Case Study

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To: Mutahi Wachira <WCHWAS001@myuct.ac.za>

📎 2 attachments (208 KB)

Maki Family Income.xlsx; Maki Family Tax Calculation.xls;

Hi Mutahri,

The case study involves a family of 4; Ntsika (55), Refiloe (46), Thando (13). Lerato (5). They receive various types of income which are outlined below. Our main objective is to ensure that, in total, the family pays the lowest tax possible. SARS has various rules and rates that are applicable for each individual taxpayer (family member) that I will also outline.

As I've stated, our objective is to minimise their tax as far as possible to reach what is possibly the lowest total tax payable.

I've attached a spreadsheet of the income that's already received for each individual titled "Maki Family Income". You will see there are spaces which is where the optimization comes in.

What I need is to know what is the most tax efficient (minimizing) way to distribute income from the following trusts.

Trust/Income	Interest	Local Dividends	Rental Income	Capital Gain	Foreign Dividends	Total
KC	129715	0	110556	0	0	240271
NC	154	0	0	0	0	154
ME	0	55000	0	480000	28000	563000

Here is some additional info:

1. Only Refiloe, Thando & Lerato can get distributions from the KC Trust
2. Only Ntsika & Refiloe can get distributions from the NC Trust
3. Everyone can get a distribution from the ME Trust

Finally I've attached a spreadsheet that you guys can work on which is a tax calculation spreadsheet that we use in our company. This spreadsheet has an example of what a tax calculation for an individual taxpayer. **Please do not share this with anyone except your partner**.

Let's chat on WhtsApp.

Kind Regards,

Ntsika