

6 SOURCE CODE DESCRIPTIONS

All income and deduction components (e.g. salary, commission, allowances, benefits, medical contributions, employer information, etc.) must be reported against the applicable code as prescribed in the GUIDE FOR CODES APPLICABLE TO EMPLOYEES' TAX CERTIFICATES PAYE-AE-06-G4.

The abbreviations used within the description of the relevant codes mean:

- **PAYE:** Income is subject to the deduction of Employees' Tax and will also be taxed when the income tax assessment for the employee is processed.
- **IT:** Income is not subject to the deduction of Employees' Tax but will also be taxed when the income tax assessment for the employee is processed.
- **Excl:** Income is not subject to the deduction of Employees' Tax and will also not be taxed when the Income Tax assessment for the employee is processed.

6.1 Normal Income Codes

Code	Description	Explanation
3601 (3651)	Income (PAYE)	<p>An amount which is paid or payable to an employee for:</p> <ul style="list-style-type: none">• Services rendered;• Overtime; <p>Examples include:</p> <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 service income.• With effect from 2010 year of assessment, amounts previously included under code 3607/3657 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 the 2010 to 2012 year of assessment.

Code	Description	Explanation
3602 (3652)	Non-Taxable Income (Excl)	<p>Any non-taxable income excluding foreign service remuneration for RSA residents that is exempt i.t.o. section 10(1)(o)(ii), non-taxable allowances and fringe benefits. This code accommodates all payments of a capital nature.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Non-taxable pension paid on a regular basis (e.g. war pension, etc.) excluding pension for foreign service income • Non-taxable income of a capital nature • Non-taxable portion of an arbitration award, where applicable. • Non-taxable portion of a compulsory annuity purchased from a retirement fund (e.g. due to non-residency and the relevant DTA). • Non-taxable (capital element) of a section 10A voluntary purchased annuity. • 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). <p>Note:</p> <ul style="list-style-type: none"> • Code 3652 MUST only be used for foreign service income, <ul style="list-style-type: none"> ○ excluding foreign service remuneration for residents who may qualify for exemption i.t.o. section 10(1)(o)(ii) – use code 3651 ○ including pension/annuities paid from an RSA fund, received from a foreign fund i.r.o. services rendered outside the RSA • 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 (PAYE)	<p>Any compulsory pension or compulsory purchased annuity paid on a regular basis (from a pension, pension preservation, provident or a provident preservation fund) as well as backdated pension or compulsory purchased annuity payment (for current tax year).</p> <p>Note:</p> <ul style="list-style-type: none"> • Amounts paid on a regular basis i.t.o. a Loss of Income Policy up to 28 February 2015 (up to the 2015 year of assessment) • Code 3653 MUST only be used for foreign service income taxable in the RSA • 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 benefit. • Valid for the 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.
3604 (3654)	Pension (Excl) Not applicable from 2010 Year of Assessment	<p>Any pension paid on a regular basis that is not taxable, for example war pensions, etc.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3654 MUST only be used for foreign service income. • The value of this code must be included in the value of code 3602/3652 with effect from the 2010 year of assessment.

Code	Description	Explanation
3605 (3655)	Annual payment (PAYE)	<p>An amount paid or payable to an employee which is defined as an annual payment.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Annual bonus • Incentive bonus • Leave pay (on resignation or encashment of leave credits) • Merit awards • Bonus/incentive amount paid to an employee to retain his/her service for a specific period; etc. <p>Note: Code 3655 MUST only be used for foreign service income.</p>
3606 (3656)	Commission (PAYE)	<p>An amount derived mainly in the form of commission based on sales or turnover attributable to the employee.</p> <p>Note: Code 3656 MUST only be used for foreign service income.</p>
3607 (3657)	Overtime (PAYE) Not applicable from 2010	<p>An amount paid as overtime for rendering services. The tax on such payments is calculated as on income taxable.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3657 MUST only be used for foreign service 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 (PAYE)	<p>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> <p>Note: Code 3658 MUST only be used for foreign service income.</p>
3609 (3659)	Arbitration award (Excl) Not applicable from 2010	<p>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> <p>Note:</p> <ul style="list-style-type: none"> • Code 3659 MUST only be used for foreign service 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 (PAYE)	<p>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.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3660 MUST only be used for foreign service income. • The value of this code must be included in the value of code 3601/3651 with effect from the 2010 years of assessment. • Valid for the 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.
3611 (3661)	Purchased annuity (PAYE)	<p>The taxable portion of a voluntary purchased annuity (including a provident fund voluntary purchased annuity) paid by a long-term insurer.</p> <p>Note: Code 3661 MUST only be used for foreign service income.</p>

