



# GUIDE FOR CODES APPLICABLE TO EMPLOYEES TAX CERTIFICATES 2024

## TABLE OF CONTENTS

|    |   |    |
|----|---|----|
| 1  | SUMMARY   | 3  |
| 2  | OBLIGATIONS OF AN EMPLOYER RELATING TO EMPLOYEE INCOME TAX CERTIFICATES | 3  |
| 3  | SOURCE CODES FROM 2024 YEAR OF ASSESSMENT                               | 3  |
| 4  | NORMAL INCOME CODES   | 6  |
| 5  | ALLOWANCE CODES   | 10 |
| 6  | FRINGE BENEFIT CODES  | 16 |
| 7  | LUMP SUM CODES  | 20 |
| 8  | GROSS REMUNERATION CODES  | 24 |
| 9  | DEFINITIONS, ACRONYMS AND ABBREVIATIONS                                 | 25 |
| 10 | DOCUMENT MANAGEMENT   | 25 |

## 1 SUMMARY

- a) The purpose of this guide is to explain the relevant source codes used by the employer when issuing an Employees' Income Tax certificate to an employee.
- b) This guide explains each code relevant to remuneration, deductions, Employees' Tax and employer contributions/payments (fringe benefits).
- c) Validation rules relating to a specific source code are explained as well as the year of assessment in which such code is valid.
- d) The employer demographic information no longer forms part of the certificate as the "Certificate Number" now contains the Pay-As-You-Earn (PAYE) reference number of the employer, which links the employer demographic information to the employee.
- e) For more information visit the SARS website [www.sars.gov.za](http://www.sars.gov.za) > Types of Tax > PAYE.

## 2 OBLIGATIONS OF AN EMPLOYER RELATING TO EMPLOYEE INCOME TAX CERTIFICATES

- a) The 4<sup>th</sup> Schedule to the Income Tax Act place, amongst other things, the following obligations on an employer:
  - i) To furnish employees to whom remuneration is paid or has become payable with Employees' Income Tax certificates (IRP5/IT3(a) certificate) within the prescribed period; and
  - ii) To submit all reconciliation documents to SARS within the prescribed period.

## 3 SOURCE CODES FROM 2024 YEAR OF ASSESSMENT

- a) These codes are applicable for all tax certificates issued for years of assessment from 2024.
- b) 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.
- c) 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. The table below reflects how these codes are absorbed into the remaining codes.

| Type of Income | Main Code | Sub-Code Rationalisation  |
|----------------|-----------|---|
| Income         | 3601/3651 | Codes *3603/3653 and *3610/3660 must be incorporated into 3601/3651. * Only in respect of 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 |   |
|                | 3607/3657 | Main code for years prior to 2010 year of assessment and from 2020 years of assessment. Incorporate codes into 3601/3651 in respect 2010 to 2019 years of assessment. |
|                | 3608/3658 |   |
|                | 3610/3660 | Main code from the 2013 year of assessment. Incorporate codes into 3601/3651 in respect 2010 to 2012 years of assessment.   |
|                | 3611/3661 |   |
|                | 3613/3663 |   |
|                | 3614/3664 |   |
|                | 3615/3665 | Applicable from 2003 to 2018 years of assessment.   |
|                | 3616/3666 |   |

| Type of Income | Main Code                                  | Sub-Code Rationalisation  |
|----------------|--|---|
|                | 3617/3667                                  |   |
|                | 3618/3668                                  | Applicable from the 2021 year of assessment   |
|                | 3619/3669                                  | Main code from the 2017 year of assessment  |
|                | 3620/3670                                  | Main code from the 2018 year of assessment  |
|                | 3621                                       | Main code from the 2018 year of assessment  |
|                | 3622/3672                                  | Applicable from the 2023 year of assessment   |
| 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.  |
|                | 3714/3764                                  | Codes 3705/3755 and 3709/3759 and 3716/3766 must be incorporated into 3714/3764.  |
|                | 3715/3765                                  |   |
|                | 3717/3767                                  |   |
|                | 3718/3768                                  |   |
|                | 3719/3769                                  | Applicable from the 2018 year of assessment   |
|                | 3720/3770                                  | Applicable from the 2018 year of assessment   |
|                | 3721/3771                                  | Applicable from the 2018 year of assessment   |
|                | 3722/3772                                  | Applicable from the 2019 year of assessment   |
|                | 3723/3773                                  | Applicable from the 2018 year of assessment   |
| 3724           | Applicable for the 2021 year of assessment |   |
| 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.<br>*Only in respect of the 2010 to 2012 years of assessment |
|                | 3802/3852                                  |   |
|                | 3805/3855                                  | Only applicable from the 2013 year of assessment  |
|                | 3806/3856                                  | Only applicable from the 2013 year of assessment  |
|                | 3808/3858                                  | Only applicable from the 2013 year of assessment  |
|                | 3809/3859                                  | Only applicable from the 2013 year of assessment  |
|                | 3810/3860                                  |   |
|                | 3813/3863                                  |   |
|                | 3815/3865                                  | Only applicable from the 2013 year of assessment  |
|                | 3816/3866                                  | Only applicable from the 2014 year of assessment  |
|                | 3817/3867                                  | Only applicable from the 2017 year of assessment  |
|                | 3820/3870                                  | Only applicable from the 2014 year of assessment  |
|                | 3821/3871                                  | Only applicable from the 2014 year of assessment  |
|                | 3822/3872                                  | Only applicable from the 2015 year of assessment  |
|                | 3825/3875                                  | Only applicable from the 2017 year of assessment  |
|                | 3828/3878                                  | Only applicable from the 2017 year of assessment  |
|                | 3929/3879                                  | Only applicable from the 2019 year of assessment  |
|                | 3830/3880                                  | Only applicable from the 2019 year of assessment  |
|                | 3831/3881                                  | Only applicable from the 2019 year of assessment  |
|                | 3832/3882                                  | Only applicable from the 2019 year of assessment  |

| Type of Income           | Main Code                                   | Sub-Code Rationalisation  |
|--------------------------|---|---|
|                          | 3833/3883                                   | Only applicable from the 2020 year of assessment  |
|                          | 3834/3884                                   | Only applicable from the 2020 year of assessment  |
|                          | 3835/3885                                   | Only applicable from the 2023 year of assessment  |
| Lump sum                 | 3901/3951                                   |   |
|                          | 3906/3956                                   |   |
|                          | 3907/3957                                   |   |
|                          | 3908  | Only applicable from the 2006 year of assessment  |
|                          | 3909  | Only applicable from the 2007 year of assessment  |
|                          | 3915  | Only applicable from the 2008 year of assessment  |
|                          | 3920  |   |
|                          | 3921  |   |
|                          | 3922  |   |
|                          | 3923  | Only applicable from the 2018 year of assessment  |
|                          | 3924  | Only applicable from 2019 year of assessment  |
| Gross Remuneration Codes | 3696  |   |
|                          | 3697  |   |
|                          | 3698  |   |
|                          | 3699  |   |
| Deductions               | 4001  |   |
|                          | 4002  |   |
|                          | 4003  | Incorporate code 4004 into 4003.  |
|                          | 4005  |   |
|                          | 4006  |   |
|                          | 4007  | Not applicable from the 2017 year of assessment   |
|                          | 4018  | Valid from the 2006 year of assessment to the 2015 year of assessment   |
|                          | 4024  | Applicable from the 2007 year of assessment   |
|                          | 4026  | Applicable to non-statutory forces (government). Applicable from the 2007 year of assessment and not applicable from 2017 year of assessment. |
|                          | 4030  | Applicable from the 2010 year of assessment   |
|                          | 4055  | Applicable for the 2021 year of assessment  |
|                          | 4472  | Applicable from 2006 to 2009 years of assessment and from 2017 year of assessment.  |
|                          | 4473  | Applicable from the 1999 to 2009 years of assessment and from 2017 year of assessment   |
|                          | 4474  |   |
|                          | 4475  | Applicable from 2008 to 2009 years of assessment and from 2017 year of assessment   |
|                          | 4493  |   |
|                          | 4497  |   |
|                          | 4582  | Applicable from the 2017 year of assessment   |
|                          | 4583  | Applicable from the 2017 year of assessment   |
|                          | 4584  | Applicable from the 2020 year of assessment   |
|                          | 4585  | Applicable from the 2017 year of assessment   |
| 4586                     | Applicable from the 2017 year of assessment |   |
| 4587                     | Applicable from the 2021 year of assessment |   |
|                          | 4101  |   |

