

## Residence Certificate (SARS)



This document will enable your school to exempt you from paying Korean Income Tax provided you are teaching at a Korean Public School. You can enjoy this exemption for the first 2 years you work in Korea. This exemption does not apply if you are teaching at a university or private school or academy.

### South African Tax Exemption

As a South African working abroad for 12 month periods in South Korea as an English teacher you are exempted from paying income tax in South Africa. The South African Revenue Services (SARS) directive on South African's working abroad states that since 2001:

*"Foreign income received by or accrued to a resident individual is taxable.*

*The following income types are, however, exempt from tax in terms of Section 10(1)(o)(ii) of the Income Tax Act:*

*Remuneration derived in respect of services rendered for an employer outside South Africa if the employee is outside South Africa for a period exceeding 183 days in any 12-month period and is outside South Africa for a continuous period of 60 days during the 12 month period and the services were rendered during the period."*

As your contract in South Korea fulfills all these requirements you are not liable to pay tax in South Africa on the money you earn in South Korea. However, as a registered tax-payer you are obliged to file a tax return to SARS every year from Korea wherein you should declare your Korean earnings to SARS as non-taxable income. Here is a great FaceBook Group to assist you in this:

<https://www.facebook.com/groups/129638217116845/?ref=ts&fref=ts>

### South Korean Tax Exemption

As a South African working in Korea as an English teacher you are entitled to be exempted from paying Korean income tax for your first 2 contract periods provided you are working at a public school. Foreigners teaching in Hagwon and at universities in Korea do not enjoy this tax exempt status.

From your 3rd contract onwards you are obliged to pay income tax in South Korea regardless where you are employed. In order to enjoy the tax exemption for year 1 & 2 you are required to submit a Residency Certificate to your Korean school in South Korea when you first arrive in Korea. This document confirms that you are a registered tax payer in South Africa. You are required to submit the Residency Certificate to your school before you receive your first paycheck - typically the 24th of the month - to enjoy the exemption.

### Step 1/ Applying for a Tax Number from SARS

You need to request this document from the South African Revenue Services (SARS) If you are not yet a registered tax payer in South Africa then SARS is unable to issue you with a Residency Certificate. In order to register you need to visit your local SARS office.

[Click Here To Apply For A Tax Number](#)

You can find a list of SARS offices on their website - [Click Here](#)

Typically you will be issued with a Tax Number within 1 to 2 weeks.

### Step 2/ Applying for a Residency Certificate from SARS

Once you are a registered with SARS you can submit an RC01 Form to request a Residency Certificate from your nearest SARS office.

You can download the **SARS RC01 Form** from this link

<http://www.goldkeyeducation.com/download/RC01.pdf> - (Use [Adobe Acrobat Reader DC](#) to fill in the form)

You need to request that the Residence Certificate be sent to your South African address so you can fly with it to Korea. Alternatively if it arrives at your SA address after you have left for Korea it can be forwarded on to you.

### On Arrival at your Korean Public School

Once you have the letter keep it safe with your passport and take it with you to Korea. When you are asked to produce a Residence Certificate simply hand it over. Some Korean schools and provinces may be unfamiliar with the SARS Residence Certificate so if they query it or decline to accept it please ask them to call 02-397-1452 and speak with the Director at the Korean Office of International Tax Revenue 국제청 국제세원담당관실 and will be able to clarify the legitimacy & purpose of your Residence Certificate.

While this all seems like a lot of effort remember that this simple letter will put an extra KRW1million in your pocket, enough to buy a really nice laptop!

You will find a sample of the Residency Certificate letter on the next page.



## INCOME TAX

### Certificate of Residence

Enquiries should be addressed to SARS:

#### Contact Detail

Contact Centre Tel: 0800 00 SARS (7277)

International Callers +27 11 602 2093

SARS Online: [www.sars.gov.za](http://www.sars.gov.za)

#### Details

Reference Number: 1439063163

Date: 2013-12-30

Always quote this tax reference number when contacting SARS

### CERTIFICATE OF RESIDENCE INCOME TAX

It is hereby certified that the below mentioned is registered for income tax purposes and is resident of South Africa within the meaning of the provisions of the definition of a "resident" in section 1 of the Income Tax Act No. 58 of 1962, as amended.

INITIALS AND SURNAME: [REDACTED]

IDENTITY NO: [REDACTED]

TAX REFERENCE NUMBER: [REDACTED]

The certificate of residence is valid for the period [REDACTED]

The certificate is issued without alterations or erasures and only the original is valid.

Should you have any queries please call the SARS Contact Centre on 0800 00 SARS (7277). International callers please call the SARS Contact Centre on +27 11 602 2093 (only between 08h00 and 16h00 South African time). Remember to have your Income Tax reference number on hand when you call to enable us to assist you promptly.

Sincerely

**ISSUED ON BEHALF OF THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE**

