

GUIDE FOR CODES APPLICABLE TO EMPLOYEES TAX CERTIFICATES 2014

EXTERNAL GUIDE - GUIDE FOR CODES APPLICABLE
TO EMPLOYEES TAX CERTIFICATES 2014
PAYE-AE-06-G06

Revision: 0

DISCLAIMER

The information contained in this guide is intended as guidance only and is not considered to be a legal reference, nor is it a binding ruling. The information does not take the place of legislation and readers who are in doubt regarding any aspect of the information displayed in the guide should refer to the relevant legislation, or seek a formal opinion from a suitably qualified individual.

For more information about the contents of this publication you may:

- Visit the SARS website at www.sars.gov.za
- Visit your nearest SARS branch
- Contact your own tax advisor/tax practitioner
- If calling from within South Africa, contact the SARS Contact Centre on 0800 00 SARS (7277)
- If calling from outside South Africa, contact the SARS Contact Centre on +27 11 602 2093 (only between 8am and 4pm South African time).

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1 PURPOSE

- The purpose of this guide is to explain the relevant source codes which must be used by employers when issuing an Employees' Income Tax certificate to an employee.

2 SCOPE

- This guide explains each code which is relevant to remuneration, deductions, Employees' Income Tax deductions and employer contributions/payments.
- Validation rules relating to the specific code is explained as well as the year of assessment in which such code is valid.
- The employer demographic information no longer forms part of the certificate as the "Certificate Number" now contains the PAYE reference number of the employer, which links the employer demographic information to the employee.
- For more information visit the SARS website www.sars.gov.za > Types of Tax > PAYE.

3 REFERENCES

3.1 LEGISLATION

| TYPE OF REFERENCE | REFERENCE |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Legislation and Rules administered by SARS: | Fourth Schedule to the Income Tax Act No. 58 of 1962: Paragraphs 13, 14 and 30 Income tax Act No. 58 of 1962: Section 4(1)(c)(iv) and 69(1)(a) Skills Development Levies Act No. 9 of 1999: Section 3, 3(4) Tax Administration Act No. 28 of 2011 Unemployment Insurance Contributions Act No. 4 of 2002: Section 6 |
| Other Legislation: | Identification Act, No. 72 of 1986 |
| International Instruments: | None |

3.2 CROSS REFERENCES

| DOCUMENT # | DOCUMENT TITLE | APPLICABILITY |
|------------------|--------------------------------------------------------------------------------------------|---------------|
| PAYE-AE-06-G05 | Guide for creation of CSV for IRP5 Tax certificates 1999 to 2014 - External Guide | All |
| PAYE-AE-06-G07 | Guide for validation rules applicable to reconciliation declarations 2014 - External Guide | All |
| PAYE-AE-06-G08 | Guide for completion and submission of Employees' Tax certificates 2014 - External Guide | All |
| PAYE-AE-06-POL01 | Completion and submission of reconciliations - External Policy | Withdrawn |

4 DEFINITIONS AND ACRONYMS

| | |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alpha field | <ul style="list-style-type: none"> • An alpha field will include: <ul style="list-style-type: none"> ▫ Alphabet A until Z ▫ Upper Case and Lower Case ▫ Dash (-) ▫ Space () ▫ Comma (,) ▫ Apostrophe (') ▫ Characters such as ê, ë etc. |
| Alphanumeric field | <ul style="list-style-type: none"> • An alphanumeric field will include: <ul style="list-style-type: none"> ▫ Any alphabetic letters (i.e. A to Z) in upper or lower case; ▫ Dash (-) ▫ Space () ▫ Comma (,) ▫ Apostrophe (') ▫ Alphabetical characters such as ê, ë, etc. ▫ Numbers 0 to 9 |
| Alternate period | <ul style="list-style-type: none"> • A period, whether of 12 months or not, commencing on the day following the last day of the preceding alternate period in relation to the employer and ending on a date falling not more than 14 days before or after the last day of February |
| Certificate type | <ul style="list-style-type: none"> • Type of certificates for which tax is to be levied. Types of certificates include: <ul style="list-style-type: none"> ▫ IRP5 ▫ IT3(a); ▫ ITREG (to be used when registering an employee for income tax) <p>Note: Additional certificate types may be added at a later stage.</p> |
| Commissioner | <ul style="list-style-type: none"> • The Commissioner for the South African Revenue Service |
| Computerised employer | <ul style="list-style-type: none"> • Employer with a PC which has the e@syFile™ installed |
| Conditional fields | <ul style="list-style-type: none"> • Fields that must be completed subject to defined conditions, e.g. mandatory if related fields have been completed |
| CSV file | <ul style="list-style-type: none"> • Comma Separated Value file |
| e@syFile™ | <ul style="list-style-type: none"> • The package supplied by SARS which has the functionality to create reconciliation documents in the prescribed formats and produced an electronic file in ZipCentralFile format submission purposes |
| EMP701 | <ul style="list-style-type: none"> • Reconciliation adjustment declaration form • Use EMP701 with the EMP601 with 8 digit certificate numbers to adjust reconciliation submissions for 1999 – 2008 transaction years. • The EMP701 is not applicable for transaction years 2009 onwards. |
| Employee | <ul style="list-style-type: none"> • An employee for Employees' Tax purposes is defines as: <ul style="list-style-type: none"> ▫ A natural person who receives remuneration or to whom remuneration accrues; ▫ A person (including a company) who receives remuneration or to whom remuneration accrues by reason of services rendered by such person to or on behalf of a labour broker; ▫ A labour broker; ▫ A person or class or category of persons whom the Minister of Finance by notice in the Government Gazette declares to be an employee; ▫ A personal service provider; ▫ A director of a private company. • An Employee for UIF purposes is defines as any natural person who |