Code	Description	Explanation
3612 (3662)	Purchased annuity (Excl)) Not applicable from 2010	The non-taxable portion (capital interest) received on an annuity purchased from an Annuity Fund. Note: <ul style="list-style-type: none"> Code 3662 MUST only be used for foreign service 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 (PAYE)	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']. Note: <ul style="list-style-type: none"> Restraint of trade amounts paid to a labour broker must NOT be included under this code. Code 3663 MUST only be used for foreign service income.
3614 (3664)	Other retirement lump sums (PAYE)	A retirement lump sum payment paid by a fund [par (eA) of 'gross income']
3615 (3665)	Director's remuneration (PAYE) Applicable from 2003 to 2018 Years of Assessment	Such income as would normally be reported under code 3601 as paid to a director of a private company / member of a close corporation. Note: Code 3665 MUST only be used for foreign service income.
3616 (3666)	Independent contractors (PAYE)	Remuneration paid to an independent contractor. Note: Code 3666 MUST only be used for foreign service income.
3617 (3667)	Labour Brokers (PAYE)	Remuneration, including a Restraint of trade amount [par (cA) of 'gross income'], paid to a labour broker without an exemption certificate (IRP30). Note: Code 3667 MUST only be used for foreign service income.
3619 (3669)	Labour Brokers (IT)	Any amount, including a Restraint of trade amount, paid to a labour broker who is in possession of an exemption certificate (IRP 30). Note: Code 3669 MUST only be used for foreign service income.
3620 (3670)	Directors Fees – RSA Resident NED [IT] Only Applicable from 2018 Year of Assessment	Directors Fees received by a RSA Resident Non-Executive Director with a voluntary PAYE withholding (not 'remuneration'). Note: Code 3670 must only be used for foreign service income

Code	Description	Explanation
3621	Directors Remuneration – Non-Resident NED [PAYE] Only Applicable from 2018 Year of Assessment	Directors Remuneration received from a RSA source by a Non-Resident Non-Executive Director.

6.2 Allowance codes

Code	Description	Explanation
3701 (3751)	Travel allowance (PAYE)	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. Note: Code 3751 MUST only be used for foreign service income.
3702 (3752)	Reimbursive travel allowance (IT)	<p>A reimbursement for maximum business 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. This code is only applicable where:</p> <ul style="list-style-type: none"> the reimbursement rate used by the employer EXCEEDS the prescribed rate (par 4 of the Fixing of Rate per Kilometre i.r.o. Motor Vehicles Regulation), and/or the employee receives any other form of compensation for travel; <p>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.</p> <p>Example: If the prescribed rate is R3.61/km and the employer reimbursed employee at R 4.00/km for 12540 business km's travelled during the 2019 year of assessment, the reimbursive travel allowance must be reflected as follows:</p> <ul style="list-style-type: none"> 3702 R 45 269 [R3.61 x 12540 km's = R 45 269] 3722 R 4 891 [(R4.00 – R3.61) x 12540 km's = R 4891] <p>Note:</p> <ul style="list-style-type: none"> Code 3752 MUST only be used for foreign service income. The prescribed minimum business kilometres for years of assessment prior to 2018 are 8000 km. The prescribed minimum maximum business kilometres for the as of 2018 year of assessment forward is 12 000 km. No business kilometre limit is applicable from the 2019 year of assessment

Code	Description	Explanation
3703 (3753)	Reimbursive travel allowance (Excl)	<p>A reimbursement for prescribed maximum business kilometres per tax year and</p> <p>This code is only applicable where:</p> <ul style="list-style-type: none"> the reimbursement rate used by the employer DOES NOT EXCEED the prescribed rate (par 4 of Fixing of Rate per Kilometre i.r.o. Motor Vehicle Regulation), and the employee DOES NOT receive any other form of compensation for travel; <p>and in respect of the full value of the reimbursement</p> <p>Note: This code may not be used together with code 3701, 3702 and/or 3722</p> <p>Example: If the prescribed rate is R3.61/km and the employer reimbursed employee at R 3.50/km 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 R 43 890 (R3.50 x 12540 km's) must be reflected under 3703</p> <p>The value of code 3703 may not exceed the value determined by multiplying prescribed maximum business kilometres with the prescribed rate per kilometer applicable to the relevant year of assessment (i.e. par 4 of the Fixing of Rate per Kilometer i.r.o. Motor Vehicles Regulation). If the 3703 value exceeds the prescribed rate km x prescribed maximum business kilometres, then the 3703 value must be added to code 3702</p> <p>Note:</p> <ul style="list-style-type: none"> Code 3753 MUST only be used for foreign service income. The prescribed minimum business kilometres for years of assessment prior to 2018 are 8000 km. The prescribed maximum minimum business kilometres as of for the 2018 year of assessment forward is 12 000 km. No business kilometre limit is applicable from the 2019 year of assessment
3704 (3754)	Subsistence allowance – local travel (IT)	<p>An allowance paid for expenses in respect of meals and / or incidental costs for local travel, which exceeds the deemed amounts.</p> <p>Note: Code 3754 MUST only be used for foreign service income.</p>
3705 (3755)	Subsistence allowance (Excl) Not applicable from 2010	<p>An allowance paid for expenses in respect of meals and/or incidental costs for local travel, which does not exceeds the deemed amounts.</p> <p>Note:</p> <ul style="list-style-type: none"> Code 3755 MUST only be used for foreign service income. The value of this code must be included in the value of code 3714/3764 with effect from the 2010 year of assessment.