| Type of Income                            | Main Code | Sub-Code Rationalisation                         |
|---|-----------|--|
| Employees' Tax Deduction and Reason Codes | 4102      |  |
|   | 4115      |  |
|   | 4116      | Applicable from 2013 year of assessment          |
|   | 4118      | Only applicable from the 2014 year of assessment |
|   | 4120      | Applicable from 2017 year of assessment          |
|   | 4141      |  |
|   | 4142      |  |
|   | 4149      |  |
|   | 4150      |  |

#### 4 NORMAL INCOME CODES

| Code           | Description                 | Explanation  |
|----------------|-----------------------------|--|
| 3601<br>(3651) | Income<br>(Subject to PAYE) | <ul style="list-style-type: none"> <li>An amount which is paid or payable to an employee for services rendered, excluding any Long Service Cash Award, required to be declared under code 3622/3672.</li> <li>Examples include: <ul style="list-style-type: none"> <li>Salary/wages;</li> <li>Backdated salary/wages/pension (Accrued in current year of assessment).</li> <li>Remuneration paid to migrant/seasonal workers/full time scholars etc.</li> </ul> </li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>For Years of Assessment 2003 to 2018, such income as paid to a director must be reflected under code 3615;</li> <li>Use code 3651 ONLY for foreign services income.</li> <li>Applicable from 2010 to 2019 years of assessment for amounts previously included under codes 3607/3657</li> <li>Amounts previously declared under codes 3603/3653 and 3610/3660 must be included under this code (3601/3651) in respect of 2010 to 2012 years of assessment.</li> </ul>  |
| 3602<br>(3652) | Income<br>(Non-taxable)     | <ul style="list-style-type: none"> <li>Any non-taxable income excluding Foreign Service remuneration for RSA residents that are exempt i.e., section 10(1)(o)(ii), non-taxable allowances and fringe benefits. Code accommodates all payments of a capital nature.</li> <li>Examples include: <ul style="list-style-type: none"> <li>Non-taxable pension paid on a regular basis (e.g., war pension, etc.) excluding pension for Foreign Service income.</li> <li>Non-taxable income of a capital nature</li> <li>Non-taxable portion of an arbitration award, where applicable.</li> <li>Non-taxable portion of a compulsory annuity purchased from a retirement fund (e.g., due to non-residency and the relevant DTA).</li> <li>Non-taxable (capital element) of a section 10A voluntary purchased annuity.</li> <li>Non-taxable amounts paid on a regular basis (excluding lump sums) from a loss of income policy with effect from 1 March 2015 (2016 year of assessment).</li> </ul> </li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3652 ONLY for foreign services income; <ul style="list-style-type: none"> <li>Excluding Foreign Service remuneration for residents who may qualify for exemption i.e., section 10(1)(o)(ii) – use code 3651.</li> <li>Including pension / annuities paid from an RSA fund, received from a foreign fund i.e., services rendered outside RSA.</li> </ul> </li> </ul> |

| Code           | Description                            | Explanation  |
|----------------|--|--|
|                |  | <ul style="list-style-type: none"> <li>▫ 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).</li> </ul>  |
| 3603<br>(3653) | Pension<br>(Subject to PAYE)           | <ul style="list-style-type: none"> <li>• Any compulsory pension or qualifying purchased annuity paid on a regular basis (from a pension or pension preservation fund) as well as backdated pension or compulsory purchased annuity payment (from a pension or pension preservation fund) (for current tax year).</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Amounts paid on a regular basis i.e., a Loss of Income Policy up to 28 February 2015 (up to the 2015 year of assessment).</li> <li>▫ Use code 3653 ONLY for foreign services income taxable in RSA.</li> <li>▫ The value of this code must be included in the value of code 3601/3651 for the 2010, 2011 and 2012 years of assessment.</li> <li>▫ This includes taxable disability benefits.</li> <li>▫ This code is valid from 1999 – 2009 year of assessment and from the 2013 year of assessment.</li> </ul> |
| 3604<br>(3654) | Pension<br>(Non-taxable)               | <ul style="list-style-type: none"> <li>• Any pension paid on regular basis that is not taxable e.g., War pensions etc.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3654 ONLY for foreign services income.</li> <li>▫ The value of this code must be included in the value of code 3602/3652 with effect from the 2010 year of assessment.</li> <li>▫ Not applicable from 2010 Year of Assessment</li> </ul>   |
| 3605<br>(3655) | Annual payment<br>(Subject to PAYE)    | <ul style="list-style-type: none"> <li>• Amount paid or payable to employee, which is defined as an annual payment, excluding any Long Service Cash Award, required to be declared under code 3622/3672.</li> <li>• Examples include: <ul style="list-style-type: none"> <li>▫ Annual bonus;</li> <li>▫ Incentive bonus;</li> <li>▫ Leave pay (on resignation/encashment of leave credits).</li> <li>▫ Merit awards;</li> <li>▫ Bonus/incentive amount paid to an employee to retain his/her service for a specific period; etc.</li> </ul> </li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3655 ONLY for foreign services income.</li> <li>▫ Applicable from 2003 to 2018 years of assessment.</li> </ul>   |
| 3606<br>(3656) | Commission<br>(Subject to PAYE)        | <ul style="list-style-type: none"> <li>• An amount paid or payable to an employee defined as an annual payment.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3656 ONLY for foreign services income.</li> </ul>   |
| 3607<br>(3657) | Overtime<br>(Subject to PAYE)          | <ul style="list-style-type: none"> <li>• An amount paid as overtime for rendering services. The tax on such payments is calculated as on income taxable.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3657 ONLY for foreign services income;</li> <li>▫ The value of this code must be included in the value of code 3601/3651 with effect from the 2010 to 2019 year of assessment.</li> <li>▫ This code is applicable prior to 2010 year of assessment and from 2020 year of assessment.</li> </ul>  |
| 3608<br>(3658) | Arbitration award<br>(Subject to PAYE) | <ul style="list-style-type: none"> <li>• 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.</li> </ul>   |