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|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>receives any remuneration or to whom remuneration accrues in respect of services rendered or to be rendered by that person but excluding an independent contractor</p> <ul style="list-style-type: none"> An employee for taxable benefit purposes is defined as any person who receives remuneration or to whom remuneration accrues and includes any director of a company but excludes persons who retired before 1 March 1992 except for purposes of the provisions which deal with the payment of an employee's debt or the release of an employee from an obligation to pay a debt |
| <p>Employee Income Tax certificates</p> | <ul style="list-style-type: none"> A certificate in the form prescribed by the Commissioner which shows the remuneration paid or payable to the employee/former employee by the employer and the sum of amounts of Employees' Tax deducted or withheld by the employer from such remuneration. The Employees' Income Tax certificate format is prescribed on the: <ul style="list-style-type: none"> 1999 to 2007 format: IRP5 and IT3(a); and From 2008 format: IRP5/IT3 (a) |
| <p>Employees' Tax</p> | <ul style="list-style-type: none"> Means the tax required to be deducted or withheld by an employer in terms of paragraph 2 of the 4th Schedule from remuneration paid or payable to an employee. |
| <p>Employer</p> | <ul style="list-style-type: none"> Any person who pays or is liable to pay a person an amount by way of remuneration including a person responsible for the payment of an amount by way of remuneration to a person under the provisions of a law or out of public funds or out of funds voted by parliament or Provincial Council. This definition excludes any person not acting as a principle but includes any person acting in a fiduciary capacity or in his/her capacity as trustee in an insolvent estate, an executor or an administrator of a benefit fund, pension fund, pension preservation fund, provident fund, provident preservation fund, retirement annuity fund or any other fund. |
| <p>Foreign Bank Account</p> | <ul style="list-style-type: none"> Bank Account with a financial institution not recognised by BANKSERV (refer to www.bankservafrica.com) |
| <p>Free text field</p> | <ul style="list-style-type: none"> A free text field may include the following: <ul style="list-style-type: none"> Alphabet A until Z Upper and Lower Case Characters Number 0 to 9 Dash (-) Space () Inverted Commas ("") Back slash(\) Forward slash (/) Question Mark (?) At sign (@) Ampersand (&) Dollar sign (\$) Exclamation Mark (!) Hash (#) Plus (+) Equals (=) Semi colon (;) Colon (:) Comma (,) Apostrophe (') Left and Right Brackets (()) Full Stop (.) Characters such as ê, ë etc. All special characters are allowed, however for XML development purposes the following standard must be adhered to: ISO-8859-1 encoding or informally referred to as Latin-1. The definition of this |

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| | <p>standard can be found on: http://en.wikipedia.org/wiki/ISO/IEC_8859-1</p> |
| ID-number | <ul style="list-style-type: none"> The 13 digit identity number indicated in the green bar-coded identity document issued in accordance with the Identification Act, No. 72 of 1986 |
| Interim reconciliation process | <ul style="list-style-type: none"> An administrative process at a specific point in time which is not subject to the same legal requirements (e.g. issuing an Employee Tax certificate to an employee, etc.) as those for the end of the Employer's Tax period or the end of the tax year |
| IRP5 | <ul style="list-style-type: none"> An Employees' Income Tax certificate where Employees' Tax deducted or withhold are indicated |
| IT3(a) | <ul style="list-style-type: none"> An Employees' Income Tax certificate where no Employees' Tax was deducted or withhold and a reason for the non-deduction are indicated |
| ITREG | <ul style="list-style-type: none"> An electronic record with all the Employees' Income Tax certificate information for purposes of: <ul style="list-style-type: none"> registering and employee for income tax |
| Leviable Amount | <ul style="list-style-type: none"> The leviable amount is applicable to SDL and means the total amount of remuneration paid or payable or deemed to be paid or payable by an employer to his/her employees' during any month as determined for Employees' Tax purposes, whether or not such employer is liable to deduct or withhold Employees' Tax (it therefore means that the remuneration paid or payable to employees' who earn below the tax threshold must be included into the total remuneration for determining the leviable amount) |
| Liabilities | <ul style="list-style-type: none"> The amount of Employees' Tax, SDL and UIF which an employer is obliged to deduct, withhold and/or contribute in terms of the provision of the 4th Schedule, SDL Act and UIF Act |
| Mandatory fields | <ul style="list-style-type: none"> Fields that must be completed as a rule, permitting no option and cannot be disregarded |
| Manual employer | <ul style="list-style-type: none"> Employer completing an EMP 501 reconciliation and Employee Income Tax certificates manually and do not create the relevant information with a PC which has the e@syFile™ installed |
| Nature of Person | <ul style="list-style-type: none"> Nature of person includes: <ul style="list-style-type: none"> A for an individual with an identity or passport number B Partnership C Company/CC/Co-operative (CIPC reg. entity) D Government/Public or Local Authority E Association not for Gain G Club H Welfare Organisation I Trust K Foreign Individual L Foreign Government (Foreign Embassies) M Unincorporated Body of Persons N Retirement Funds O Section Title Entity (Sectional Title Act No. 85 of 1996 – Non CIPC Body Corporates |
| Numeric field | <ul style="list-style-type: none"> Numbers from 0 to 9 |
| Optional fields | <ul style="list-style-type: none"> Fields that can be completed based on applicability and availability. These fields are not mandatory fields |
| PAYE | <ul style="list-style-type: none"> Pay-As-You-Earn (Employees' Tax) |
| Payroll authors | <ul style="list-style-type: none"> This refers to a group of companies who supply and support computerised payroll systems on a commercial basis |
| Payroll employer | <ul style="list-style-type: none"> Employer who creates a CSV file from electronic payroll information |
| PSV File | <ul style="list-style-type: none"> Pipe separated value |
| Reconciliation declaration | <ul style="list-style-type: none"> The reconciliation declaration is the EMP501 document on which an employer's PAYE, SDL and UIF liabilities are declared with associated payments, certificate values and the resulting net effect of setting off payments against liabilities |