Code	Description	Explanation
3706 (3756)	Entertainment allowance (PAYE) Not applicable from 2010	This allowance is not valid with effect from 1 March 2002 and may not be reflected on an employees' tax certificate. Note: <ul style="list-style-type: none"> Code 3756 MUST only be used for foreign service 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 (PAYE)	Any amount in terms of a qualifying equity share disposed or gain made under a share scheme operated for the benefit of employees. Note: Code 3757 MUST only be used for foreign service income.
3708 (3758)	Public office allowance (PAYE)	An allowance granted to a holder of a public office to enable him / her to defray expenditure incurred in connection with such office. Note: Code 3758 MUST only be used for foreign service income.
3709 (3759)	Uniform allowance (Excl) Not applicable from 2010	An allowance for a special uniform which is clearly distinguishable from ordinary clothes. Note: <ul style="list-style-type: none"> Code 3759 MUST only be used for foreign service 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 (PAYE) Not applicable from 2010	An allowance for the acquisition of tools for business use. Note: <ul style="list-style-type: none"> Code 3760 MUST only be used for foreign service 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 (PAYE) Not applicable from 2010	An allowance for the acquisition or use of a computer. Note: <ul style="list-style-type: none"> Code 3761 MUST only be used for foreign service 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 (PAYE) Not applicable from 2010	An allowance for expenses incurred in the use of a telephone / cell phone for business purposes. Note: <ul style="list-style-type: none"> Code 3762 MUST only be used for foreign service income. The value of this code must be included in the value of code 3713/3763 with effect from the 2010 year of assessment.

Code	Description	Explanation
3713 (3763)	Other allowances (PAYE)	<p>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.</p> <p>Examples include:</p> <ul style="list-style-type: none"> 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. Entertainment allowance Tool allowance Computer allowance Telephone allowance Cell phone allowance Housing allowance Taxable Uniform allowance Taxable Relocation allowance, etc. <p>Note:</p> <ul style="list-style-type: none"> Code 3763 MUST only be used for foreign service 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).
3714 (3764)	Other allowances (Excl)	<p>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.</p> <p>Examples include:</p> <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 allowance for a uniform which is clearly distinguishable from ordinary clothing <p>Note:</p> <ul style="list-style-type: none"> Code 3764 MUST only be used for foreign service 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)	<p>An allowance paid for expenses in respect of meals and/or incidental costs for foreign travel, which exceeds the deemed amounts.</p> <p>Note: Code 3765 MUST only be used for foreign service income.</p>
3716 (3766)	<p>Subsistence allowance – foreign travel (Excl)</p> <p>Not applicable from 2010</p>	<p>An allowance paid for expenses in respect of meals and/or incidental costs for foreign travel, which does not exceed the deemed amounts.</p> <p>Note:</p> <ul style="list-style-type: none"> Code 3766 MUST only be used for foreign service income. The value of this code must be included in the value of code 3714/3764 with effect from the 2010 year of assessment.

Code	Description	Explanation
3717 (3767)	Broad-based employee share plan (PAYE)	<p>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> <p>Note: Code 3767 MUST only be used for foreign service income.</p>
3718 (3768)	Vesting of equity instruments or return of capital i.r.o. restricted equity instruments (PAYE)	<p>Any gain in respect of the vesting of any equity instrument or the return of capital in respect of restricted equity instruments (section 8C).</p> <p>Note:</p> <ul style="list-style-type: none"> 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 to PAYE and should be included under this code. Code 3768 MUST only be used for foreign service income.
3719 (3769)	<p>Dividends not exempt i.t.o par (dd) of the proviso to s10(1)(k)(i)</p> <p>(PAYE)</p> <p>Applicable from 2018</p>	<p>Dividends in respect of a 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 exempted (and are to be excluded from 'remuneration' under code 3719):</p> <ul style="list-style-type: none"> 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. The dividend constitutes an equity instrument as defined in section 8C. The restricted equity instrument constitutes an interest in a trust and, when that trust holds shares, all of 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 <p>Note:</p> <ul style="list-style-type: none"> Code 3769 MUST only be used for local dividends linked to foreign services.
3720 (3770)	<p>Dividends not exempt i.t.o. par (ii) of the proviso to s 10(1)(k)(i) dividends</p> <p>(PAYE)</p> <p>Applicable from 2018 YoA</p>	<p>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.</p> <p>Note:</p> <ul style="list-style-type: none"> Code 3770 MUST only be used for local dividends linked to foreign services

