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Mathematical Literacy – Grade 12
Taxation**Time: 50 minutes****Examiner: C. Sam****Marks: 45****Instructions**

1. Write your full name at the top of this question paper.
2. Answer all questions in the spaces provided on this question paper.
3. You may use a non-programmable calculator.
4. Answers should be rounded off to **two decimal places** unless otherwise stated, or if the real-life context requires rounding up or down.
5. Check that your question paper comprises 3 questions, 5 pages and an Annexure Sheet.

Question 1**[8]**

1. Define the term “Zero-rated tax” and give an example of goods that are zero-rated tax. (2)

2. Explain why people must pay tax and name two types of tax. (2)

3. Calculate the price of a pair of jeans after VAT is included if the price excluding VAT is R250,00. (2)

4. If the price of a Cassio fx-82ZA PLUS calculator is R425,00 including VAT, determine the price of the calculator before VAT was included. (2)

Question 2**[13]**

Use the Annexure Sheet to answer the questions that follow.

1. Keira is 67 years old and earns R115 000,00 annually. She pays R2 750,00 deductions per month. Calculate her annual tax for 2018. (3)

2. Venus is 25 years old and earns R18 500,00 per month. Her UIF is R575,00 p.m. and she pays R2 200,00 p.m. for medical aid. She receives a 13th cheque which is taxable. Calculate her annual tax for 2018. (5)

3. If Mawande is 42 years of age and pays R150 987,00 tax in 2020, calculate his annual salary. (5)

Question 3**[24]**

Use the Annexure Sheet to answer the questions that follow.

Itumeleng Isaac Khune is 34 years old and is a South African footballer who plays as goalkeeper for Kaizer Chiefs in the Premier Soccer League, and also the South African national team. He is the former captain of both and was one of the highest earning football players in South Africa (Source: https://en.wikipedia.org/wiki/Itumeleng_Khune). However, due his poor performance in the qualifying rounds and South Africa not qualifying for the 2018 FIFA World Cup, Khune's salary was reduced to a gross salary of R53 300,00 per month.

1. Determine Itumeleng's annual gross salary. (2)

2. UIF (Unemployment Insurance Fund) constitutes 2% of the gross salary. 1% is paid by the employer and 1% by the employee. Determine Itumeleng's annual contribution to UIF. (2)

3. Itumeleng's employer pays $\frac{1}{3}$ of his monthly medical aid contribution. Determine the total monthly payment towards medical aid if Itumeleng's portion is R 1 500,00. (4)

4. Calculate Itumeleng's annual taxable income. (4)

5. Show how **A** was calculated. (3)

6. Calculate Itumeleng's tax payable for the 2020 tax year. (4)

7. Use your answers to the previous questions to complete the missing values of Itumeleng's monthly payslip below.

Baller Bank			
Pay Slip			Pay Date: 25/05/2020
Pay Slip Number: 34	Employer Name: Bafana Bafana	Occupation Title: Football player	Date of Initiation: 17/05/2008
Employee Name: I.I. Khune	Identity Number 870000123907	Marital Status: Married	Address: 5 Scorer Road, Durban, KZN
Earnings	Amount	Deductions	Amount
Cash Component	53 300,00	Medical Aid	7.1:
		UIF	7.2:
		Income Tax	7.3:
Total Earnings	53 300,00	Total Deductions	7.4:
		Nett Pay	7.5:

(5)

RATES OF TAX FOR INDIVIDUALS

2020 tax year (1 March 2019 - 29 February 2020)

Taxable income (R)	Rates of tax (R)
1 – 195 850	18% of taxable income
195 851 – 305 850	35 253 + 26% of taxable income above 195 850
305 851 – 423 300	A + 31% of taxable income above 305 850
423 301 – 555 600	100 263 + 36% of taxable income above 423 300
555 601 – 708 310	147 891 + 39% of taxable income above 555 600
708 311 – 1 500 000	207 448 + 41% of taxable income above 708 310
1 500 001 and above	532 041 + 45% of taxable income above 1 500 000

2018 tax year (1 March 2017 - 28 February 2018)

Taxable income (R)	Rates of tax (R)
1 – 189 880	18% of taxable income
189 881 – 296 540	34 178 + 26% of taxable income above 189 880
296 541 – 410 460	61 910 + 31% of taxable income above 296 540
410 461 – 555 600	97 225 + 36% of taxable income above 410 460
555 601 – 708 310	149 475 + 39% of taxable income above 555 600
708 311 – 1 500 000	209 032 + 41% of taxable income above 708 310
1 500 001 and above	533 625 + 45% of taxable income above 1 500 000

Tax Rebates

Tax rebate	Tax Year	
	2020	2018
Primary	R14 220	R13 635
Secondary (65 and older)	R7 794	R7 479
Tertiary (75 and older)	R2 601	R2 493

Tax Thresholds

Age	Tax Year	
	2020	2018
Under 65	R79 000	R75 750
65 and older	R122 300	R117 300
75 and older	R136 750	R131 150