| | |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reconciliation submission process | <ul style="list-style-type: none"> This is the process through which an employer submits all required PAYE, SDL and UIF documentation to SARS for processing i.e. IRP5/IT3(a), EMP501, EMP601 and an EMP701 if applicable. Use EMP701 with the EMP601 with 8 digit certificate numbers to adjust reconciliation submissions for 1999 – 2008 transaction years. The EMP701 is not applicable for transaction years 2009 onwards. |
| SARS | <ul style="list-style-type: none"> The South African Revenue Service |
| SARS' website | <ul style="list-style-type: none"> The website can be access on the following address: www.sars.gov.za |
| SDL levy | <ul style="list-style-type: none"> Means the skills development levy referred to in section 3 and any administrative penalty leviable under this Act; Subsection (1) comes into operation on a date determined by the Minister of Finance by notice in the <i>Gazette</i>. |
| Tax period | <ul style="list-style-type: none"> In relation to any employer, as a period of 12 months ending on the last day of February of the relevant tax year or at the option of the employer, an alternate period, in respect of which remuneration is paid or has become due In relation to an employee, a tax year (1 March to 28/29 February of the next year) or any unbroken period during the tax year: <ul style="list-style-type: none"> during which the employee was employed by one employer in the Republic in standard employment; or during which any annuity was paid or became payable to him/her by one employer; or such period as the Commissioner considers appropriate in the circumstances, where the Commissioner has in relation to the employment of any employee, issued a ruling to the employer |
| Tax year | <ul style="list-style-type: none"> The tax year is basically the same as the definition of transaction year for purposes of reconciliation documents submitted to SARS prior to the availability of the e@syFile™ |
| Taxpayer | <ul style="list-style-type: none"> In terms of the Tax Administration Act No. 28 of 2011, taxpayer means: <ul style="list-style-type: none"> a person chargeable to tax; a representative taxpayer; a withholding agent; a responsible third party; or a person who is the subject of a request to provide assistance under an international tax agreement |
| Transaction year | <ul style="list-style-type: none"> The tax year during which the employer deducted and paid employees' tax in respect of remuneration paid or payable to an employee. This could include employees' tax on remuneration which accrued during a previous tax year. The Transaction year may only be a year subsequent to the 'Year of Assessment' in the case of 'Variable Remuneration' as defined in section 7B and other exceptional circumstances. |
| UIF contributions | <ul style="list-style-type: none"> Contributions to the UIF are the compulsory contributions payable in terms of the UIC Act to fund the benefits available to workers in terms of the UI Act. Effective 1 April 2002, contributions collected by SARS are transferred to the UIF which is administered by the UI Commissioner. |
| XML | <ul style="list-style-type: none"> Extensive Mark-up Language |
| Year of assessment | <ul style="list-style-type: none"> The year of assessment in which the remuneration paid or payable to the employee accrued |

5 BACKGROUND

5.1 OBLIGATIONS OF AN EMPLOYER RELATING TO EMPLOYEE INCOME TAX CERTIFICATES

- The 4th Schedule to the Income Tax Act place, amongst other things, the following obligations on an employer:
 - To furnish employees' to whom remuneration is paid or has become payable with Employee Income Tax certificates within the prescribed period; and
 - To submit all reconciliation documents to SARS within the prescribed period.

6 FROM 2014 YEAR OF ASSESSMENT CODES

- These codes are applicable for all certificates which are issued for years of assessment from 2014.
- The value of the specific remuneration amount paid to an employee must be reported on an Employees' Income Tax certificate under the relevant code to which that specific type of remuneration relates.
- The updating of the description of certain codes, introduction of new codes and re-activation of codes previously de-activated for certificate reporting purposes will become effective from 1 March 2012.

6.1 RULES FOR THE CONSOLIDATION OF SOURCE CODES FROM 2014 YEAR OF ASSESSMENT

- The codes reflected under the 'Main Code' heading are now the only valid codes that may be used.
- The codes reflected under the 'Sub-Code Rationalisation' heading are the codes that may no longer be used. This table reflects how these codes are absorbed in to the remaining codes.

| Type of Income | Main Code | Sub-Code Rationalisation |
|----------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Income | 3601/3651 | Codes 3607/3657, and *3603/3653 and *3610/3660 must be incorporated into 3601/3651. * Only in respect of the 2010 to 2012 years of assessment. |
| | 3602/3652 | Codes 3604/3654, 3609/3659 and 3612/3662 must be incorporated into 3602/3652 |
| | 3603/3653 | Main code from the 2013 year of assessment |
| | 3605/3655 | |
| | 3606/3656 | |
| | 3608/3658 | |
| | 3610/3660 | Main code from the 2013 year of assessment |
| | 3611/3661 | |
| | 3613/3663 | |
| | 3614/3664 | |
| | 3615/3665 | |
| | 3616/3666 | |
| | 3617/3667 | |
| Allowances | 3701/3751 | |
| | 3702/3752 | |
| | 3703/3753 | |
| | 3704/3754 | |
| | 3707/3757 | |
| | 3708/3758 | |
| | 3713/3763 | Codes 3706/3756, 3710/3760, 3711/3761 and 3712/3762 must be incorporated into 3713/3763. |

| Type of Income | Main Code | Sub-Code Rationalisation |
|-------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | 3714/3764 | Codes 3705/3755 and 3709/3759 and 3716/3766 must be incorporated into 3714/3764. |
| | 3715/3765 | |
| | 3717/3767 | |
| | 3718/3768 | |
| Fringe Benefit | 3801/3851 | Codes 3803/3853, 3804/3854, *3805/3855, *3806/3856, 3807/3857, *3808/3858 and *3809/3859 must be incorporated into 3801/3851. *Only in respect of the 2010 to 2012 years of assessment |
| | 3802/3852 | |
| | 3805/3855 | Main code from the 2013 year of assessment |
| | 3806/3856 | Main code from the 2013 year of assessment |
| | 3808/3858 | Main code from the 2013 year of assessment |
| | 3809/3859 | Main code from the 2013 year of assessment |
| | 3810/3860 | |
| | 3813/3863 | |
| | 3815/3865 | Main code from the 2013 year of assessment |
| 3816/3866 | Main code from the 2014 year of assessment | |
| Lump sum | 3901/3951 | |
| | 3906/3956 | |
| | 3907/3957 | |
| | 3908 | |
| | 3909 | |
| | 3915 | |
| | 3920 | |
| | 3921 | |
| | 3922 | Main code from the 2012 year of assessment |
| Gross Remuneration Codes | 3696 | |
| | 3697 | |
| | 3698 | |
| Deductions | 4001 | |
| | 4002 | |
| | 4003 | Code 4004 must be incorporated into 4003. |
| | 4005 | |
| | 4006 | |
| | 4007 | |
| | 4018 | |
| | 4024 | |
| | 4026 | Applicable to non-statutory forces (government). |
| | 4030 | |
| | 4474 | |
| | 4493 | |
| | 4497 | |
| Employees' Tax Deduction and Reason Codes | 4101 | |
| | 4102 | |
| | 4115 | |
| | 4141 | |
| | 4142 | |
| | 4149 | |
| | 4116 | Main code from the 2013 year of assessment |
| | 4150 | |

