

# NATIONAL BUDGET 2026: What it means for you and your wealth

Building momentum in your financial decisions.

This year's Budget is one of the most positive for saving and long-term planning in many years. While there are no sweeping tax cuts, several long-frozen thresholds have finally been adjusted — creating meaningful planning opportunities.

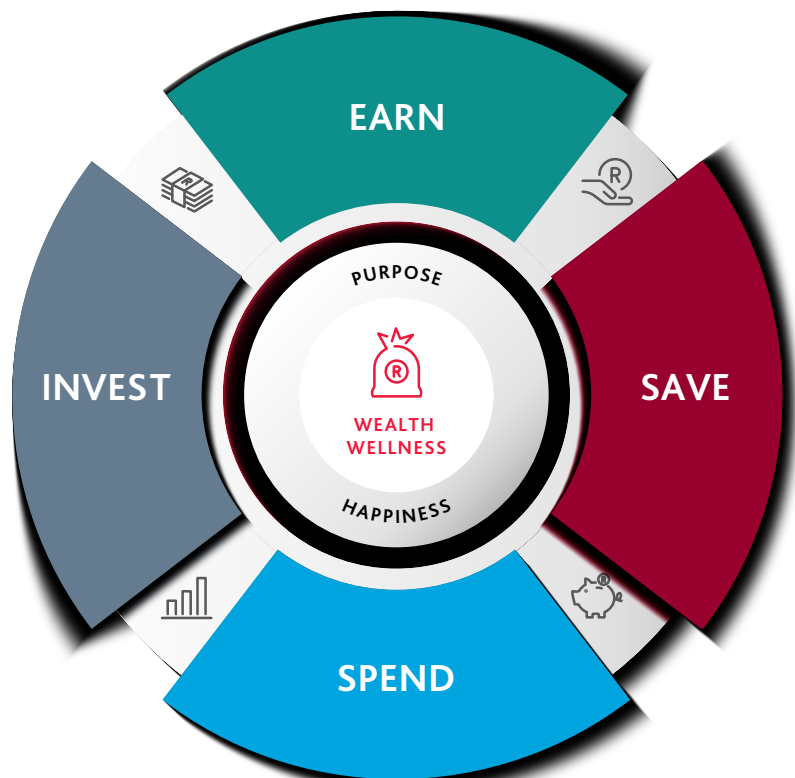
This document is a quick summary of the changes likely to affect you. We've focused only on what has changed in the 2026 Budget. At a high level:

- Income tax brackets adjusted for inflation
- Retirement contribution limit increased to R430,000 p.a.
- Tax-Free Savings annual limit increased to R46,000 (lifetime limit remains R500,000)
- Annual CGT exclusion increased to R50,000
- Primary residence CGT exclusion increased to R3 million
- Donations tax exemption increased to R150,000 p.a.
- Single Discretionary Allowance has increased to R2 million per calendar year

In practical terms, you can now save more, invest more tax-efficiently and structure your estate more effectively. This is a good Budget for disciplined savers and investors. It supports those who take a long-term view and rewards consistent, well-considered planning rather than short-term decisions.

## Dimensions of wealth

We've mapped the key tax updates across how you earn, save, spend and invest.



# What it means for you and your wealth

**EARN**

## Personal Income Tax

Applies once your income exceeds the relevant thresholds.

| Age                | Tax threshold |
|--------------------|---------------|
| Below age 65       | R99,000       |
| Age 65 to below 75 | R153,250      |
| Age 75 and above   | R171,300      |

**Impact on your wealth**  
Personal income tax brackets and rebates have been adjusted for inflation for the first time in two years, which helps prevent bracket creep – but it won't materially increase take-home pay.

**INVEST**

## Retirement contributions

A positive change to retirement contribution rules.

**Retirement fund deductions increase to R430,000**, or 27.5% of taxable income annually, whichever is the lower.

**Impact on your wealth**  
One of the stand outs in the 2026 Budget is the increase in tax-efficient savings limits. The higher retirement fund contribution threshold reinforces that long-term saving remains one of the most effective ways to build and protect wealth.

**Tax free savings**

The tax free savings contribution limit has **increased to R46,000 per annum**.

The lifetime contribution limit remains at R500,000.

**Impact on your wealth**  
Tax free savings accounts remain a meaningful option to grow wealth, as they allow you to invest tax-free in equities, bonds and cash. In the long term they remain a powerful way to build and protect wealth.

Let the magic of compounding maximise this tax benefit for you.

**INVEST**

## Capital Gains Tax (CGT)

### Individual taxpayers

- **Annual exclusion** of capital gains **increased to R50,000**.
- Exclusion of capital gains **at death increased to R440,000**.
- Exclusion in respect of **disposal of primary residence increased to R3 million**.
- **Maximum CGT tax rate remains 18%**.

### Corporate taxpayers

**Maximum CGT tax rate is 21.6%**

**Impact on your wealth**  
Considered planning can be effective in minimising your CGT liabilities.

## Single Discretionary Allowance

The single discretionary allowance limit for private individuals is increased from **R1 million to R2 million** per calendar year for all purposes, including travel, gifts, remittances, investments, and donations.

**Impact on your wealth**  
A significant change in exchange control that will support offshore wealth creation.

**SPEND**

## Spend

- Spending directly affects how much wealth you retain.

### Fuel levy

- Increased to **R4,10 per litre for petrol**.
- Increased to **R3,93 per litre for diesel**.

### Road Accident Fund levy

- Increased to **R2,25 per litre**.

**Impact on your wealth**  
These increases feed directly into the cost of living. They may seem small in isolation, but over time they gradually reduce disposable income.

### Sin taxes

- **Increase of 3.4% in excise duties on alcoholic beverages and tobacco products.** This includes excise duty on electronic nicotine and non-nicotine vaping products.

## Looking ahead

Just as important as what has changed is what has remained the same. There has been no adjustment to the retirement lump sum withdrawal tables, and no major changes to trust tax rates or the application of conduit principles in the taxation of trusts. This continuity provides stability and allows existing long-term structures to continue operating as intended.

In practical terms, you may pay slightly less tax, contribute more towards retirement, realise larger after-tax capital gains, and make greater use of donations exemptions.

Having a solid plan in place, and sticking to it, can help you make steady, well-considered decisions.

As your financial guide, BDO Wealth is here to help you take advantage of the meaningful planning opportunities for long term wealth creation.

BDO Wealth.  
Your financial guide.