annuity fund ceiling for re-instatement contributions	Section 11(n)(bb)	R1 800

Deductible business expenses for individuals:

Car allowance: Individuals receive an annual vehicle allowance to defray business travel expenses, including deemed depreciation on the vehicle.		
Ceiling on vehicle cost	Section 8(1)(b)(iiiA)(bb)(A)	R560 000
Ceiling on debt relating to vehicle cost	Section 8(1)(b)(iiiA)(bb)(B)	R560 000

Employment-related fringe benefits

Exempt scholarships and bursaries: Employers can provide exempt scholarships and bursaries to employees and their relatives, subject to annual monetary ceilings.		
Annual ceiling for employees	Paragraph (ii)(aa) of the proviso to section 10(1)(g)	R250 000
Annual ceiling for employee relatives	Paragraph (ii)(bb) of the proviso to section 10(1)(g)	R30 000 & R10 000
Awards for bravery and long service:	Paragraphs (a) and (b) of the further proviso to paragraph 5(2) of Seventh Schedule	R5 000
Employee accommodation:	Paragraph 9(3)(a)(ii) of Seventh Schedule	R70 700
Exemption for expatriate employees:	Paragraph 9(7B)(ii) of Seventh Schedule	R25 000
Exemption for <i>de minimus</i> employee loans:	Paragraph 11(4)(a) of Seventh Schedule	R3 000

Administration

Investment income not taken into account for provisional tax:		
In the case of a natural person below age 65	Paragraph 18(1)(c)(ii) of Fourth Schedule	R20 000
In the case of natural person over age 65	Paragraph 18(1)(c)(i) of Fourth Schedule	R120 000
Threshold in respect of automatic appeal to High Court		R50 million

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G. DECEASED ESTATES**(i) RATE OF ESTATE DUTY**

The rate of estate duty shall be 20 per cent of the dutiable amount of the estate.

Provided that where duty becomes payable upon the value of any movable or immovable property or on a value determined by reference to the value of any movable or immovable property, and duty has, upon the death of any person (hereinafter referred to as the first-dying person), who died within ten years prior to the death of the deceased, become payable upon the value of that movable or immovable property or upon a value determined by reference to the value of that movable or immovable property (or any movable or immovable property for which the Commissioner is satisfied that that movable or immovable property has been substituted), the duty attributable to the value of that movable or immovable property or, as the case may be, the value determined by reference to the value of that movable or immovable property, but not exceeding (in either case) an amount equal to the value on which duty has become payable on the death of the first-dying person, shall be reduced by a percentage according to the following scale

if the deceased dies within two years of the death of the first-dying person	100 per cent
if the deceased dies more than two years but not more than four years after the death of the first-dying person	80 per cent
if the deceased dies more than four years but not more than six years after the death of the first-dying person	60 per cent
if the deceased dies more than six years but not more than eight years after the death of the first-dying person	40 per cent
if the deceased dies more than eight years but not more than ten years after the death of the first-dying person	20 per cent

subject to a maximum reduction equal to so much of the duty previously payable upon the death of the first-dying person as is attributable to the value of that movable or immovable property or, as the case may be, to an amount equal to the value determined by reference to the value of that movable or immovable property, and as is proved to the satisfaction of the Commissioner to have been borne by the deceased

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TABLE A

(iv) THE EXPECTATION OF LIFE AND THE PRESENT VALUE OF R1 PER ANNUM FOR LIFE CAPITALISED AT 12 PER CENT OVER THE EXPECTATION OF LIFE OF MALES AND FEMALES OF VARIOUS AGES

Age	Expectation of life		Present value of R1 per annum for life		Age
	Male	Female	Male	Female	
0	64,75	72,36	8,237 91	8,331 05	0
1	65,37	72,74	8,328 28	8,331 14	1
2	64,50	71,87	8,327 76	8,330 91	2
3	63,57	70,93	8,327 14	8,330 64	3
4	62,63	69,98	8,326 44	8,330 33	4
5	61,69	69,02	8,325 67	8,329 99	5
6	60,74	68,06	8,324 80	8,329 61	6
7	59,78	67,09	8,323 81	8,329 81	7
8	58,81	66,11	8,322 71	8,328 69	8
9	57,83	65,14	8,321 46	8,328 15	9
10	56,85	64,15	8,320 07	8,327 53	10
11	55,86	63,16	8,318 49	8,326 84	11
12	54,87	62,18	8,316 73	8,326 08	12
13	53,90	61,19	8,314 80	8,325 22	13
14	52,93	60,21	8,312 65	8,324 27	14
15	51,98	59,23	8,310 29	8,323 20	15
16	51,04	58,26	8,307 70	8,322 03	16
17	50,12	57,29	8,304 89	8,320 71	17
18	49,21	56,33	8,301 80	8,319 26	18
19	48,31	55,37	8,298 41	8,317 64	19
20	47,42	54,41	8,294 71	8,315 84	20
21	46,53	53,45	8,290 61	8,313 83	21
22	45,65	52,50	8,286 13	8,311 61	22
23	44,77	51,54	8,281 17	8,309 12	23
24	43,88	50,58	8,275 64	8,306 33	24
25	43,00	49,63	8,269 59	8,303 26	25
26	42,10	48,67	8,262 74	8,299 81	26
27	41,20	47,71	8,255 16	8,295 95	27
28	40,30	46,76	8,246 77	8,291 71	28
29	39,39	45,81	8,237 37	8,286 97	29
30	38,48	44,86	8,226 94	8,281 70	30
31	37,57	43,91	8,215 38	8,275 83	31
32	36,66	42,96	8,202 57	8,269 30	32
33	35,75	42,02	8,188 36	8,262 10	33
34	34,84	41,07	8,172 62	8,254 00	34
35	33,94	40,13	8,155 36	8,245 09	35
36	33,05	39,19	8,136 47	8,235 17	36
37	32,16	38,26	8,115 58	8,224 26	37
38	31,28	37,32	8,092 74	8,211 99	38
39	30,41	36,40	8,067 81	8,198 66	39
40	29,54	35,48	8,040 30	8,183 86	40
41	28,69	34,57	8,010 67	8,167 62	41
42	27,85	33,67	7,978 44	8,149 83	42
43	27,02	32,77	7,943 44	8,130 12	43
44	26,20	31,89	7,905 47	8,108 81	44