| Code           | Description  | Explanation  |
|----------------|--|--|
|                |  | <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3658 ONLY for foreign services income.</li> </ul>  |
| 3609<br>(3659) | Arbitration award<br>(Non-taxable)                 | <ul style="list-style-type: none"> <li>• 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.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3659 ONLY for foreign services income;</li> <li>▫ The value of this code must be included in the value of code 3602/3652 with effect from the 2010 year of assessment.</li> </ul>   |
| 3610<br>(3660) | Annuity from a<br>RAF<br>(Subject to PAYE)         | <ul style="list-style-type: none"> <li>• An annuity paid on a regular basis by a retirement annuity fund and/or a compulsory purchased annuity purchased from a long-term insurer and paid on a regular basis.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3660 ONLY for foreign services income;</li> <li>▫ The value of this code must be included in the value of code 3601/3651 with effect from the 2010 to 2012 years of assessment.</li> <li>▫ Valid for 1999 to 2009 and from the 2013 years of assessment. The Foreign Service income codes (codes in brackets) are valid from the 2002 to 2009 and from the 2013 years of assessment</li> </ul> |
| 3611<br>(3661) | Purchased<br>annuity<br>(Subject to PAYE)          | <ul style="list-style-type: none"> <li>• The taxable portion of a purchased annuity paid by a long-term insurer (not from a retirement fund).</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3661 ONLY for foreign services income.</li> </ul>   |
| 3612<br>(3662) | Purchased<br>annuity<br>(Non-taxable)              | <ul style="list-style-type: none"> <li>• The non-taxable portion (capital interest) received on an annuity purchased from an Annuity Fund.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3662 ONLY for foreign services income;</li> <li>▫ The value of this code must be included in the value of code 3602/3652 with effect from the 2010 year of assessment.</li> </ul>  |
| 3613<br>(3663) | Restraint of trade<br>(Subject to PAYE)            | <ul style="list-style-type: none"> <li>• Restraint of trade amount paid by virtue of employment or the holding of any office to an employee who is a natural person [par (cB) of 'gross income'].</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Restraint of trade amounts paid to a labour broker must NOT be included under this code.</li> <li>▫ Use code 3663 ONLY for Foreign Service income.</li> </ul>  |
| 3614<br>(3664) | Other retirement<br>lump sums<br>(Subject to PAYE) | <ul style="list-style-type: none"> <li>• A retirement lump sum paid by a fund [par (eA) of 'gross income']</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3664 ONLY for foreign services income.</li> </ul>  |
| 3615<br>(3665) | Director's<br>remuneration<br>(Subject to PAYE)    | <ul style="list-style-type: none"> <li>• Such income as would normally be reported under code 3601/3651 as paid to a director of a private company/member of a close corporation.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3615/3665 ONLY if Nature of Person is C.</li> <li>▫ Use code 3665 ONLY for foreign services income.</li> <li>▫ This code is applicable from 2003 to 2018 years of assessment.</li> <li>▫ Effective from 2019 year of assessment, report such income under code 3601/3651.</li> </ul>  |



| Code           | Description   | Explanation  |
|----------------|---|--|
| 3616<br>(3666) | Independent contractors<br>(Subject to PAYE)                | <ul style="list-style-type: none"> <li>Remuneration paid to an independent contractor.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3666 ONLY for foreign services income.</li> </ul>  |
| 3617<br>(3667) | Labour Brokers<br>(PAYE)                                    | <ul style="list-style-type: none"> <li>Remuneration, including a Restraint of trade amount [par (cA) of 'gross income'], paid to a labour broker without an exemption certificate (IRP30).</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3667 ONLY for foreign services income</li> </ul>   |
| 3618<br>(3668) | Annuity from Provident / Provident Preservation Fund (PAYE) | <ul style="list-style-type: none"> <li>Any qualifying annuity paid on a regular basis from a provident or provident preservation fund as well as backdated provident or qualifying annuity (from a provident or provident preservation fund) (for current tax year).</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3668 ONLY for foreign service income.</li> <li>This code is applicable from the 2021 year of assessment</li> </ul>   |
| 3619<br>(3669) | Labour Brokers (IT)   | <ul style="list-style-type: none"> <li>Any amount, including a Restraint of trade amount, paid to a labour broker who is in possession of an exemption certificate (IRP 30).</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3669 ONLY for foreign service income</li> <li>This code is applicable from the 2017 year of assessment.</li> </ul>   |
| 3620<br>(3670) | Directors Fees – RSA Resident NED (IT)                      | <ul style="list-style-type: none"> <li>Directors' fees received by an RSA Non-Executive Director with a voluntary PAYE withholding (not 'remuneration').</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3670 ONLY for foreign service income</li> <li>Only applicable from 2018 year of assessment.</li> </ul>   |
| 3621           | Directors Fees – Non- Resident NED (PAYE)                   | <ul style="list-style-type: none"> <li>Directors' remuneration received from a RSA source by a Non-Resident Non-Executive Director.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Only applicable from 2018 year of assessment.</li> </ul>   |
| 3622<br>(3672) | Long Service Cash Award                                     | <ul style="list-style-type: none"> <li>A Long Service Award is given to an employee that complies with the initial 15 years and any subsequent 10 years unbroken period of service requirement – par (vii) of the proviso under par (c) of "gross income" in section 1 of the Income Tax Act.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>The full value (before excluding any amount) of a Long Service Cash Award that qualify for the R5,000 exclusion, must be declared under this code 3622/3672. The amount is not subject to PAYE if the full value (code 3622 plus code 3835) is less than or equal to R5,000.</li> <li>Long Service means an initial unbroken period of service of not less than 15 years and any subsequent unbroken period of service of not less than 10 years (par 5(4) of the Seventh Schedule to the Income Tax Act).</li> <li>A long Service Cash Award, together with the value of the following taxable benefits given as a Long Service Award will qualify for a reduction not more than R5,000: <ul style="list-style-type: none"> <li>Acquisition of an Asset at less than the actual value par 5(2)(b) of the Seventh Schedule</li> <li>Right of use of an Asset (other than Residential accommodation and any motor vehicle) par 6(4)(d) of the Seventh Schedule</li> </ul> </li> </ul> |

| Code | Description | Explanation  |
|------|-------------|--|
|      |             | <ul style="list-style-type: none"> <li>○ Free or Cheap Services (par 10 (2)(e) of the Seventh Schedule</li> <li>○ Code 3672 MUST always be used for a Long Service Cash Award while on Foreign Service on date of accrual.</li> <li>○ Valid from 2023 year of assessment.</li> </ul> |

## 5 ALLOWANCE CODES

| Code           | Description                              | Explanation   |
|----------------|--|---|
| 3701<br>(3751) | Travel allowance<br>(Subject to<br>PAYE) | <ul style="list-style-type: none"> <li>• 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.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3751 ONLY for foreign services income.</li> <li>▫ 100% of the value paid to the employee must be specified.</li> </ul>   |
| 3702<br>(3752) | Reimbursive<br>travel allowance<br>(IT)  | <p>This code is only applicable where –</p> <ul style="list-style-type: none"> <li>• <b>The reimbursement rate used by the employer exceeds the prescribed rate</b> (paragraph 4 of the Fixing of Rate per Kilometre i.e., Motor Vehicle Regulation) and / or</li> <li>• The employee receives any other form of compensation for travel and only in respect of that portion of the reimbursement that DOES NOT EXCEED the amount determined by multiplying the prescribed rate by the actual business kilometres travelled.</li> </ul> <p>EXAMPLE-</p> <ul style="list-style-type: none"> <li>• If the prescribed rate is R3.61/km and the employer reimbursed employee at R4.00/km for 12540 business km's travelled during 2019 year of assessment, the reimbursive travel allowance must be reflected as follows –</li> <li>• 3702 = R45 269 (R3.61 x 12540km's)</li> <li>• 3722 = R4 891 ((R4.00 – R3.61) x 12540)</li> </ul> <p><b>Note 1:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3752 ONLY for foreign services income;</li> <li>▫ The prescribed maximum business kilometres for years of assessment prior to 2018 are 8000 km.</li> <li>▫ The prescribed maximum business kilometres for the 2018 year of assessment are 12000 km.</li> <li>▫ No business kilometres limit is applicable from 2019 year of assessment.</li> </ul> |