6.2 NORMAL INCOME CODES

| Code | Description | Explanation |
|----------------|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3601 (3651) | Income (Subject to PAYE) | <ul style="list-style-type: none"> • An amount which is paid or payable to an employee for: <ul style="list-style-type: none"> ▫ services rendered; ▫ overtime; ▫ pension paid on a regular basis; ▫ a monthly annuity paid by a fund. • Examples include: <ul style="list-style-type: none"> ▫ Salary/wages; ▫ Backdated salary/wages/pension (Accrued in the current year of assessment); ▫ Remuneration paid to migrant/seasonal workers/full time scholars or students; etc. <p>Note:</p> <ul style="list-style-type: none"> ▫ Such income as paid to a director must be reflected under code 3615; ▫ Code 3651 MUST only be used for foreign services income. ▫ With effect from 2010 year of assessment, amounts previously included under codes 3603/3653, 3607/3657 and 3610/3660 must be included in this code (3601/3651). ▫ Amounts previously declared under codes 3603/3653 and 3610/3660 must be included under this code (3601/3651) in respect of 2010 to 2012 year of assessment. |
| 3602 (3652) | Income (Non-taxable) | <ul style="list-style-type: none"> • Any non-taxable income excluding non-taxable allowances and fringe benefits. For example, this code accommodates all payments of a capital nature. • Examples include: <ul style="list-style-type: none"> ▫ Non-taxable pension paid on a regular basis (e.g. war pension, etc.); ▫ Non-taxable income of a capital nature; ▫ Non-taxable arbitration award, i.e. a portion of a settlement agreement between an employer and an employee as ordered by Court or allocated via a settlement out of Court or in respect of Labour disputes; ▫ Non-taxable portion (capital interest) received on an annuity purchased from a Fund; etc. <p>Note:</p> <ul style="list-style-type: none"> ▫ Code 3652 MUST only be used for foreign services income; ▫ With effect from 2010 year of assessment, amounts previously included under codes 3604/3654, 3609/3659 and 3612/3662 must be included in this code (3602/3652). |
| 3603 (3653) | Pension (Subject to PAYE) | <ul style="list-style-type: none"> • Any pension paid on a regular basis as well as backdated pension payment (for current tax year). <p>Note:</p> <ul style="list-style-type: none"> ▫ Code 3653 MUST only be used for foreign services income. ▫ The value of this code must be included in the value of code 3601/3651 for the 2010, 2011 and 2012 years of assessment. ▫ This includes taxable disability benefits. ▫ This code is valid from 1999 – 2009 year of assessment and from the 2013 year of assessment; and |

| Code | Description | Explanation |
|----------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <ul style="list-style-type: none"> □ From 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign services Income. |
| 3604 (3654) | Pension (Non-taxable) | <ul style="list-style-type: none"> • Any pension paid on a regular basis that is not taxable, for example war pensions, etc. <p>Note:</p> <ul style="list-style-type: none"> □ Code 3654 MUST only be used for foreign services income; □ The value of this code must be included in the value of code 3602/3652 with effect from the 2010 year of assessment. |
| 3605 (3655) | Annual payment (Subject to PAYE) | <ul style="list-style-type: none"> • An amount which is defined as an annual payment. • Examples include: <ul style="list-style-type: none"> □ Annual bonus; □ Incentive bonus; □ Leave pay (on resignation/encashment); □ Merit awards; □ Bonus/incentive amount paid to an employee to retain his/her service for a specific period; etc. <p>Note:</p> <ul style="list-style-type: none"> □ Code 3655 MUST only be used for foreign services income. |
| 3606 (3656) | Commission (Subject to PAYE) | <ul style="list-style-type: none"> • An amount derived mainly in the form of commission based on sales or turnover attributable to the employee. <p>Note:</p> <ul style="list-style-type: none"> □ Code 3656 MUST only be used for foreign services income. |
| 3607 (3657) | Overtime (Subject to PAYE) | <ul style="list-style-type: none"> • An amount paid as overtime for rendering services. The tax on such payments is calculated as on income taxable. <p>Note:</p> <ul style="list-style-type: none"> □ Code 3657 MUST only be used for foreign services income; □ The value of this code must be included in the value of code 3601/3651 with effect from the 2010 year of assessment. |
| 3608 (3658) | Arbitration award (Subject to PAYE) | <ul style="list-style-type: none"> • The taxable portion of a settlement agreement between an employer and an employee as ordered by Court or allocated via a settlement out of Court or in respect of Labour disputes. <p>Note:</p> <ul style="list-style-type: none"> □ Code 3658 MUST only be used for foreign services income. |
| 3609 (3659) | Arbitration award (Non-taxable) | <ul style="list-style-type: none"> • The non-taxable portion of a settlement agreement between an employer and an employee as ordered by Court. Also including all awards allocated via a settlement out of Court or in respect of Labour disputes. <p>Note:</p> <ul style="list-style-type: none"> □ Code 3659 MUST only be used for foreign services income; □ The value of this code must be included in the value of code 3602/3652 with effect from the 2010 year of assessment. |
| 3610 (3660) | Annuity from a RAF (Subject to PAYE) | <ul style="list-style-type: none"> • A monthly annuity paid by a RAF to any person. <p>Note:</p> |

| Code | Description | Explanation |
|----------------|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <ul style="list-style-type: none"> □ Code 3660 MUST only be used for foreign services income; □ The value of this code must be included in the value of code 3602/3651 with effect from the 2010 years of assessment. □ From 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign services Income. |
| 3611 (3661) | Purchased annuity (Subject to PAYE) | <ul style="list-style-type: none"> • The taxable portion of interest received on an annuity purchased from an Annuity Fund. <p>Note:</p> <ul style="list-style-type: none"> □ Code 3661 MUST only be used for foreign services income. |
| 3612 (3662) | Purchased annuity (Non-taxable) | <ul style="list-style-type: none"> • The non-taxable portion (capital interest) received on an annuity purchased from an Annuity Fund. <p>Note:</p> <ul style="list-style-type: none"> □ Code 3662 MUST only be used for foreign services income; □ The value of this code must be included in the value of code 3602/3652 with effect from the 2010 year of assessment. |
| 3613 (3663) | Restraint of trade (Subject to PAYE) | <ul style="list-style-type: none"> • Restraint of trade income paid to an employee <p>Note:</p> <ul style="list-style-type: none"> □ Code 3663 MUST only be used for foreign services income. |
| 3614 (3664) | Other retirement lump sums (Subject to PAYE) | <ul style="list-style-type: none"> • A retirement lump sum paid by a fund according to section 1(eA) of the Act. <p>Note:</p> <ul style="list-style-type: none"> □ Code 3664 MUST only be used for foreign services income. |
| 3615 (3665) | Director's remuneration (Subject to PAYE) | <ul style="list-style-type: none"> • Such income as would normally be reported under code 3601 as paid to a director of a private company/member of a close corporation. <p>Note:</p> <ul style="list-style-type: none"> □ Code 3665 MUST only be used for foreign services income. |
| 3616 (3666) | Independent contractors (Subject to PAYE) | <ul style="list-style-type: none"> • Remuneration paid to an independent contractor. <p>Note:</p> <ul style="list-style-type: none"> □ Code 3666 MUST only be used for foreign services income. |
| 3617 (3667) | Labour Brokers (PAYE/IT) | <ul style="list-style-type: none"> • Remuneration paid to a labour broker - irrespective if the labour broker is in possession of an exemption certificate (IRP30) or not. <p>Note:</p> <ul style="list-style-type: none"> □ Code 3667 MUST only be used for foreign services income. |