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TABLE A (continued)

Age	Expectation of life		Present value of R1 per annum for life		Age
	Male	Female	Male	Female	
45	25,38	31,01	7,863 80	8,085 27	45
46	24,58	30,14	7,819 24	8,059 56	46
47	23,79	29,27	7,771 09	8,031 19	47
48	23,00	28,41	7,718 43	8,000 26	48
49	22,23	27,55	7,662 36	7,966 17	49
50	21,47	26,71	7,602 01	7,929 50	50
51	20,72	25,88	7,537 13	7,889 67	51
52	19,98	25,06	7,467 48	7,846 46	52
53	19,26	24,25	7,393 87	7,799 65	53
54	18,56	23,44	7,316 31	7,748 34	54
55	17,86	22,65	7,232 34	7,693 55	55
56	17,18	21,86	7,144 14	7,633 63	56
57	16,52	21,08	7,051 78	7,568 96	57
58	15,86	20,31	6,952 25	7,499 27	58
59	15,23	19,54	6,850 04	7,423 21	59
60	14,61	18,78	6,742 06	7,341 35	60
61	14,01	18,04	6,630 10	7,254 57	61
62	13,42	17,30	6,512 32	7,160 20	62
63	12,86	16,58	6,393 01	7,060 46	63
64	12,31	15,88	6,268 22	6,955 37	64
65	11,77	15,18	6,137 89	6,841 61	65
66	11,26	14,51	6,007 26	6,723 93	66
67	10,76	13,85	5,871 65	6,598 93	67
68	10,28	13,20	5,734 03	6,466 35	68
69	9,81	12,57	5,591 82	6,328 18	69
70	9,37	11,96	5,451 65	6,184 66	70
71	8,94	11,37	5,307 75	6,036 07	71
72	8,54	10,80	6,167 44	5,882 78	72
73	8,15	10,24	5,024 37	5,722 22	73
74	7,77	9,70	4,878 76	5,557 43	74
75	7,41	9,18	4,734 90	5,388 93	75
76	7,07	8,68	4,593 54	5,217 27	76
77	6,73	8,21	4,446 63	5,046 79	77
78	6,41	7,75	4,303 09	4,870 92	78
79	6,10	7,31	4,158 98	4,693 89	79
80	5,82	6,89	4,024 40	4,516 47	80
81	5,55	6,50	3,890 51	4,343 99	81
82	5,31	6,13	3,768 02	4,173 15	82
83	5,09	5,78	3,652 76	4,004 82	83
84	4,89	5,45	3,545 46	3,839 88	84
85	4,72	5,14	3,452 32	3,679 21	85
86	4,57	4,85	3,368 64	3,523 71	86
87	4,45	4,58	3,300 66	3,374 26	87
88	4,36	4,33	3,249 07	3,231 75	88
89	4,32	4,11	3,225 97	3,102 96	89
90	4,30	3,92	3,214 38	2,989 12	90

[TURN OVER]

TABLE B

PRESENT VALUE OF R1 PER ANNUM CAPITALISED AT 12 PER CENT OVER FIXED PERIODS

Years	Amount	Years	Amount	Years	Amount	Years	Amount
	R		R		R		R
1	0,892 9	26	7,895 7	51	8,307 6	76	8,331 8
2	1,690 0	27	7,942 6	52	8,310 4	77	8,332 0
3	2,401 8	28	7,984 4	53	8,312 8	78	8,332 1
4	3,037 4	29	8,021 8	54	8,315 0	79	8,332 3
5	3,604 8	30	8,055 2	55	8,317 0	80	8,332 4
6	4,111 4	31	8,085 0	56	8,318 7	81	8,332 5
7	4,563 8	32	8,111 6	57	8,320 3	82	8,332 6
8	4,967 6	33	8,135 4	58	8,321 7	83	8,332 6
9	5,328 2	34	8,156 6	59	8,322 9	84	8,332 7
10	5,650 2	35	8,175 5	60	8,324 0	85	8,332 8
11	5,937 7	36	8,192 4	61	8,325 0	86	8,332 8
12	6,194 4	37	8,207 5	62	8,325 9	87	8,332 9
13	6,423 6	38	8,221 0	63	8,326 7	88	8,333 0
14	6,628 2	39	8,233 0	64	8,327 4	89	8,333 0
15	6,810 9	40	8,243 8	65	8,328 1	90	8,333 0
16	6,974 0	41	8,253 4	66	8,328 6	91	8,333 1
17	7,119 6	42	8,261 9	67	8,329 1	92	8,333 1
18	7,249 7	43	8,269 6	68	8,329 6	93	8,333 1
19	7,365 8	44	8,276 4	69	8,330 0	94	8,333 1
20	7,469 4	45	8,282 5	70	8,330 3	95	8,333 2
21	7,562 0	46	8,288 0	71	8,330 7	96	8,333 2
22	7,644 6	47	8,292 8	72	8,331 0	97	8,333 2
23	7,718 4	48	8,297 2	73	8,331 2	98	8,333 2
24	7,784 3	49	8,301 0	74	8,331 4	99	8,333 2
25	7,843 1	50	8,304 5	75	8,331 6	100	8,333 2

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