| Code           | Description                                | Explanation  |
|----------------|--|--|
| 3703<br>(3753) | Reimbursive travel allowance (Non-taxable) | <p>This code is applicable where -</p> <ul style="list-style-type: none"> <li>• <b>The reimbursement rate used by the employer does not exceed the prescribed rate</b> (paragraph 4 of the Fixing of Rate per Kilometre i.e., Motor Vehicle Regulation) and / or</li> <li>• The employee does not receive any other form of compensation for travel and in respect of the full value of the reimbursement.</li> </ul> <p><b>Note 2:</b></p> <p>EXAMPLE-</p> <ul style="list-style-type: none"> <li>• If the prescribed rate is R3.61 /km and the employer reimbursed employee at R3.50km for 12540 business km's travelled during the 2019 year of assessment, and no other compensation for travel was paid, the total reimbursive travel allowance of R43 890 (R3.50 x 12540 km's) must be reflected under 3703.</li> </ul> <p><b>Note 3:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3753 ONLY for Foreign Service income.</li> <li>▫ The prescribed maximum business kilometres for years of assessment prior to 2018 are 8000 km.</li> <li>▫ The prescribed maximum business kilometres for 2018 years of assessment is 12000 km.</li> <li>▫ No business kilometre limit is applicable from 2019 year of assessment.</li> <li>▫ From 2014 to 2018 year of assessment, code 3703 may not be reflected on the IRP5/ IT3(a) certificate together code 3701 and/or 3702/3722 and the value of code 3703 must be included in the value of code 3702.</li> <li>▫ From 2019 year of assessment, code 3703 may not be reflected on the IRP5/ IT3(a) certificate together code 3701 and/or 3702/3722.</li> </ul> |
| 3704<br>(3754) | Subsistence allowance – local travel (IT)  | <ul style="list-style-type: none"> <li>• An allowance paid for expenses in respect of meals and/or incidental costs for local travel, which exceeds the deemed amounts.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3754 ONLY for foreign services income.</li> </ul>   |
| 3705<br>(3755) | Subsistence allowance (Non-taxable)        | <ul style="list-style-type: none"> <li>• An allowance paid for expenses in respect of meals and/or incidental costs for local travel, which does not exceed the deemed amounts.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3755 ONLY for foreign services income;</li> <li>▫ The value of this code must be included in the value of code 3714/3764 with effect from the <b>2010</b> year of assessment.</li> </ul>  |
| 3706<br>(3756) | Entertainment allowance (Subject to PAYE)  | <ul style="list-style-type: none"> <li>• This allowance is not valid with effect from 1 March 2002 and may not be reflected on an Employees' Income Tax certificate.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3756 ONLY for foreign services income;</li> <li>▫ The value of this code must be included in the value of code 3713/3763 with effect from the 2010 year of assessment.</li> </ul>  |
| 3707<br>(3757) | Share options exercised (Subject to PAYE)  | <ul style="list-style-type: none"> <li>• Any amount in terms of a qualifying equity share disposed or gain made under a share scheme operated for the benefit of employees.'</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3757 ONLY for foreign services income.</li> </ul>  |

| Code           | Description   | Explanation  |
|----------------|---|--|
| 3708<br>(3758) | Public office allowance<br>(Subject to PAYE)        | <ul style="list-style-type: none"> <li>An allowance granted to a holder of a public office to enable him/her to defray expenditure incurred in connection with such office.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3758 ONLY for foreign services income.</li> </ul>   |
| 3709<br>(3759) | Uniform allowance<br>(Non-taxable)                  | <ul style="list-style-type: none"> <li>An allowance for a special uniform, which is clearly distinguishable from ordinary clothes.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3759 ONLY for foreign services income.</li> <li>The value of this code must be included in the value of code 3714/3764 with effect from the 2010 year of assessment.</li> </ul>    |
| 3710<br>(3760) | Tool allowance<br>(Subject to PAYE)                 | <ul style="list-style-type: none"> <li>An allowance for the acquisition of tools for business use.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3760 ONLY for foreign services income.</li> <li>The value of this code must be included in the value of code 3713/3763 with effect from the 2010 year of assessment.</li> </ul>                                    |
| 3711<br>(3761) | Computer allowance<br>(Subject to PAYE)             | <ul style="list-style-type: none"> <li>An allowance for the acquisition or use of a computer.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3761 ONLY for foreign services income;</li> <li>The value of this code must be included in the value of code 3713/3763 with effect from the 2010 year of assessment.</li> </ul>   |
| 3712<br>(3762) | Telephone/cell phone allowance<br>(Subject to PAYE) | <ul style="list-style-type: none"> <li>An allowance for expenses incurred in the use of a telephone/cell phone for business purposes.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3762 ONLY for foreign services income;</li> <li>The value of this code must be included in the value of code 3713/3763 with effect from the 2010 year of assessment.</li> </ul> |

| Code           | Description  | Explanation  |
|----------------|--|--|
| 3713<br>(3763) | Other allowances<br>(Subject to<br>PAYE)             | <ul style="list-style-type: none"> <li>• 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.</li> <li>• Examples include: <ul style="list-style-type: none"> <li>▫ Any subsistence allowances/advances paid to an employee during any month which is deemed to be remuneration by the end of the next month due to the employee not spending the night away from his/her residence or has not refunded the allowance/advance to the employer</li> <li>▫ If an employer allows an employee to incur expenditure on meals when obliged to spend a part of a day away from his/her usual place of work/employment by reason of the employee's employment, and reimburses the employee upon the submission of proof of expenditure, such reimbursement up to the amount announced by the notice in the Gazette (R139 per day for the 2022 year of assessment), is not taxable and must therefore not be declared on the IRP5/IT3(a). However, where the reimbursement exceeds the lower of the amount announced or the amount for which proof of expenditure was submitted by the employee, the excess is fully taxable.</li> <li>▫ Entertainment allowance</li> <li>▫ Tool allowance</li> <li>▫ Computer allowance</li> <li>▫ Telephone allowance</li> <li>▫ Cell phone allowance</li> <li>▫ Housing allowance</li> <li>▫ Taxable Uniform allowance</li> <li>▫ Taxable Relocation allowance, etc.</li> </ul> </li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3763 ONLY for foreign services income;</li> <li>▫ 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).</li> </ul> |
| 3714<br>(3764) | Other allowances<br>(Non-taxable)                    | <ul style="list-style-type: none"> <li>• 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.</li> <li>• Examples include: <ul style="list-style-type: none"> <li>▫ Non-taxable Relocation allowance;</li> <li>▫ Non-taxable Subsistence allowance for local and foreign travel not exceeding the daily limits;</li> <li>▫ Non-taxable allowance for a uniform which is clearly distinguishable from ordinary clothing.</li> </ul> </li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3764 ONLY for foreign services income;</li> <li>▫ 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).</li> </ul>   |
| 3715<br>(3765) | Subsistence<br>allowance –<br>foreign travel<br>(IT) | <ul style="list-style-type: none"> <li>• An allowance paid for expenses in respect of meals and/or incidental costs for foreign travel, which exceeds the deemed amounts.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3765 ONLY for foreign services income.</li> </ul>   |