6.3 ALLOWANCE CODES

| Code | Description | Explanation |
|----------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3701 (3751) | Travel allowance (Subject to PAYE) | <ul style="list-style-type: none"> An allowance or advance paid to an employee in respect of travelling expenses for business purposes – including fixed travel allowances, petrol-, and garage- and maintenance cards. <p>Note:</p> <ul style="list-style-type: none"> Code 3751 MUST only be used for foreign services income. |
| 3702 (3752) | Reimbursive travel allowance (IT) | <ul style="list-style-type: none"> A reimbursement for business kilometres exceeding 8 000 kilometres per tax year or at a rate exceeding the prescribed rate per kilometre or the employee receives any other form of compensation for travel. <p>Note:</p> <ul style="list-style-type: none"> Code 3752 MUST only be used for foreign services income. |
| 3703 (3753) | Reimbursive travel allowance (Non-taxable) | <ul style="list-style-type: none"> A reimbursement for business kilometres not exceeding 8 000 kilometres per tax year and at a rate which does not exceed the prescribed rate per kilometre. Should only be used if the employee does not receive any other form of compensation for travel. <p>Note:</p> <ul style="list-style-type: none"> Code 3753 MUST only be used for foreign services income. |
| 3704 (3754) | Subsistence allowance – local travel (IT) | <ul style="list-style-type: none"> An allowance paid for expenses in respect of meals and/or incidental costs for local travel, which exceeds the deemed amounts. <p>Note:</p> <ul style="list-style-type: none"> Code 3754 MUST only be used for foreign services income. |
| 3705 (3755) | Subsistence allowance (Non-taxable) | <ul style="list-style-type: none"> An allowance paid for expenses in respect of meals and/or incidental costs for local travel, which does not exceeds the deemed amounts. <p>Note:</p> <ul style="list-style-type: none"> Code 3755 MUST only be used for foreign services income; The value of this code must be included in the value of code 3714/3764 with effect from the 2010 year of assessment. |
| 3706 (3756) | Entertainment allowance (Subject to PAYE) | <ul style="list-style-type: none"> This allowance is not valid with effect from 1 March 2002 and may not be reflected on an Employees' Income Tax certificate. <p>Note:</p> <ul style="list-style-type: none"> Code 3756 MUST only be used for foreign services income; The value of this code must be included in the value of code 3713/3763 with effect from the 2010 year of assessment. |
| 3707 (3757) | Share options exercised (Subject to PAYE) | <ul style="list-style-type: none"> Any amount in terms of a qualifying equity share disposed or gain made under a share scheme operated for the benefit of employees'. <p>Note:</p> <ul style="list-style-type: none"> Code 3757 MUST only be used for foreign services income. |
| 3708 (3758) | Public office allowance (Subject to PAYE) | <ul style="list-style-type: none"> An allowance granted to a holder of a public office to enable him/she to defray expenditure incurred in connection with such office. <p>Note:</p> <ul style="list-style-type: none"> Code 3758 MUST only be used for foreign services income. |

| Code | Description | Explanation |
|----------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3709 (3759) | Uniform allowance (Non-taxable) | <ul style="list-style-type: none"> An allowance for a special uniform which is clearly distinguishable from ordinary clothes. <p>Note:</p> <ul style="list-style-type: none"> Code 3759 MUST only be used for foreign services income; The value of this code must be included in the value of code 3714/3764 with effect from the 2010 year of assessment. |
| 3710 (3760) | Tool allowance (Subject to PAYE) | <ul style="list-style-type: none"> An allowance for the acquisition of tools for business use. <p>Note:</p> <ul style="list-style-type: none"> Code 3760 MUST only be used for foreign services income; The value of this code must be included in the value of code 3713/3763 with effect from the 2010 year of assessment. |
| 3711 (3761) | Computer allowance (Subject to PAYE) | <ul style="list-style-type: none"> An allowance for the acquisition or use of a computer. <p>Note:</p> <ul style="list-style-type: none"> Code 3761 MUST only be used for foreign services income; The value of this code must be included in the value of code 3713/3763 with effect from the 2010 year of assessment. |
| 3712 (3762) | Telephone/cell phone allowance (Subject to PAYE) | <ul style="list-style-type: none"> An allowance for expenses incurred in the use of a telephone/cell phone for business purposes. <p>Note:</p> <ul style="list-style-type: none"> Code 3762 MUST only be used for foreign services income; The value of this code must be included in the value of code 3713/3763 with effect from the 2010 year of assessment. |
| 3713 (3763) | Other allowances (Subject to PAYE) | <ul style="list-style-type: none"> All other allowances, which do not comply with any of the descriptions listed under allowances, must be added together and reflected under this code on the certificate. Examples include: <ul style="list-style-type: none"> Entertainment allowance; Tool allowance; Computer allowance; Telephone allowance; Cell phone allowance. <p>Note:</p> <ul style="list-style-type: none"> Code 3763 MUST only be used for foreign services income. With effect from 2010 year of assessment, amounts previously included under codes 3706/3756, 3710/3760, 3711/3761 and 3712/3762 must be included in this code (3713/3763). |

