

Sage Pastel Payroll

History of Changes

2027 Update 1



Legislative and Compliance Updates

South Africa

Updated tax tables and rebates for 2026/2027 (PPP-8770)

PAYE tax rates, rebates, age thresholds, medical scheme tax credits, and prescribed travel rates have been updated in line with the latest legislation for the new tax year.

Income tax table: Individuals and special trusts

Taxable income	Rates of tax
R1 – R245 100	18% of taxable income
R245 101 – R383 100	R44 118 + 26% of taxable income above R245 100
R383 101 – R530 200	R79 998 + 31% of taxable income above R383 100
R530 201 – R695 800	R125 599 + 36% of taxable income above R530 200
R695 801 – R887 000	R185 215 + 39% of taxable income above R695 800
R887 001 – R1 878 600	R259 783 + 41% of taxable income above R887 000
R1 878 601 and above	R666 339 + 45% of taxable income above R1 878 600

Rebates

Primary rebate (persons under 65)	R17 820
Secondary rebate (persons of 65 – 74 years)	R9 765
Tertiary rebate (persons 75 and older)	R3 249

Tax thresholds

The tax thresholds at which liability for normal tax commences, are:	
Persons under 65	R99 000
Persons of 65 – 74 years	R153 250
Persons 75 and older	R171 300

Medical scheme fees tax credits

Main member	R376
First dependant	R376
Each additional dependant	R254

Higher retirement fund deduction limit (PPP-8804)

The annual retirement fund contribution deduction limit has increased to **R430,000**, allowing employees to benefit from increased tax-efficient retirement savings.

Increased long-service award exemption (PPP-8805)

The tax-free threshold for long-service awards has increased to **R16,000**, enabling greater recognition for long-serving employees.

Updated public holidays (PPP-8760)

South African public holidays for **2026 and 2027** have been updated to ensure accurate payroll calculations from 1 March 2026 onwards.

Namibia

Updated tax files and public holidays (PPP-8775)

Namibian tax files and public holidays have been updated for the 2026/2027 tax year to support ongoing compliance.

Payroll and System Enhancements

New tax year setup and system dates (PPP-8759, PPP-8761, PPP-8762)

All system dates, version settings, and company setup defaults have been updated for the 2026/2027 tax year, simplifying new company creation.

Updated demo company (PPP-8764, PPP-8766)

A refreshed demo company for the 2026/2027 tax year is now available, optimised for improved performance while supporting demonstrations and training.

Support for negative PAYE, UIF, and SDL values (PPP-8773)

Payroll now supports negative PAYE, UIF, and SDL values for a period where applicable, with full audit trail entries for transparency and compliance.

Improved year-end rollover and history retention (PPP-8767, PPP-8768, PPP-8769)

Employee history is securely retained before year-end clearing, ensuring more reliable rollovers and better access to historical data.

Industry and Council Updates

MIBCO calendar and contribution updates (PPP-8776, PPP-8795, PPP-8797)

The MIBCO calendar for 2026 has been updated, along with revised medical aid rates and new employer and employee contribution templates.

Updated sickness, accident, and maternity fund rates (PPP-8796)

Contribution rates have been updated in line with the latest legislative requirements, effective from January 2026.

Online Tools and Integrations

Updated online tax calculator (PPP-8774)

The online tax calculator has been updated for the new tax year to ensure accurate tax estimates. The mobile (Mobi) version has been retired.

Enhanced connected services (PPP-8765, PPP-8790, PPP-8791, PPP-8792, PPP-8793)

Connected services have been enhanced to improve stability, identification, token refresh handling, and Sage ID integration.

Support and User Experience**Simplified support access (SPPP-1656)**

Legacy webform options have been removed and replaced with a direct remote-support link, making it easier to get help when needed.

Enhanced bank file options (SPPP-1654)

Investec bank files now support improved payment reference options, allowing employers greater flexibility when generating payment files.



Sage Johannesburg
6th Floor, Gateway West
22 Magwa Crescent
Waterfall 5-lr
Midrand 2066
011 304 1000
sage.com/za