| Code           | Description   | Explanation  |
|----------------|---|--|
| 3716<br>(3766) | Subsistence allowance – foreign travel (Non-taxable)  | <ul style="list-style-type: none"> <li>An allowance paid for expenses in respect of meals and/or incidental costs for foreign travel, which does not exceed the deemed amounts.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3766 ONLY for foreign services income;</li> <li>The value of this code must be included in the value of code 3714/3764 with effect from the <b>2010</b> year of assessment.</li> </ul>  |
| 3717<br>(3767) | Broad-based employee share plan (Subject to PAYE)   | <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3767 ONLY for foreign services income.</li> </ul>  |
| 3718<br>(3768) | Vesting of equity instruments or return of capital iron. restricted equity instruments (PAYE) | <ul style="list-style-type: none"> <li>Any amount in respect of the vesting of any equity instrument or the return of capital in respect of restricted equity instruments (section 8C).</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>A return of capital received by or accrued to an employee in respect of restricted equity instruments on or after 8 January 2016 (during the 2016 year of assessment) is liable for PAYE and should be included under this code.</li> <li>Use code 3768 ONLY for foreign services income.</li> </ul>   |
| 3719<br>(3769) | Dividends not exempt i.e. para (dd) of the proviso to s10(1)(k)(i) (PAYE)                     | <ul style="list-style-type: none"> <li>Dividends in respect of restricted equity instrument as defined in section 8C to the extent that the restricted equity instrument was acquired in circumstances contemplated in section 8C. However, the dividends in respect of any of the following equity instruments are excluded from “remuneration” under code 3719. <ul style="list-style-type: none"> <li>The restricted equity instrument is an equity share other than an equity share that would have constituted a hybrid equity instrument as defined in section 8E(1) but for the three-year period requirement contemplated in that definition</li> <li>The dividend constitutes an equity instrument as defined in section 8C.</li> <li>The restricted equity instrument constitutes an interest in a trust and, when that trust holds shares, all those shares constitute equity shares, other than equity shares that would have constituted hybrid equity instruments as defined in section 8E (1) but for the three-year period requirement contemplated in that definition.</li> </ul> </li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3769 ONLY for local dividends linked to foreign services.</li> <li>Only applicable from 2018 year of assessment</li> </ul> <ul style="list-style-type: none"> <li>These guidelines have been compiled to assist employers in understanding the fundamentals of the Employment Tax Incentive Act, No. 26 of 2013 (the ETI Act) and must be read in conjunction with the Fourth Schedule to the Income Tax Act, No. 58 of 1962 (the Income Tax Act).</li> </ul> |
| 3720<br>(3770) | Dividends not exempt i.e. par (ii) of the proviso to s10(1)(k)(i) (PAYE)                      | <ul style="list-style-type: none"> <li>Any dividend received by or accrued to a person in respect of services rendered or to be rendered or in respect of or by virtue of employment or the holding of any office, other than a dividend received or accrued in respect of a restricted equity instrument as defined in section 8C held by that person or in respect of a share held by that person.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3770 ONLY for local dividends linked to foreign services.</li> <li>Only applicable from 2018 year of assessment.</li> </ul>  |



| Code           | Description   | Explanation  |
|----------------|---|--|
| 3721<br>(3771) | Dividends not exempt i.e. par (jj) of the proviso to s 10(1)(k)(i) (PAYE) | <ul style="list-style-type: none"> <li>Any dividend in respect of a restricted equity instrument as defined in section 8C that was acquired in the circumstances contemplated in section 8C if that dividend is derived directly or indirectly from, or constitutes – <ul style="list-style-type: none"> <li>An amount transferred or applied by a company as consideration for the acquisition or redemption of any share in that company;</li> <li>An amount received or accrued in anticipation or during the winding up, liquidation, deregistration or final termination of a company; or</li> <li>An equity instrument that is not a restricted equity instrument as defined in section 8C, that will, on vesting be subject to that section.</li> </ul> </li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3771 ONLY for local dividends linked to foreign services.</li> <li>Only applicable from 2018 year of assessment</li> </ul>  |
| 3722<br>(3772) | Reimbursive travel allowance  | <p>This code is only applicable where –</p> <ul style="list-style-type: none"> <li><b>The reimbursement rate used by the employer exceeds the prescribed rate</b> (paragraph 4 of the Fixing of Rate per Kilometre i.e., Motor Vehicle Regulation) and only in respect of that portion that EXCEEDS the amount determined by multiplying the prescribed rate by the actual business kilometres travelled.</li> </ul> <p><b>Note 1:</b> From 2019 year of assessment, <b>use</b> the prescribed rate applicable to the relevant year of assessment.</p> <p>EXAMPLE:</p> <ul style="list-style-type: none"> <li>If the prescribed rate is R3.61/km and the employer reimbursed employee at R4.00/km for 12540 business km's travelled during 2019 year of assessment, the reimbursive travel allowance must be reflected as follows –</li> <li>3722 = R4 891 ((R4.00 – R3.61) x 12540)</li> <li>3702 = R45 269 (R3.61 x 12540km's)</li> </ul> <p><b>Note 2:</b></p> <ul style="list-style-type: none"> <li>Use code 3772 ONLY for Foreign Service Income.</li> <li>This code is applicable from 2019 year of assessment.</li> <li>If this code is greater than zero, then code 3702/3752 must be greater than zero.</li> </ul> |
| 3723<br>(3773) | Dividends not exempt i.e. par (kk) of the proviso to s10(1)(k)(i) (PAYE)  | <p>Any dividends in respect of the restricted equity instruments as defined in section 8C that was acquired in the circumstances contemplated in section 8C(1) if that dividend is derived directly or indirectly from:</p> <ul style="list-style-type: none"> <li>An amount transferred or applied by a company as consideration for the acquisition or redemption of any share in that company, or</li> <li>Any amount received or accrued in anticipation or during the winding up, liquidation or final termination of a company.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3773 ONLY for local dividends linked to foreign services income.</li> <li>This code is applicable from 2018 year of assessment.</li> </ul>  |
| 3724           | Amounts paid by any COVID-19 Disaster Relief Organisation (IT)            | <p>Any payment / benefit received from a COVID-19 Disaster Relief Organisation (so called section 18A Relief scheme / fund) and paid to an employee.</p> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>This code must not be used for benefits received from UIF Temporary Employees Relief Scheme (UIF TERS).</li> <li>This code is only applicable <b>for</b> 2021 year of assessment.</li> </ul>   |