Code	Description	Explanation
3721 (3771)	Dividends not exempt i.t.o. par (jj) of the proviso to s 10(1)(k)(i) dividends (PAYE) Applicable from 2018 YoA	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"> an amount transferred or applied by a company as consideration for the acquisition or redemption of any share in that company; an amount received or accrued in anticipation or in the course of the winding up, liquidation, deregistration or final termination of a company; or an equity instrument that is not a restricted equity instrument as defined in section 8C, that will, on vesting be subject to that section. Note: <ul style="list-style-type: none"> Code 3771 MUST only be used for local dividends linked to foreign services
3722 (3772)	Reimbursive travel allowance (PAYE) Applicable from 2019 YoA	This code is only applicable where: <ul style="list-style-type: none"> the reimbursement rate used by the employer EXCEEDS the prescribed rate (par 4 of the Fixing Rate per Kilometre i.r.o. Motor Vehicles Regulation); and only in respect of that portion of the reimbursement that EXCEEDS the amount determined by multiplying the prescribed rate by the actual business kilometres travelled. Note: The prescribed rate applicable to the relevant year from 2019 year of assessment must be used Example: <p>If the prescribed rate is R3.61/km and the employer reimbursed employee at R 4.00/km for 12540 business km's travelled during the 2019 year of assessment, the reimbursive travel allowance must be reflected as follows:</p> <ul style="list-style-type: none"> 3722 - R 4 891 [(R4.00 – R3.61) x 12540 km's = R 4891] 3702 - R 45 269 [R3.61 x 12540 km's = R 45 269] Note: <ul style="list-style-type: none"> Code 3772 MUST only be used for Foreign Service income.
3723 (3773)	Dividends not exempt i.t.o. par (kk) of the proviso to s 10(1)(k)(i) (PAYE) Applicable from 2018 YoA	Any dividends in respect of 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: <ul style="list-style-type: none"> an amount transferred or applied by a company as consideration for the acquisition or redemption of any share in that company, or any amount received or accrued in anticipation or in the course of the winding up, liquidation or final termination of a company Note: <ul style="list-style-type: none"> Code 3773 MUST only be used for local dividends linked to foreign services income

6.3 Fringe benefit codes

Code	Description	Explanation
3801 (3851)	General fringe benefits (PAYE)	<p>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.</p> <p>Examples include:</p> <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 • Low interest or interest free loans and subsidies • Uniforms that are not clearly distinguishable from ordinary clothing <p>Note:</p> <ul style="list-style-type: none"> • Code 3851 MUST only be used for foreign service income. • With effect from 2010 year of assessment, amounts previously included under codes 3803/3853, 3804/3854, and 3807/3857, must be included in this code (3801/3851). • 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.
3802 (3852)	Use of motor vehicle acquired by employer NOT via Operating Lease (PAYE)	<p>Taxable value of the fringe benefit for the right of use of a motor vehicle acquired by an employer NOT under an "operating lease".</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3852 MUST only be used for foreign service income. • This code excludes fringe benefit i.r.o. motor vehicle acquired by employer via Operating Lease.
3803 (3853)	<p>Use of asset (PAYE)</p> <p>Not applicable from 2010</p>	<p>Right of use of an asset (other than a motor vehicle).</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3853 MUST only be used for foreign service 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)	<p>Meals, etc. (PAYE)</p> <p>Not applicable from 2010</p>	<p>Meals, refreshments and meal and refreshment vouchers.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3854 MUST only be used for foreign service income. • The value of this code must be included in the value of code 3801/3851 with effect from the 2010 year of assessment.
3805 (3855)	Accommodation (PAYE)	<p>Free or cheap accommodation or holiday accommodation.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3855 MUST only be used for foreign service income. • The value of this code must be included in the value of code 3801/3851 with effect from the 2010 years of assessment. • Valid for the 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.