| Code | Description | Explanation |
|----------------|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3714 (3764) | Other allowances (Non-taxable) | <ul style="list-style-type: none"> • All other non-taxable allowances, which do not comply with any of the descriptions listed under allowances, must be added together and reflected under this code on the certificate. • Examples include: <ul style="list-style-type: none"> ▫ Non-taxable Relocation allowance; ▫ Non-taxable Subsistence allowance for local and foreign travel not exceeding the daily limits; ▫ Non-taxable Uniform allowance; etc. <p>Note:</p> <ul style="list-style-type: none"> ▫ Code 3764 MUST only be used for foreign services income. ▫ With effect from 2010 year of assessment, amounts previously included under codes 3705/3755, 3709/3759 and 3716/3766 must be included in this code (3714/3764). |
| 3715 (3765) | Subsistence allowance – foreign travel (IT) | <ul style="list-style-type: none"> • An allowance paid for expenses in respect of meals and/or incidental costs for foreign travel, which exceeds the deemed amounts. <p>Note:</p> <ul style="list-style-type: none"> ▫ Code 3765 MUST only be used for foreign services income. |
| 3716 (3766) | Subsistence allowance – foreign travel (Non-taxable) | <ul style="list-style-type: none"> • An allowance paid for expenses in respect of meals and/or incidental costs for foreign travel, which does not exceed the deemed amounts. <p>Note:</p> <ul style="list-style-type: none"> ▫ Code 3766 MUST only be used for foreign services income; ▫ The value of this code must be included in the value of code 3714/3764 with effect from the 2010 year of assessment. |
| 3717 (3767) | Broad-based employee share plan (Subject to PAYE) | <ul style="list-style-type: none"> • An amount received/accrued from the disposal of any qualifying equity share or any right of interest in a qualifying equity share in terms of certain conditions. <p>Note:</p> <ul style="list-style-type: none"> ▫ Code 3767 MUST only be used for foreign services income. |
| 3718 (3768) | Vesting of equity instruments (Subject to PAYE) | <ul style="list-style-type: none"> • Any gain in respect of the vesting of any equity instrument. <p>Note:</p> <ul style="list-style-type: none"> ▫ Code 3768 MUST only be used for foreign services income. |

6.4 FRINGE BENEFIT CODES

| Code | Description | Explanation |
|----------------|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3801 (3851) | General fringe benefits (Subject to PAYE) | <ul style="list-style-type: none"> • All fringe benefits, which do not comply with any of the descriptions listed under fringe benefits, must be added together and reflected under this code on the certificate. • Examples include: <ul style="list-style-type: none"> ▫ Acquisition of an asset at less than the actual value and/or insurance policies ceded; ▫ Right of use of an asset (other than a motor vehicle); ▫ Meals, refreshments and meal and refreshment vouchers; ▫ Free or cheap accommodation or holiday accommodation; ▫ Free or cheap services; ▫ Low interest or interest free loans and subsidies; <p>Note:</p> <ul style="list-style-type: none"> ▫ Code 3851 MUST only be used for foreign services income. ▫ With effect from 2010 year of assessment, amounts previously included under codes 3803/3853, 3804/3854, 3805/3855, 3806/3856, 3807/3857, 3808/3858 and 3809/3859 must be included in this code (3801/3851). ▫ An amount previously declared under codes 3805/3855, 3806/3856, 3808/3858 and 3809 must be included under this code (3801/3851) in respect of the 2010 to 2012 years of assessment. |
| 3802 (3852) | Use of motor vehicle (Subject to PAYE) | <ul style="list-style-type: none"> • Right of use of a motor vehicle. <p>Note:</p> <ul style="list-style-type: none"> ▫ Code 3852 MUST only be used for foreign services income. ▫ This code excludes all motor vehicles acquired by the employer via operating lease |
| 3803 (3853) | Use of asset (Subject to PAYE) | <ul style="list-style-type: none"> • Right of use of an asset (other than a motor vehicle). <p>Note:</p> <ul style="list-style-type: none"> ▫ Code 3853 MUST only be used for foreign services income; ▫ The value of this code must be included in the value of code 3801/3851 with effect from the 2010 year of assessment. |
| 3804 (3854) | Meals, etc. (Subject to PAYE) | <ul style="list-style-type: none"> • Meals, refreshments and meal and refreshment vouchers. <p>Note:</p> <ul style="list-style-type: none"> ▫ Code 3854 MUST only be used for foreign services income; ▫ The value of this code must be included in the value of code 3801/3851 with effect from the 2010 year of assessment. |

| Code | Description | Explanation |
|----------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3805 (3855) | Accommodation (Subject to PAYE) | <ul style="list-style-type: none"> Free or cheap accommodation or holiday accommodation. <p>Note:</p> <ul style="list-style-type: none"> Code 3855 MUST only be used for foreign services income; The value of this code must be included in the value of code 3801/3851 with effect from the 2010 years of assessment. This code is valid from 1999 – 2009 year of assessment and from the 2013 year of assessment; and From 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign services Income. |
| 3806 (3856) | Services (Subject to PAYE) | <ul style="list-style-type: none"> Free or cheap services. <p>Note:</p> <ul style="list-style-type: none"> Code 3856 MUST only be used for foreign services income; The value of this code must be included in the value of code 3801/3851 with effect from the 2010 years of assessment. This code is valid from 1999 – 2009 year of assessment and from the 2013 year of assessment; and From 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign services Income. |
| 3807 (3857) | Loans or subsidy (Subject to PAYE) | <ul style="list-style-type: none"> Low interest or interest free loans and subsidy. <p>Note:</p> <ul style="list-style-type: none"> Code 3857 MUST only be used for foreign services income; The value of this code must be included in the value of code 3801/3851 with effect from the 2010 year of assessment. |
| 3808 (3858) | Employee's debt (Subject to PAYE) | <ul style="list-style-type: none"> Payment of an employee's debt or release an employee from an obligation to pay a debt. <p>Note:</p> <ul style="list-style-type: none"> Code 3858 MUST only be used for foreign services income; The value of this code must be included in the value of code 3801/3851 with effect from the 2010 years of assessment. This code is valid from 1999 – 2009 year of assessment and from the 2013 year of assessment; and From 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign services Income. |
| 3809 (3859) | Bursaries or scholarships (Subject to PAYE) Not applicable from 2010 | <ul style="list-style-type: none"> Bursaries and scholarships. <p>Note:</p> <ul style="list-style-type: none"> Code 3859 MUST only be used for foreign services income; The value of this code must be included in the value of code 3801/3851 with effect from the 2010 years of assessment. This code is valid from 1999 – 2009 year of assessment and from the 2013 year of assessment; and From 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign services Income. |
| 3810 (3860) | Medical aid contributions (Subject to PAYE) | <ul style="list-style-type: none"> Medical aid contributions paid on behalf of an employee. <p>Note:</p> <ul style="list-style-type: none"> Code 3860 MUST only be used for foreign services income. |

| Code | Description | Explanation |
|----------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3813 (3863) | Medical services costs (Subject to PAYE) | <ul style="list-style-type: none"> Medical costs incurred on behalf of an employee in respect of medical, dental and similar services, hospital and/or nursing services or medicine. <p>Note:</p> <ul style="list-style-type: none"> Code 3863 MUST only be used for foreign services income; |
| 3815 (3865) | Non-taxable bursaries and scholarships (Non-taxable) | <ul style="list-style-type: none"> Non-taxable bursaries and scholarships to employees' and their dependents: <ul style="list-style-type: none"> Section 10(1)q – Exempt portion only. Code is applicable to all transaction years <p>Note:</p> <ul style="list-style-type: none"> Code 3865 MUST only be used for Foreign services income This code is only valid from 2013 year of assessment. |
| 3816 (3866) | Use of motor vehicle acquired by employers via "Operating Lease" (Subject to PAYE) | <ul style="list-style-type: none"> Taxable value of the fringe benefit for the right use of motor vehicle acquired by an employer under an "operating lease". <p>Note:</p> <ul style="list-style-type: none"> Code 3866 MUST only be used for foreign services income. Valid from the 2014 year of assessment. |