## 6 FRINGE BENEFIT CODES

| Code           | Description   | Explanation  |
|----------------|---|--|
| 3801<br>(3851) | General fringe benefits<br>(Subject to PAYE)  | <ul style="list-style-type: none"> <li>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, excluding any Long Service Award which must be declared under code 3835/3885 i.e. where the Long Service Award consists of an "Acquisition of an asset at less than the actual value" and/or the right of use of an asset (other than residential accommodation or any motor vehicle).</li> <li>Examples include: <ul style="list-style-type: none"> <li>Employer-paid premiums for the benefit of an employee to employer-owned Income Protection Scheme.</li> <li>Acquisition of an asset at less than the actual value and/or insurance policies ceded;</li> <li>Right of use of an asset (other than a motor vehicle).</li> <li>Meals, refreshments, meal, and refreshment vouchers;</li> <li>Free or cheap accommodation or holiday accommodation;</li> <li>Free or cheap services;</li> <li>Low interest or interest free loans and subsidies;</li> <li>Uniforms that are not clearly distinguishable from ordinary clothing</li> </ul> </li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3851 ONLY for Foreign Service income.</li> <li>With effect from 2010 year of assessment, amounts previously under codes 3803/3853, 3804/3854 and 3807/3857, must be included in code 3801/3851.</li> <li>Amounts previously declared under codes 3805/3855, 3806/3856, 3808/3858 and 3809/3859 must be included under this code (3801/3851) in respect of the 2010 to 2012 years of assessment.</li> </ul> |
| 3802<br>(3852) | Use of motor vehicle acquired by employer <b>NOT</b> via operating lease<br>(Subject to PAYE) | <ul style="list-style-type: none"> <li>Taxable benefit in respect of the right of use of a motor vehicle acquired by an employer NOT under an "operating lease."</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3852 ONLY for foreign services income.</li> <li>This code excludes all motor vehicles acquired by the employer via operating lease</li> </ul>  |
| 3803<br>(3853) | Use of asset<br>(Subject to PAYE)   | <ul style="list-style-type: none"> <li>Right of use of an asset (other than a motor vehicle).</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3853 ONLY for foreign services income;</li> <li>The value of this code must be included in the value of code 3801/3851 with effect from the 2010 year of assessment.</li> </ul>   |
| 3804<br>(3854) | Meals, etc.<br>(Subject to PAYE)  | <ul style="list-style-type: none"> <li>Meals, refreshments and meal and refreshment vouchers.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3854 ONLY for foreign services income;</li> <li>The value of this code must be included in the value of code 3801/3851 with effect from the 2010 year of assessment.</li> </ul>   |



| Code           | Description   | Explanation  |
|----------------|---|--|
| 3805<br>(3855) | Accommodation<br>(Subject to PAYE)  | <ul style="list-style-type: none"> <li>Free or cheap accommodation or holiday accommodation.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3855 ONLY for foreign services income;</li> <li>The value of this code must be included in the value of code 3801/3851 with effect from the 2010 to 2012 years of assessment;</li> <li>This code is valid from 1999 – 2009 year of assessment and from the 2013 year of assessment; and</li> <li>From 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign services Income (the codes in brackets).</li> </ul>  |
| 3806<br>(3856) | Services<br>(Subject to PAYE)   | <ul style="list-style-type: none"> <li>Free or cheap services excluding any Long Service Award, which must be declared under code 3835/3885 i.e. where the Long Service Award consists of Free or cheap services.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3856 ONLY for foreign services income;</li> <li>The value of this code must be included in the value of code 3801/3851 with effect from the 2010 to 2012 years of assessment;</li> <li>This code is valid from 1999 – 2009 year of assessment and from the 2013 year of assessment; and</li> <li>From 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign services Income (the codes in brackets).</li> </ul>                               |
| 3807<br>(3857) | Loans or subsidy<br>(Subject to PAYE)   | <ul style="list-style-type: none"> <li>Low interest or interest free loans and subsidy.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3857 ONLY for foreign services income;</li> <li>The value of this code must be included in the value of code 3801/3851 with effect from the 2010 year of assessment.</li> </ul>   |
| 3808<br>(3858) | Employee's debt –<br>Excluding code 3828 Employer paid Retirement Annuity Fund Contributions<br>(Subject to PAYE) | <ul style="list-style-type: none"> <li>Payment of an employee's debt or release an employee from an obligation to pay a debt.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3858 ONLY for foreign services income;</li> <li>The value of this code must be included in the value of code 3801/3851 with effect from the 2010 to 2012 years of assessment.</li> <li>This code is valid from 1999 – 2009 year of assessment and from the 2013 year of assessment; and</li> <li>From 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign services Income (the codes in brackets).</li> </ul>   |
| 3809<br>(3859) | Taxable Bursaries or scholarships to a non-disabled person – Basic Education<br>(Subject to PAYE)                 | <ul style="list-style-type: none"> <li>Taxable Bursaries and scholarships to a non-disabled person in respect of Basic Education [grade R to 12 and NQF level 1 to 4].</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3859 ONLY for foreign services income.</li> <li>The value of this code must be included in the value of code 3801/3851 with effect from the 2010 to 2012 years of assessment.</li> <li>Valid for the 1999 to 2009 and from the 2013 years of assessment. The foreign services income codes (codes in brackets) are valid from the 2002 to 2009 and from the 2013 years of assessment.</li> <li>The Foreign Service income code (3859) is valid from the 2002 to 2009 and from the 2013 years of assessment.</li> </ul> |

| Code           | Description  | Explanation   |
|----------------|--|---|
| 3810<br>(3860) | Medical aid contributions<br>(Subject to PAYE)   | <ul style="list-style-type: none"> <li>Medical aid contributions paid on behalf of an employee.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3860 ONLY for foreign services income.</li> <li>Use code 3810/3860 ONLY if the nature of a person (code 3020) is A, B, C, M, N or R.</li> </ul>  |
| 3813<br>(3863) | Medical services costs<br>(Subject to PAYE)  | <ul style="list-style-type: none"> <li>Medical costs incurred on behalf of an employee in respect of medical, dental, and similar services, hospital and/or nursing services or medicine.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3863 ONLY for foreign services income.</li> </ul>  |
| 3815<br>(3865) | Non-taxable Bursaries or scholarships to a non-disabled person – Basic Education (Excl.)         | <ul style="list-style-type: none"> <li>Non-taxable bursaries and scholarships to a non-disabled person in respect of Basic Education [grade R to 12 and NQF level 1 to 4] – section 10(1)(q) Exempt portion only.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3865 ONLY for foreign service income;</li> <li>Valid from the 2013 year of assessment.</li> </ul>              |
| 3816<br>(3866) | Use of motor vehicle acquired by employers via “Operating Lease” (Subject to PAYE)               | <ul style="list-style-type: none"> <li>Taxable benefit in respect of the right use of motor vehicle acquired by an employer under an “operating lease.”</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3866 ONLY for foreign services income;</li> <li>Valid from the 2014 year of assessment.</li> </ul>   |
| 3817<br>(3867) | Benefit: Employers Pension Fund contributions (PAYE)   | <ul style="list-style-type: none"> <li>Value of taxable benefit i.r.o Employer’s pension fund contributions paid for the benefit of employee.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3867 ONLY for a taxable benefit i.e., of Employer contributions to a local fund while on Foreign Service.</li> <li>This code is valid from the 2017 year of assessment.</li> </ul> |
| 3820<br>(3870) | Taxable bursaries or scholarships to a non-disabled person – Further Education (Subject to PAYE) | <ul style="list-style-type: none"> <li>Taxable bursaries and scholarships to a non-disabled person in respect of Further Education (NQF levels 5 to 10).</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3870 ONLY for Foreign Service income.</li> <li>Codes are applicable from 2014 year of assessment</li> </ul>   |
| 3821<br>(3871) | Non-taxable bursaries or scholarships to a non-disabled person – Further Education (Excl.)       | <ul style="list-style-type: none"> <li>Non-taxable bursaries or scholarships to a non-disabled person in respect of Further Education – section 10(1)(q) Exempt</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3871 ONLY for Foreign Service income.</li> <li>Codes are applicable from 2014 year of assessment.</li> </ul>   |