Code	Description	Explanation
3806 (3856)	Services (PAYE)	Free or cheap services. Note: <ul style="list-style-type: none"> Code 3856 MUST only be used for foreign service income. The value of this code must be included in the value of code 3801/3851 with effect from 2010 year of assessment. Valid for the 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.
3807 (3857)	Loans or subsidy (PAYE) Not applicable from 2010	Low interest or interest free loans and subsidy. Note: <ul style="list-style-type: none"> Code 3857 MUST only be used for foreign service 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 (PAYE)	Payment of an employee's debt or release an employee from an obligation to pay a debt. Note: <ul style="list-style-type: none"> Code 3858 MUST only be used for foreign service income. The value of this code must be included in the value of code 3801/3851 with effect from the 2010 year of assessment. Valid for the 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.
3809 (3859)	Taxable Bursaries or scholarships to a non-disabled person – Basic Education (PAYE)	Taxable Bursaries and scholarships to a non-disabled person in respect of Basic Education [grade R to 12 and NQF level 1 to 4 (grade 9 to 12)]. Note: <ul style="list-style-type: none"> Code 3859 MUST only be used for foreign service income. The value of this code must be included in the value of code 3801/3851 with the 2010 years of assessment. Valid for the 1999 to 2009 and from the 2013 years of assessment. The Foreign Service income code (3859) is valid from the 2002 to 2009 and from the 2013 years of assessment.
3810 (3860)	Medical aid contributions (PAYE)	Medical aid contributions paid on behalf of an employee. Note: Code 3860 MUST only be used for foreign service income.
3813 (3863)	Medical services costs (PAYE)	Medical costs incurred on behalf of an employee in respect of medical, dental and similar services, hospital and/or nursing services or medicine. Note: Code 3863 MUST only be used for foreign service income.
3815 (3865)	Non-taxable Bursaries or scholarships to a non-disabled person - Basic Education (Excl)	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 (grade 9 to 12)] – section 10(1)q Exempt portion only. Note: <ul style="list-style-type: none"> Code 3865 MUST only be used for foreign service income. Valid from 2013 year of assessment

Code	Description	Explanation
3816 (3866)	Use of motor vehicle acquired by employer via Operating Lease (PAYE)	<p>Taxable value of the fringe benefit for the right of use of a motor vehicle acquired by an employer under an “operating lease”.</p> <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
3817 (3867)	Benefit: Employers Pension Fund contributions (PAYE)	<p>Value of taxable benefit i.r.o. Employer’s pension fund contributions paid for the benefit of employee.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3867 MUST only be used for a taxable benefit i.r.o. of Employer contributions to a local fund while on foreign service. • This code is valid from the 2017 year of assessment.
3820 (3870)	Taxable Bursaries or scholarships to a non-disabled person – Further Education (PAYE)	<p>Taxable Bursaries and scholarships to a non-disabled person in respect of Further Education (NQF levels 5 to 10).</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3870 MUST only be used for Foreign Service income. • Valid from the 2014 year of assessment.
3821 (3871)	Non-taxable Bursaries or scholarships to a non-disabled person – Further Education (Excl)	<p>Non-taxable Bursaries and scholarships to a non-disabled person in respect of Further Education (NQF levels 5 to 10) – section 10(1)q. Exempt portion only.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3871 MUST only be used for Foreign Service income. • Valid from the 2014 year of assessment.
3822 (3872)	Non-taxable Benefit – Acquisition of Immovable Property (Excl)	<p>Non-taxable Benefit – Acquisition of Immovable Property as contemplated in par 5(3A) of the Seventh Schedule.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3872 MUST only be used for Foreign Service income. • Valid from the 2015 year of assessment.
3825 (3875)	Benefit: Employer Provident Fund contributions (PAYE)	<p>Value of taxable benefit i.r.o. Employer’s provident fund contributions paid for the benefit of employee.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3875 MUST only be used for a taxable benefit i.r.o. of Employer contributions to a local fund while on foreign service. • This code is valid from the 2017 year of assessment.
3828 (3878)	Benefit: Employer Retirement annuity Fund contributions (PAYE)	<p>Value of taxable benefit i.r.o. Employer’s retirement annuity fund contributions paid in respect of employee.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3878 MUST only be used for a taxable benefit i.r.o. of Employer contributions to a local fund while on foreign service. • This code is valid from the 2017 year of assessment.