6.5 LUMP SUM CODES

| Code | Description | Explanation |
|----------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3901 (3951) | Gratuities (Subject to PAYE) | <ul style="list-style-type: none"> Gratuities including severance benefits paid by an employer in respect of retirement, retrenchment or death. <p>Note:</p> <ul style="list-style-type: none"> Code 3951 MUST only be used for foreign services income. |
| 3902 (3952) | Pension/RAF (Subject to PAYE) | <ul style="list-style-type: none"> Lump sum accruing prior to 1 March 2009 from a Pension/Retirement annuity fund in respect of withdrawal (e.g. resignation, transfer, surplus apportionment, etc.). <p>Note:</p> <ul style="list-style-type: none"> Code 3952 MUST only be used for foreign services income; The value of this code must be included in the value of code 3920 or 3921 (where applicable) with effect from the 2010 year of assessment. |
| 3903 (3953) | Pension/RAF (Subject to PAYE) | <ul style="list-style-type: none"> Lump sum payments accruing prior to 1 October 2007 from a Pension/retirement annuity fund in respect of retirement or death. <p>Note:</p> <ul style="list-style-type: none"> Code 3953 MUST only be used for foreign services income; The value of this code must be included in the value of code 3915 with effect from the 2008 year of assessment. |

| Code | Description | Explanation |
|----------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3904 (3954) | Provident (Subject to PAYE) | <ul style="list-style-type: none"> Lump sum accruing prior to 1 March 2009 from a Provident fund lump sum in respect of withdrawal (e.g. resignation, transfer, surplus apportionment, etc.). <p>Note:</p> <ul style="list-style-type: none"> Code 3954 MUST only be used for foreign services income; The value of this code must be included in the value of code 3920 or 3921 (where applicable) with effect from the 2010 year of assessment. |
| 3905 (3955) | Provident (Subject to PAYE) | <ul style="list-style-type: none"> Lump sum payments accruing prior to 1 October 2007 from a Provident fund in respect of retirement or death. <p>Note:</p> <ul style="list-style-type: none"> Code 3955 MUST only be used for foreign services income; The value of this code must be included in the value of code 3915 with effect from the 2008 year of assessment. |
| 3906 (3956) | Special Remuneration (Subject to PAYE) | <ul style="list-style-type: none"> Special remuneration paid to proto-team members. <p>Note:</p> <ul style="list-style-type: none"> Code 3956 MUST only be used for foreign services income. |
| 3907 (3957) | Other lump sums (Subject to PAYE) | <ul style="list-style-type: none"> Other lump sum payments. Examples include: <ul style="list-style-type: none"> "Antedated salary/pension' extending over previous year of assessments; Lump sum payments paid by an unapproved fund; Gratuity paid to an employee due to normal termination of service (e.g. resignation or a lump sum paid upon retirement where employee is below 55 years of age). Employer owned insurance policy (risk policy) proceeds NOT exempt ito the exclusion in section 10(1)(gG)(i) of the Income Tax Act. Only from 01 March 2012. <p>Note:</p> <ul style="list-style-type: none"> Code 3957 MUST only be used for foreign services income. |
| 3908 | Surplus apportionments and Employer Owned Policy Proceeds (Non-taxable) | <ul style="list-style-type: none"> Surplus apportionments on or after 1 January 2006 and paid in terms of section 15B of the Pension Funds Act of 1956. Employer owned insurance policy proceeds exempt ito section 10(1)(gG) of the Income Tax Act. Only applicable from 01 March 2012 |
| 3909 | Unclaimed benefits (Subject to PAYE) | <ul style="list-style-type: none"> Unclaimed benefits prior to 1 March 2007 and paid by a fund in terms of the provisions of General Note 35. |

| Code | Description | Explanation |
|------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3915 | Retirement/involuntary termination of employment lump sum benefits/Commutation of annuities (Subject to PAYE) | <ul style="list-style-type: none"> • Lump sum payments accruing after 1 October 2007 from a fund (pension/pension preservation/retirement annuity/provident/provident preservation fund) in respect of retirement or death. • Lump sum payments accruing after 28 February 2009 from a Pension or Provident Fund in respect of involuntary termination of services per sub par. 2(1)(a)(ii)(AA) or (BB) of the Second Schedule of the Income Tax Act (e.g. retrenchment) must be reflected under code 3915 on the IRP5/IT3(a) certificate. • Commutation of an annuity or portion of annuity on or after 01 March 2011 in respect of paragraph 2(1)(a)(iii) of the Second Schedule of the Act. <p>Note:</p> <ul style="list-style-type: none"> ▫ With effect from 2008 year of assessment, amounts previously included under codes 3903/3953 and 3905/3955 must be included in this code (3915). |
| 3920 | Lump sum withdrawal benefits (Subject to PAYE) | <ul style="list-style-type: none"> • Lump sum payments accruing after 28 February 2009 from a Pension/ Pension preservation/Retirement annuity/Provident/provident preservation fund in respect of withdrawal (e.g. resignation, transfer, divorce, housing loan payments, etc.). <p>Note:</p> <ul style="list-style-type: none"> ▫ With effect from 2010 year of assessment, amounts previously included under codes 3902/3952 and 3904/3954 (where applicable) must be included in this code (3920). |
| 3921 | Living annuity and section 15C of the Pension Funds Act, surplus apportionments (Subject to PAYE) | <ul style="list-style-type: none"> • Lump sum payments accruing after 28 February 2009 from a pension/pension/preservation/retirementannuity/provident/provident preservation fund in respect of withdrawal due to: <ul style="list-style-type: none"> ▫ surplus apportionments paid in terms of section 15C of the Pension Funds Act of 1956; ▫ withdrawal after retirement from a living annuity in terms of paragraph (c) of the definition of living annuity, where the value of the assets become less than the amount prescribed by the Minister in the Gazette only effective until 28 February 2011. ▫ For living annuity withdrawals on or after 01 March 2011 source code 3915 must be used. <p>Note:</p> <ul style="list-style-type: none"> ▫ With effect from 2010 year of assessment, amounts previously included under codes 3902/3952 and 3904/3954 (where applicable) must be included in this code (3920). |

