



Work and Care Centre
Werk en Versorginsentrum

SECTION 18

WHAT DOES SECTION 18A STATUS MEAN?

What does Section 18A status mean?

- Section 18A enables you, the taxpayer, who has made a donation to your charity to claim a tax deduction up to a certain limit.
- Donors to any NPO who has PBO status are entitled to deduct the total value of their donations, up to a limit of 10% of your taxable income for that tax year.
- In order to claim a tax deduction, you must hold a section 18A certificate which will be issued by the NPO to you.

Aanhou-Wen has a PBO status and can issue a Section 18A Certificate.

Terms and conditions to be aware of?

- The donation must be bona fide, meaning that nothing can be expected to be given in return for the donation
- The original certificate must be kept in a safe place and made available to SARS if requested.
- The Section 18A certificate must have the correct details of the taxpayer
- A taxpayer may not claim both BEE points and a Section 18A tax deduction

How does the Section 18A tax benefit work?

- Taxpayers deduct their donations from their taxable income, lowering the total tax due.
- The reduction depends on your marginal tax rate e.g. If your marginal tax rate is 35%, a donation of R1 000 will result in a reduction of R350 in tax payable.

Please consider supporting our Organisation