Code	Description	Explanation
3829 (3879)	Taxable Bursaries or Scholarships to a disabled person – Basic Education (PAYE)	<p>Taxable Bursaries and scholarships to a disabled person in respect of Basic Education [grade R to 12 and NQF level 1 to 4].</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3879 MUST only be used for Foreign Service income. • Valid from the 2019 year of assessment.
3830 (3880)	Non-Taxable Bursaries or Scholarships to a disabled person – Basic Education (Excl)	<p>Non-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)qA Exempt portion only.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3880 MUST only be used for Foreign Service income. • Valid from 2019 year of assessment
3831 (3881)	Taxable Bursaries or Scholarship to a disabled person – Further Education (PAYE)	<p>Taxable Bursaries and scholarships to a disabled person in respect of Further Education (NQF levels 5 to 10).</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3881 MUST only be used for Foreign Service income. • Valid from the 2019 year of assessment.
3832 (3882)	Non-Taxable Bursaries or Scholarships to a disabled person – Further Education (Excl)	<p>Non-taxable Bursaries and scholarships to a disabled person in respect of Further Education (NQF levels 5 to 10) – section 10(1)qA. Exempt portion only.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3882 MUST only be used for Foreign Service income. • Valid from the 2019 year of assessment.

6.4 Lump sum codes

Code	Description	Explanation
3901 (3951)	Gratuities / Severance Benefits (PAYE)	<ul style="list-style-type: none"> • Gratuities paid/payable by an employer prior to 1 March 2011. • Severance benefits, as defined, paid/payable by an employer after 1 March 2011, if employee: <ul style="list-style-type: none"> ○ is 55 years or older; ○ became permanently incapable to be employed due to ill health, etc.; or ○ services terminated due to reduction of personnel or employer ceased trading. <p>Note:</p> <ul style="list-style-type: none"> • 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. • Code 3951 MUST only be used for foreign service income.
3902 (3952)	Pension / RAF (PAYE) Not applicable from 2010	<p>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.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3952 MUST only be used for foreign service 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 - i.e. only if the date of accrual is from 1 March 2009).
3903 (3953)	Pension / RAF (PAYE) Not applicable from 2009	<p>Lump sum payments accruing prior to 1 October 2007 from a Pension/retirement annuity fund in respect of retirement or death.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3953 MUST only be used for foreign service income. • The value of this code must be included in the value of code 3915 with effect from the 2008 year of assessment.
3904 (3954)	Provident (PAYE) Not applicable from 2010	<p>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.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3954 MUST only be used for foreign service 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 - i.e. only if the date of accrual is from 1 March 2009.
3905 (3955)	Provident (PAYE) Not applicable from 2009	<p>Lump sum payments accruing prior to 1 October 2007 from a Provident fund in respect of retirement or death.</p> <p>Note:</p> <ul style="list-style-type: none"> • Code 3955 MUST only be used for foreign service 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
3906 (3956)	Special Remuneration (PAYE)	Special remuneration paid to proto-team members. Note: Code 3956 MUST only be used for foreign service income.
3907 (3957)	Other lump sums (PAYE)	Other lump sum payments. Examples include: <ul style="list-style-type: none"> • 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', MUST be reflected under this code • 'Antedate salary/pension' extending over previous years of assessment • Lump sum payments from unapproved funds • Gratuities paid due to normal termination of service (e.g. Resignation or a lump sum paid upon retirement where employee is below 55 years of age) • 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"> ○ The date on which employer become policy holder; or ○ From 1 March 2012. (i.e. proceeds/benefits are not exempt i.t.o. section 10(1)(gG) of the Income Tax Act) • Proceeds paid from an 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.t.o. section 10(1)(gG) of the Income Tax Act). Note: Code 3957 MUST only be used for foreign service income.
3908	Surplus apportionments and Exempt Policy Proceeds (Excl)	<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. • Proceeds paid from an employer owned insurance policy exempt i.t.o. 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 • Income Protection Insurance policy lump sums which are exempt i.t.o. section 10(1)(gl) of the Income Tax Act. Applicable from 1 March 2015
3909	Unclaimed benefits (PAYE)	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). Code cannot be used after 1 March 2009

Code	Description	Explanation
3915	Retirement / termination of employment lump sum benefits / Commutation of annuities (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 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 an annuity on or after 01 March 2011 in respect of paragraph 2(1)(a)(iii) of the Second Schedule of the Act. <p>Note: 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.</p>
3920	Lump sum withdrawal benefits (PAYE)	<p>Lump sum payments accruing after 28 February 2009 from a Pension / Pension preservation / Provident / Provident Preservation / Retirement annuity funds in respect of withdrawal (e.g. resignation, transfer, divorce, housing loans payments, immigration withdrawal, withdrawal due to visa expiry, etc.).</p> <p>Note: 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.</p>
3921	Living annuity and surplus apportionments (section 15C of the Pension Fund Act) (PAYE)	<p>Lump sum payments accruing after 28 February 2009 from a Pension / Pension Preservation / Retirement Annuity / Provident / Provident Preservation Fund in respect of withdrawal due to:</p> <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: 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).</p>
3922	Compensation i.r.o. death during employment (Excl / PAYE)	<p>Compensation lump sum payments in terms of Section 10(1)(gB)(iii) in respect of the death of an employee in the course of employment.</p> <p>Note: Valid from 2012 year of assessment</p>
3923	Transfer of Unclaimed Benefits (PAYE) Applicable from 2018 year of assessment	<p>Transfer of Unclaimed Benefits (as per the Pension Fund Act No. 24 of 1956) not yet claimed and transferred to an unclaimed preservation fund.</p>