| Code | Description | Explanation |
|------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3922 | Compensation i.r.o death during employment (Excl/PAYE) | <ul style="list-style-type: none"> • Lump sum payments accruing after 01 March 2011 from a compensation fund in respect of withdrawal due to: <ul style="list-style-type: none"> ▫ Withdrawal after death from a compensation fund in terms of Section 10(1)(gB)(iii) of the definition of compensation fund, as prescribed by the Minister in the Gazette. ▫ Code is applicable to all transaction years <p>Note:</p> <ul style="list-style-type: none"> ▫ Must be included in this code (3922) and is only valid from 2012 year of assessment. |

6.6 GROSS REMUNERATION CODES

| Code | Description |
|------|-----------------------------------------------------------------------------------------------------------------|
| 3696 | • Gross non-taxable income (amounts under codes 3602/3652, 3703/3753, 3714/3764, 3815/3865, 3908, 3922 (Excl)). |
| 3697 | • Gross retirement funding employment income. |
| 3698 | • Gross non-retirement funding employment income. |

6.7 DEDUCTION CODES

| Code | Description |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4001 | • Current pension fund contributions. |
| 4002 | • Arrear pension fund contributions. |
| 4003 | • Current and arrear provident fund contributions. |
| 4004 | • Employee's arrear provident fund contributions |
| | Note: Value of this code must be included in the value of code 4003 with effect from the 2010 year of assessment. |
| 4005 | • Medical aid contributions. |
| 4006 | • Current retirement annuity fund contributions. |
| 4007 | • Arrear (re-instated) retirement annuity fund contributions. |
| 4018 | • Premiums paid for loss of income policies. |
| 4024 | • Medical services costs deemed to be paid by the employee in respect of himself/herself, spouse or child. |
| 4025 | • Medical contribution paid by employee allowed as a deduction for Employees' Tax purposes |
| | Note: This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code. |
| 4026 | • Arrear pension fund contributions – Non-statutory forces (NSF). |
| 4030 | • Donations deducted from the employee's remuneration and paid by the employer to the Organisation. |
| 4472 | • Employer's pension fund contributions |
| | Note: This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code. |
| 4473 | • Employer's provident fund contributions |
| | Note: This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code. |
| 4474 | <ul style="list-style-type: none"> • Employer's medical scheme contributions in respect of employees' not included in code 4493. • As of 1 March 2012 the contributions paid by an employer on behalf of an employee 65 years and older and who has not retired from that employer, should also be reflected under this code. |
| 4485 | • Medical services costs deemed to be paid by the employee in respect of other relatives |

| Code | Description |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Note: This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code. |
| 4486 | <ul style="list-style-type: none"> Capped amount determined by the employer in terms of Section 18(2)(c)(i) Note: This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code. |
| 4487 | <ul style="list-style-type: none"> No value benefits in respect of medical services provided or incurred by the employer Note: This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code. |
| 4493 | <ul style="list-style-type: none"> Employer's medical aid contributions in respect of an employee who qualifies for the "no value" provisions in the 7th Schedule. This is the employer's portion of the medical scheme contribution made on behalf of an employee who is: <ul style="list-style-type: none"> a pensioner (a person who by reason of superannuation, ill-health or other infirmity retired from the employ of such employer); the dependants of a pensioner after the death of the pensioner, (if such pensioner retired from the employ of such employer by reason of superannuation, ill-health or other infirmity); the dependants of a deceased employee after such employee's death, if such deceased employee was in the employ of the employer on the date of death; or an employee who is 65 years or older not applicable from 2013). |
| 4497 | Total Deductions/Contributions |

6.8 EMPLOYEES' TAX DEDUCTION AND REASON CODES

| Code | Description |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4101 | <ul style="list-style-type: none"> SITE (Standard Income Tax on Employees') |
| 4102 | <ul style="list-style-type: none"> PAYE (Pay-As-You-Earn) |
| 4115 | <ul style="list-style-type: none"> Tax on retirement lump sum and severance benefits (tax on code 3901 3915, 3920 and 3921 and 3922) |
| 4141 | <ul style="list-style-type: none"> UIF contribution (employer and employee contributions) |
| 4142 | <ul style="list-style-type: none"> SDL contribution |
| 4149 | <ul style="list-style-type: none"> Total Tax (4101 + 4102 + 4115), SDL (4142) and UIF (4141). This total does not include the value of 4116 medical Scheme Fees Tax Credit taken into account by the employer for PAYE purposes. |
| 4116 | <ul style="list-style-type: none"> Medical scheme fees tax credit taken into account by employer for PAYE purposes. |
| 4150 | <ul style="list-style-type: none"> 01 or 1 = Invalid from 1 March 2002 02 or 2 = Earn less than the tax threshold 03 or 3 = Independent contractor 04 or 4 = Non-taxable earnings (including nil directives) 05 or 5 = Exempt foreign employment income 06 or 6 = Directors remuneration – income quantified in the following year of assessment (only valid from 1 March 2002) 07 or 7 = Labour Broker with valid IRP 30 (only valid from 1 March 2004) 08 or 8 = No Tax to be withheld due to Medical Scheme Fees Tax Credit allowed 09 or 9 = Par 11A(5) Fourth Schedule notification – No withholding possible |

7 QUALITY RECORDS

| Number | Title |
|-------------|--------------------------------------|
| IRP5/IT3(a) | Employee tax certificate |
| EMP201 | Monthly employer declaration |
| EMP501 | Employer reconciliation declaration |
| EMP601 | Certificate cancellation declaration |

8 DOCUMENT MANAGEMENT

| Designation | Name/Division |
|------------------------------------------|------------------------------------|
| Business Owner: | GE: Enterprise Business Enablement |
| Policy Owner: | GE: Enterprise Business Enablement |
| Author: | C Rossouw |
| Detail of change from previous revision: | PAYE August release 2013 |
| Template number and revision | POL-TM-07 - Rev 3 |