



SOUTH SUDAN REVENUE AUTHORITY

OFFICE OF THE COMMISSIONER FOR DOMESTIC TAX REVENUE

27th February, 2024

TO: All Government Institution, NGOS and Private Sector

Juba- South Sudan

Subject: Clarification on Tax Rate at the End of Service Benefits (ESB), Social Insurance Funds/pension or Gratuity (all Mean the Same Thing).

Suspension for payment of social insurance funds/ pension and end of service benefit beings' tax was a ruling addressing the situation at that time which was a concern of the Ministry of Finance and Planning and Ministry of Labor that Social Insurance Funds/Pension and End of Service Benefit should not be taxed.

Because of this concern the Deputy Commissioner General made a ruling to suspend the taxing of Social Insurance Funds/Pension and End of Service Benefit indefinitely until the reviewed was done.

According to the law of **Taxation Act 2009, Section 58 Subsection 1(a) and (b)** which started that pension /social insurance funds are taxable and in reference to the **Schedule ii** of the **Taxation Act 2009** as amended **2016** define pension income as Gross income that is subject to tax.

The tax rate of pension /social insurance funds and end of service benefit is **10%** according to **Taxation law** and according to the **Schedule 1** of the **Financial Act 2023-2024** categorized pension income at the rate of **10%** so therefore End of Service Benefit falls under this category and should be taxed at the rate of **10%**.

Therefore, we need to informing you that pension /social insurance funds or End of Service Benefits (ESB) are taxable at the rate of **10%** by law.

Regard.

Albino Chol Thiik

Commissioner Domestic

Tax Revenue Division



Cc: Commissioner General

Cc: Deputy Commissioner General

Cc: Deputy Commissioner Head Office Operation

Cc: Files

