The ABC's of what you need to know

ISSUE 01 | SEPTEMBER 2026 | HOW OWNERS TAKE MONEY OUT OF A COMPANY

Your company's bank account is separate from your personal bank account. When you take money out, we need to record what it is at the time. Usually it is **a salary**, **a dividend**, or **a loan**. Each has a different tax result.

1 Salary for the work you do

A salary pays you for working in the business. Decide on a monthly salary, run the full amount through payroll, **and pay yourself the full net salary after PAYE** and any other deductions **in one monthly transfer**. The salary is taxable in your hands. A genuine business salary is generally an expense for the company, subject to the normal tax rules.

Do Agree on the monthly amount, keep payslips, and pay the payroll taxes to SARS on time.

Do not Take random amounts from the company during the month to pay personal expenses, or leave payroll to be fixed at year-end.

2 Dividend because you own shares

A dividend is a payment to a shareholder from the company's available, after tax funds. It is not a company tax deduction. For an individual shareholder, the company normally withholds **20% dividends tax** and pays the balance to you. The directors must formally approve the dividend and check that the company can still pay its debts afterwards.

Do Ask us to check the available funds, prepare the resolution, and arrange the **tax return** and payment.

Do not Call a transfer a dividend after the fact without the required approval and tax treatment.

3 Loan account when money is borrowed or repaid

If you previously lent money to the company, it can repay that genuine debt to you without the repayment itself being salary or a dividend. If the company pays you more than it owes you, you now owe the company. That balance is a real debt: **it is not tax-free income you can simply keep**. An interest-free or low-interest loan to an owner may also create a taxable benefit or a deemed dividend, depending on why the loan was made and your role in the company. Interest charged by the company is generally taxable income for the company.

Do Keep a running loan statement, agree repayment terms, and ask us to check the interest and tax treatment.

Do not Use the loan account indefinitely to fund private living costs, or write it off without advice.

Before moving money: Tell us the amount and the reason for the payment. We can help choose the correct treatment and record it properly from the start.

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General guidance for South African owner-managed companies. Individual circumstances and exemptions may change the result. Sources: SARS employees' tax and dividends tax guidance; SARS Comprehensive Guide to Dividends Tax, section 3.4.2; Companies Act 71 of 2008, section 46.