| Code           | Description   | Explanation  |
|----------------|---|--|
| 3822<br>(3872) | Non-taxable Benefit on Acquisition of Immovable Property  | <ul style="list-style-type: none"> <li>Non-taxable benefit on acquisition of immovable property</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Codes are applicable from 2015 year of assessment.</li> </ul>  |
| 3825<br>(3875) | Benefit: Employer Provident Fund contributions (PAYE)   | <ul style="list-style-type: none"> <li>Value of taxable benefit i.e., Employer's provident fund contributions paid for the benefit of employee.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3875 ONLY for a taxable benefit i.e. of Employer contributions to a local fund while on Foreign Service.</li> <li>This code is valid from the 2017 year of assessment.</li> <li>Use code 3810/3860 ONLY if the nature of a person (code 3020) is A, B, C, M, N or R.</li> </ul> |
| 3828<br>(3878) | Employees Debt: Employer paid Retirement Annuity Fund contributions – (PAYE)                        | <ul style="list-style-type: none"> <li>Value of taxable benefit i.e., Employer retirement annuity fund contributions paid on behalf of an employee (payment of employee's debt).</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3878 ONLY for a taxable benefit i.e. of Employer contributions to a local fund while on Foreign Service.</li> <li>This code is valid from the 2017 year of assessment.</li> </ul>  |
| 3829<br>(3879) | Taxable Bursaries or scholarships to a <u>disabled person</u> – Basic Education (PAYE)              | <ul style="list-style-type: none"> <li>Taxable bursaries and scholarships to a disabled person in respect of Basic Education [grade R to 12 and NQF level 1 to 4) – section 10(1)(q) Exempt portion only.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3879 ONLY for Foreign Service income;</li> <li>Valid from the 2019 year of assessment.</li> </ul>   |
| 3830<br>(3880) | Non -taxable Bursaries or scholarships to a <u>disabled person</u> – Basic Education (Excl.)        | <ul style="list-style-type: none"> <li>Non-taxable bursaries or scholarships to a disabled person in respect of Basic Education [grade R to 12 and NQF level 1 to 4) – section 10(1)(q) Exempt portion only.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3880 ONLY for Foreign Service income.</li> <li>Codes are applicable from 2019 year of assessment.</li> </ul>   |
| 3831<br>(3881) | Taxable bursaries or scholarships to a <u>disabled person</u> – Further Education (Subject to PAYE) | <ul style="list-style-type: none"> <li>Taxable bursaries and scholarships to a disabled person in respect of Further Education (NQF levels 5 to 10).</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3881 ONLY for Foreign Service income.</li> <li>Codes are applicable from 2019 year of assessment.</li> </ul>   |
| 3832<br>(3882) | Non -taxable bursaries or scholarships to a <u>disabled person</u> – Further Education (Excl.)      | <ul style="list-style-type: none"> <li>Non-taxable bursaries and scholarships to a disabled person in respect of Further Education (NQF levels 5 to 10).</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3882 ONLY for Foreign Service income.</li> <li>Codes are applicable from 2019 year of assessment.</li> </ul>   |

| Code           | Description   | Explanation   |
|----------------|---|---|
| 3833<br>(3883) | Benefit:<br>Bargaining<br>Council<br>Employer<br>Contributions<br>(PAYE)                        | <ul style="list-style-type: none"> <li>Value of taxable benefit i.e. employer's Bargaining Council contributions paid for the benefit of the employee.</li> <li>This provision is not applicable to contributions made to pension or provident fund.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3883 ONLY for Foreign Service income.</li> <li>Codes are applicable from 2020 year of assessment.</li> <li>The amount must be equal to the amount of code 4584.</li> </ul>  |
| 3834<br>(3884) | Non-taxable<br>Benefit – Loan<br>to purchase<br>Immovable<br>Residential<br>Property<br>(Excl.) | <ul style="list-style-type: none"> <li>Non-taxable benefit – Low or no interest loan to purchase Immovable Residential Property as contemplated in paragraph 11(4)© of the Seventh Schedule.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Use code 3884 ONLY for Foreign Service income.</li> <li>Codes are applicable from 2020 year of assessment.</li> </ul>  |
| 3835<br>(3885) |   | <ul style="list-style-type: none"> <li>A Long Service Award given to an employee that complies with the initial unbroken period of service of not less than 15 years or any subsequent unbroken period of service of not less than 10 years.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>The full value (before excluding any amount) of a Long Service Award consisting of taxable benefits referred to below, that qualify for R5,000 exclusion must be declared under this code.</li> <li>Long Service means an initial unbroken period of service not less than 15 years or any subsequent unbroken period of service of not less than 10 years par (5(4) of the Seventh Schedule)</li> <li>The Long Service Award consisting of taxable benefits listed below, together with Long Service Cash Award, will qualify for an exclusion of not more than R5,000: <ul style="list-style-type: none"> <li>Acquisition of an Asset at less than the actual value par 5(2)(b) of the Seventh Schedule</li> <li>Right of use of an Asset (other than Residential accommodation and any motor vehicle) par 6(4)(d) of the Seventh Schedule</li> <li>Free or Cheap Services (par 10 (2)(e) of the Seventh Schedule</li> <li>Code 3885 MUST always be used for a Long Service Award while on Foreign Service on date of accrual</li> <li>Valid from 2023 year of assessment.</li> <li>The amount is not subject to PAYE if the full value (code 3622 plus code 3835) is less than or equal to R5,000.</li> </ul> </li> </ul> |

## 7 LUMP SUM CODES

|                | Description                                       | Explanation  |
|----------------|---|--|
| 3901<br>(3951) | Gratuities / Severance Benefits (Subject to PAYE) | <ul style="list-style-type: none"> <li>• Gratuities paid/payable by an employer prior to 1 March 2011.</li> <li>• Severance benefits, as defined, paid/payable by an employer after 1 March 2011, if employee: <ul style="list-style-type: none"> <li>▫ Is 55 years or older;</li> <li>▫ Became permanently incapable to be employed due to ill health, etc.; or</li> <li>▫ Services terminated due to reduction of personnel or employer ceased trading.</li> </ul> </li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ A lump sum paid/payable in terms of par (d) of "gross income" which is not a 'severance benefit,' MUST be reflected under code 3907.</li> <li>▫ Use code 3951 ONLY for foreign services income.</li> </ul> |
| 3902<br>(3952) | Pension/RAF (Subject to PAYE)                     | <ul style="list-style-type: none"> <li>• 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.), including 'Unclaimed benefits' only claimed and paid to a member of a Pension fund from 1 March 2009.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3952 ONLY for foreign services income;</li> <li>▫ 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 - i.e. only if the date of accrual is from 1 March 2009).</li> </ul>   |
| 3903<br>(3953) | Pension/RAF (Subject to PAYE)                     | <ul style="list-style-type: none"> <li>• Lump sum payments accruing prior to 1 October 2007 from a Pension / retirement annuity fund in respect of retirement of death.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3953 ONLY for foreign services income;</li> <li>▫ This code is invalid from 2009 year of assessment.</li> <li>▫ The value of this code must be included in the value of code 3915 with effect from the 2009 year of assessment.</li> </ul>  |
| 3904<br>(3954) | Provident (Subject to PAYE)                       | <ul style="list-style-type: none"> <li>• 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.) including 'Unclaimed benefits' only claimed and paid to a member of a Provident fund from 1 March 2009.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3954 ONLY for foreign services income;</li> <li>▫ 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 - i.e. only if the date of accrual is from 1 March 2009).</li> </ul>   |
| 3905<br>(3955) | Provident (Subject to PAYE)                       | <ul style="list-style-type: none"> <li>• Lump sum payments accruing prior to 1 October 2007 from a Provident fund in respect of retirement or death.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3955 ONLY for foreign services income;</li> <li>▫ This code is invalid from 2009 year of assessment.</li> <li>▫ The value of this code must be included in the value of code 3915 with effect from the 2009 year of assessment.</li> </ul>   |
| 3906<br>(3956) | Special Remuneration (Subject to PAYE)            | <ul style="list-style-type: none"> <li>• Special remuneration paid to proto-team members.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3956 ONLY for foreign services income.</li> </ul>   |

