

TUTORIAL LETTERS: ERRATA

Tutorial letter 102

Page 45

Study unit 4: Sections of the text book you may ignore

Replace the reference to “3.31, 3.3.6 and 3.3.24” with:

Under 3.4.1 Pensions

- *Payable to State President, Deputy State President or his widow or her widower.*

Under 3.4.2 Benefits

- *Beneficiary fund awards*

Under 3.4.5 Other exemptions

- *Government grants*

Please note that the references in the study unit differ from the text book references. You have to look up the correct reference in the text book that correlates to the section in the study unit.

Page 67

Study unit 6: Sections of the prescribed book you may ignore

Chapter 13.12.2 **must be studied**

Chapter 13.12.5.1 and 13.12.5.2 **must be studied**

Replace the reference 13.12.6.3 to 13.12.6.12 with **13.12.5.3 to 13.12.5.12**

Page 87

Question 2. 8

Please change the monthly annuity to **R4 500** (not R3 200).

Tutorial letter 103

Page 38

Study unit 10.7: Value of property donated

Section 11.10, "*Value: limited interests*", in the prescribed book **must be studied**, not read.

Page 48

Study unit 11.5: Allowable Deductions

Delete the last sentence: "*You must be able to calculate the correct amount of executor's remuneration.*"

Page 58

Study unit 12, question 12.2, section B

Please change the fuel cost to **R36 000** (not R28 000).

Page 68

Question 7.3 Note 5:

The question should read:

"*Monthly contributions for the full year of assessment R14 000"*

[Delete "*Monthly contributions until retirement*". The solution on page 90 remains unchanged.]

Page 92

Solution 7.5

The medical fringe benefit of R21 000 should also be allowed as a deduction, as Mickey Mouse was taxed on it and he is 66 years old.

The taxable income will become R218 534 (R239 534 – R21 000).

Normal tax on taxable income, excluding lump sums, becomes:

$(R218\ 534 - R165\ 600) \times 25\% + R29\ 808 = R43\ 042.$

There is no medical scheme fees tax credit, as Mickey is 66 years old. The rest of the calculations must be adjusted accordingly.