



Dear Shaun

Introduction

Thank you for using the services of www.activevirtues.co.za. We are confident that our services will be in your best interest.

Your effective salary structure

We are pleased to inform you that your most effective tax structure (*Appendix B*) based on the information you supplied (*Appendix A*) would be the following:

- To keep a logbook and
- To introduce a travel allowance of R1, 806 into your **monthly** current salary.

The effective salary structure will save you an amount of R2, 600 annually and R217 on a monthly basis.

Please instruct your employer to adjust your travel allowance accordingly to avoid paying any additional tax on your annual tax return.

The implication of not keeping a logbook for business kilometers

The logbook is an essential part of the advice above. By not keeping a logbook:

- Your monthly travel allowance should be adjusted to R 0 (*Appendix C*) to avoid any taxes being paid on your annual tax return.
- You will lose a tax saving of R2, 600 annually and R217 monthly.

Please instruct your employer to adjust your travel allowance accordingly to avoid paying any additional tax on your annual tax return.

Disclaimer

The advice given by Active Virtues CC is based on the information supplied by client. Active Virtues CC cannot be held responsible for any loss incurred by the client.

You're sincerely
Quentin Meintjes
www.activevirtues.co.za





Appendix A

Inputs	
Full Name:	Shaun Hide
Contact:	Shaun.hide@hitasp.com
Company use:	Business Purposes
Value of car:	140,000.00
Total kilometers:	12,000.00
Business kilometers:	2,000.00
Fuel Cost:	Paid Personally
Maintenance Cost:	Paid Personally

* Please note that basic salary is not shown on the advice page but was used to calculate the tax saving.

Appendix B

Values if logbook is kept	
Business kilometers	2,000.00
Tax deduction in taxable income	8,668.00
Annual tax saving	2,600.00
Monthly tax saving	216.67
Amount of monthly salary which should be travel allowance	1,806.00

Appendix C

Values if no logbook is kept	
Assumed business kilometers	-
Tax deduction in taxable income	-
Annual tax saving	-
Monthly tax saving	-
Amount of monthly salary which should be travel allowance	-