|                | Description                          | Explanation  |
|----------------|--------------------------------------|--|
| 3907<br>(3957) | Other lump sums (Subject to PAYE)    | <ul style="list-style-type: none"> <li>• Other lump sum payments.</li> <li>• Examples include:               <ul style="list-style-type: none"> <li>▫ A lump sum payment paid/payable by an employer due to normal termination of service (e.g., resignation or retirement), which is NOT a 'severance benefit,'</li> <li>▫ "Antedated salary/pension" extending over previous year of assessments;</li> <li>▫ Lump sum payments paid by an unapproved funds;</li> <li>▫ 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).</li> <li>▫ Proceeds from an employer owned insurance policy (risk policy) where the employer premiums were NOT included as a taxable benefit in the employee's income since the later of:                   <ul style="list-style-type: none"> <li>○ The date on which employer become policy holder; or</li> <li>○ From 1 March 2012 (i.e., proceeds/benefits are not exempt i.e., section 10(1) (gG) of the Income Tax Act)</li> </ul> </li> <li>▫ Proceeds paid from employer owed insurance policy (other than a risk policy) where the employer premiums were NOT included as a taxable benefit in the employee's income since commencement date of policy (i.e., proceeds/benefits are not exempt i.e., section 10(1) (gG) of the Income Tax Act).</li> </ul> </li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Use code 3957 ONLY for foreign services income.</li> </ul> |
| 3908           | Exempt Policy Proceeds (Non-taxable) | <ul style="list-style-type: none"> <li>• Surplus apportionments on or after 1 January 2006 and before 1 March 2012 paid in terms of section 15B of the Pension Funds Act of 1956.</li> <li>• Proceeds paid from an employer owned insurance policy exempt i.e., section 10(1)(gG) of the Income Tax Act - where the employer premiums were included as a taxable benefit in the employee's income since the date contemplated in section 10(1)(gG) – see explanation under code 3907 (3957)– proceeds paid from an employer owned policy.</li> <li>• Income Protection Insurance policy lump sums which are exempt i.e., section 10(1)(gl) of the Income Tax Act. Applicable from 1 March 2015.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Surplus apportionment must ONLY be included until 2012 year of assessment.</li> </ul>  |
| 3909           | Unclaimed benefits (Subject to PAYE) | <ul style="list-style-type: none"> <li>• Unclaimed benefits identified prior to 1 March 2009 and PAYE paid by the fund but the benefit was not claimed by the member (General Note 35).</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ This code is only applicable from 2007 to 2010 year of assessment.</li> </ul>  |



|      | Description   | Explanation   |
|------|---|---|
| 3915 | Retirement / termination of employment lump sum benefits / Commutation of annuities (Subject to PAYE) | <ul style="list-style-type: none"> <li>• 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.</li> <li>• Lump sum payments accruing after 28 February 2009 from a Pension or Provident Fund in respect of termination of services per sub paragraph 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.</li> <li>• 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.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Codes 3915 are mandatory if code 4115 is specified;</li> <li>▫ With effect from 2008 year of assessment, amounts previously included under codes 3903/3953 and 3905/3955 must be included in this code (3915) - i.e. if the date of accrual is from 1 October 2007.</li> </ul> |
| 3920 | Lump sum withdrawal benefits (Subject to PAYE)  | <ul style="list-style-type: none"> <li>• 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, immigration withdrawal, withdrawal due to visa expiry, etc.). Insurers must also use this code where there is a transfer from a living annuity to another living annuity.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ 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) – i.e. if the date of accrual is from 1 March 2009.</li> </ul>   |
| 3921 | Living annuity and section 15C of the Pension Funds Act, surplus apportionments (Subject to PAYE)     | <ul style="list-style-type: none"> <li>• 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"> <li>▫ Surplus apportionments paid in terms of section 15C of the Pension Funds Act of 1956;</li> <li>▫ 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;</li> <li>▫ For living annuity withdrawals on or after 01 March 2011, source code 3915 must be used.</li> </ul> </li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>▫ Codes 3921 are mandatory if code 4115 is specified;</li> <li>▫ 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 (3921).</li> </ul>    |

| Code | Description   | Explanation   |
|------|---|---|
| 3922 | Compensation i.e., death during employment (Excl./PAYE) | <ul style="list-style-type: none"> <li>Lump sum payments accruing after 01 March 2011 from a compensation fund in respect of withdrawal due to: <ul style="list-style-type: none"> <li>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;</li> <li>Code is applicable to all transaction years.</li> </ul> </li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Codes 3922 are mandatory if code 4115 is specified;</li> <li>Must be included in this code (3922) and is only valid from 2012 year of assessment.</li> <li>PAYE will be deductible if the amount exceeds R300,000 (code 3922).</li> </ul> |
| 3923 | Transfer of Unclaimed Benefits                          | <ul style="list-style-type: none"> <li>Transfer of Unclaimed Benefits (as per the Pension Fund Act No. 24 of 1956) not yet claimed and transferred to an unclaimed preservation fund.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Funds are not required to submit IRP5 certificates for the transfers of inactive member benefits where the fund does not have sufficient information.</li> <li>Applicable from 2018 Year of Assessment.</li> </ul>  |
| 3924 | Transfer on retirement (PAYE)                           | <ul style="list-style-type: none"> <li>Transfer of a retirement benefit on or after normal retirement age as defined in the rules of the fund but before retirement date (i.e., in terms of Par.2 (1)(c) of the Second Schedule to the Income Tax Act.</li> <li>This is applicable for a transfer from a Pension or Provident fund to Retirement Annuity Fund.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>Applicable from 2019 Year of Assessment.</li> </ul>  |

## 8 GROSS REMUNERATION CODES

| Code | Description   |
|------|---|
| 3696 | <ul style="list-style-type: none"> <li>Gross non-taxable income (amounts under codes 3602/3652,3622/3672 (Excl), 3703/3753, 3714/3764, 3815/3865, 3821/3871, 3822/3872; 3830/3880, 3832/3882, 3834/3884, 3835/3885 (Excl), 3908, 3922 (Excl)</li> </ul>                                     |
| 3697 | <ul style="list-style-type: none"> <li>Gross retirement funding employment income</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>This code is not applicable from the 2017 year of assessment.</li> </ul>  |
| 3698 | <ul style="list-style-type: none"> <li>Gross non-retirement funding employment income</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>This code is not applicable from the 2017 year of assessment.</li> </ul>  |
| 3699 | <ul style="list-style-type: none"> <li>Gross employment income (taxable) – amounts included under 3696 are <b>NOT</b> part of 3699.</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>This code is not applicable from the 2010 to 2016 years of assessment.</li> </ul> |



## 9 DEFINITIONS, ACRONYMS AND ABBREVIATIONS

- a) The definitions, acronyms and abbreviations can be accessed via the following link: [Glossary A-M | South African Revenue Service \(sars.gov.za\)](#)

## 10 DOCUMENT MANAGEMENT

|                         |   |
|-------------------------|---|
| <b>Business Owner</b>   | Product and Process Owner: Personal Income Tax                                    |
| <b>Author</b>           | Patricia Mashimbye  |
| <b>Detail of Change</b> | Updated to include changes as per 2023/2024 PAYE BRS for Employer Reconciliation. |

### 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](http://www.sars.gov.za);
- Make a booking to visit the 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); or
- If calling from outside South Africa, contact the SARS Contact Centre on +27 11 602 2093 (only between 8am and 4pm South African time).