Code	Description	Explanation
3924	Transfer on Retirement (PAYE)	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 IT Act].
	Applicable from 2019 year of assessment	This is applicable for a transfer from a Pension or Provident Fund to a Retirement Annuity

6.5 Gross remuneration codes

Code	Description
3696	Gross non-taxable income (amounts under codes 3602/3652, 3703/3753, 3714/3764, 3815/3865, 3830/3880, 3832/3882, 3908, 3922, 3821/3871, 3822/3872 (Excl)).
3699	Gross employment income (taxable) – amounts for all income source codes NOT included in code 3696 Note: This code is not applicable from the 2010 to 2016 years of assessment
3697	Gross retirement funding employment income. Note: This code is not applicable from the 2017 year of assessment
3698	Gross non-retirement funding employment income. Note: This code is not applicable from the 2017 year of assessment

6.6 Deduction codes

Code	Description
4001	Total pension fund contributions paid or and 'deemed paid' by employee (if applicable). Note: <ul style="list-style-type: none"> 'Deemed paid' by employee is the value of the taxable benefit (code 3817) included in the income of the employee. Prior to the 2017 year of assessment, this code is only applicable to 'Current pension fund contributions paid by employee'.
4002	Arrear pension fund contributions paid by employee. Note: This code is not applicable from the 2017 year of assessment.
4003	Total provident fund contributions paid or and 'deemed paid' by employee (if applicable). Note: <ul style="list-style-type: none"> 'Deemed paid' by employee is the value of the taxable benefit (code 3825) included in the income of the employee. Prior to the 2017 year of assessment, this code is only applicable to 'Current and arrear provident fund contributions paid by employee'.
4004	Employee's arrear provident fund contributions Note: Value of this code must be included in the value of code 4003

Code	Description
	with effect from the 2010 year of assessment.
4005	<p>Medical scheme fees (contributions) paid and 'deemed paid' by employee (if applicable).</p> <p>Note:</p> <ul style="list-style-type: none"> 'Deemed paid' by employee is the value of the taxable benefit (code 3810) included in the income of the employee.
4006	<p>Total retirement annuity fund contributions paid or and 'deemed paid' by employee (if applicable).</p> <p>Note:</p> <ul style="list-style-type: none"> 'Deemed paid' by employee is the value of the fringe benefit (code 3828) included in the income of the employee. Prior to the 2017 year of assessment, this code is only applicable to 'Current retirement annuity fund contributions paid by employee'.
4007	Arrear (re-instated) retirement annuity fund contributions.
Not applicable from 2017	Note: This code is not applicable from the 2017 year of assessment.
4018	Premiums paid for loss of income policies.
Only applicable from the 2006 year of assessment to the 2015 year of assessment	Note: This code is only applicable from the 2006 year of assessment to the 2015 year of assessment
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
Not applicable from 2010	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).
Not applicable from 2017 year of assessment	
4030	Donations deducted from the employee's remuneration and paid by the employer to the Organisation.
4472	Employer's pension fund contributions paid for the benefit of employee
Not applicable from 2010 to 2016	<p>Note:</p> <ul style="list-style-type: none"> This code is not applicable with effect from the 2010 to 2016 years of assessment and must not be included in any other code. Valid for 2009 and from the 2017 years of assessment.
4473	Employer's provident fund contributions paid for the benefit of employee
Not applicable from 2010 to 2016	<p>Note:</p> <ul style="list-style-type: none"> This code is not applicable with effect from the 2010 to 2016 years of assessment and must not be included in any other code. Valid for 2009 and from the 2017 years of assessment.
4474	Employer's medical scheme fees (contributions) paid for the benefit

Code	Description
	of employees not included in code 4493. From 1 March 2012 the contributions paid by the employer on behalf of an employee who is 65 years and older and who has not retired, should also be reflected under this code.
4475	Employer's retirement annuity fund contributions paid for the benefit of employee. Note: This code is valid from the 2017 year of assessment.
4485 Not applicable from 2010	Medical services costs deemed to be paid by the employee in respect of other relatives Note: This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code.
4486 Not applicable from 2010	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 Not applicable from 2010	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	Employer's medical scheme fees (contributions) paid for the benefit of a retired/former employee who qualifies for the "no value" provisions in the 7 th 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 (prior to the 2013 year of assessment).

Code	Description
<p>4582</p> <p>Applicable from 2017 YoA</p> <p>Note amendments effective from 2019 YoA – exclude 3702</p>	<p>The portion of the following allowances and benefits which represents 'remuneration', but limited to</p> <ul style="list-style-type: none"> • The portion (80 or 20%) of the allowance and benefit which is subject to PAYE - <ul style="list-style-type: none"> ○ Travel allowance (3701), ○ Value of the Use of motor vehicle acquired by employer NOT via an Operating Lease (3802) ○ Value of the Use of motor vehicle acquired by employer via an Operating Lease (3816) • If Year of Assessment is 2017 or 2018, the portion of the Reimbursive travel allowance (only 3702 and NOT 3703) which is 'remuneration': <ul style="list-style-type: none"> ○ 80 or 20% of 3702 is 'remuneration' where the reimbursement rate paid by the employer exceeds the prescribed rate ○ where the reimbursement rate paid by the employer does NOT exceed the prescribed rate, 3702 is NOT 'remuneration' and should therefore not be included under code 4582. <p>-although Employers are currently not required to withhold PAYE from this reimbursement.</p> • Code 3702 Reimbursive travel allowance must be excluded from 4582 as from 2019 Year of Assessment <p>Note: The value of this code represents the total of the amounts reflected under each of the above codes which are 'remuneration' for the purposes of the allowable deduction i.r.o. pension, provident and retirement fund contributions [section 11(k) of the Income Tax Act].</p>
<p>4583</p> <p>Applicable from 2017 YoA</p> <p>Note amendments effective from 2019 – exclude 3752</p>	<p>The portion of the following allowances and benefits which represents 'remuneration', but limited to</p> <ul style="list-style-type: none"> • The portion (80 or 20%) of the allowance and benefit which is subject to PAYE - <ul style="list-style-type: none"> ○ Travel allowance (3751), ○ Value of the Use of motor vehicle acquired by employer NOT via an Operating Lease (3852) ○ Value of the Use of motor vehicle acquired by employer via an Operating Lease (3866) • If Year of Assessment is 2017 or 2018, the portion of the Reimbursive travel allowance (only 3752 and NOT 3753) which is 'remuneration' <ul style="list-style-type: none"> ○ 80 or 20% of 3752 is 'remuneration' where the reimbursement rate paid by the employer exceeds the prescribed rate ○ where the reimbursement rate paid by the employer does NOT exceed the prescribed rate, 3752 is NOT 'remuneration' and should therefore not be included under code 4583 <p>although employers are not required to withhold PAYE from this reimbursement, that portion which represents 'remuneration' (80 or 20%) must be included in code 4583.</p> • Code 3752 Reimbursive travel allowance must be excluded from 4583 as from 2019 Year of Assessment <p>Note: The value of this code represents the total of the amounts reflected under each of the above codes which are 'remuneration' for the purposes of the allowable deduction i.r.o. pension, provident and retirement fund contributions [section 11(k) of the Income Tax Act].</p>
<p>4497</p>	<p>Total Deductions/Contributions</p>

6.7 Employees' tax deduction, Employment Tax Incentives and Reason codes

Code	Description
4101	SITE (Standard Income Tax on Employees). Not applicable from 2014 year of assessment
4102	PAYE (Pay-As-You-Earn)
4115	Tax on retirement lump sum and severance benefits [tax on code 3901,3915, 3920, 3921 3922, and 3923 (PAYE)]
4116	Medical Scheme Fees Tax Credit taken into account by employer for PAYE purposes.
4118	The sum of the ETI amounts calculated (theoretical amounts) for the employee during the year of assessment in accordance with section 7 of the ETI Act.
4120	Additional Medical Expenses Tax Credit if employee ≥65 allowed by Employer for PAYE Purposes. This code is only applicable from the 2017 year of assessment
4141	UIF contribution (employer and employee contributions)
4142	SDL contribution
4149	Total Tax (4101 + 4102 + 4115), SDL (4141) and UIF (4142). This total exclude the value of 4116 (Medical Scheme Fees Tax Credit) and the value of 4120 (Additional Medical Expenses Tax Credit)
4150	01 or 1 = Director's remuneration prior to 2003 year of assessment (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 – <ul style="list-style-type: none"> • nil directives and • income protection annuities from 1 March 2015 (see notes under code 3602)
	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