

10 LIST OF INCOME AND DEDUCTION CODE FOR IRP5/IT3(a)

10.1 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 • Pension paid on a regular basis • A monthly annuity paid by a fund. <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. <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 codes 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 years of assessment.
3602 (3652)	Income (Excl)	<p>Any non-taxable income excluding non-taxable allowances and fringe benefits. For example, this code accommodates all payments of a capital nature.</p> <p>Examples include:</p>

CODE	DESCRIPTION	EXPLANATION
		<ul style="list-style-type: none"> Non-taxable pension paid on a regular basis (e.g. war pension, etc.) Non-taxable income of a capital nature. Non-taxable arbitration award, i.e. a portion of a settlement agreement between an employer and an employee as ordered by Court or allocated via a settlement out of Court or in respect of Labour disputes; Non-taxable portion (capital interest) received on an annuity purchased from a Fund. <p>Note:</p> <ul style="list-style-type: none"> Code 3652 MUST only be used for foreign service income. With effect from 2010 year of assessment, amounts previously included under codes 3604/3654, 3609/3659 and 3612/3662 must be included in this code (3602/3652).
3603 (3653)	Pension (PAYE)	<p>Any pension paid on a regular basis as well as backdated pension payment (for current tax year).</p> <p>Note:</p> <ul style="list-style-type: none"> Code 3653 MUST only be used for foreign service income. The value of this code must be included in the value of code 3601/3651 for the 2010, 2011 and 2012 years of assessment. This includes taxable disability 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	<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.

CODE	DESCRIPTION	EXPLANATION
		<ul style="list-style-type: none"> The value of this code must be included in the value of code 3602/3652 with effect from the 2010 year of assessment.
3605 (3655)	Annual payment (PAYE)	<p>An amount 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/encashment) Merit awards Bonus/incentive amount paid to an employee to retain his / her service for a specific period. <p>Note:</p> <p>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:</p> <p>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>

CODE	DESCRIPTION	EXPLANATION
		Note: Code 3658 MUST only be used for foreign service income.
3610 (3660)	Annuity from a RAF (PAYE)	A monthly annuity paid by a RAF to any person. Note: <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 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.
3611 (3661)	Purchased annuity (PAYE)	The taxable portion of interest received on an annuity purchased from an Annuity Fund. Note: Code 3661 MUST only be used for foreign service income.
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: 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 income paid to an employee. Note: Code 3663 MUST only be used for foreign service income.
3614	Other retirement lump sums (PAYE)	A retirement lump sum payment paid by a fund according to section 1(eA) of the Act.
3615 (3665)	Director's remuneration (PAYE)	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.

CODE	DESCRIPTION	EXPLANATION
3616 (3666)	Independent contractors (PAYE)	Remuneration paid to an independent contractor. Note: Code 3666 MUST only be used for foreign service income.
3617	Labour Brokers (PAYE/IT)	Remuneration paid to a labour broker - irrespective if the labour broker is in possession of an exemption certificate (IRP30) or not.

10.2 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 – includes fixed travel allowances, petrol, garage and maintenance cards. Note: Code 3751 MUST only be used for foreign service income.
3702 (3752)	Reimbursive travel allowance (IT)	A reimbursement for business kilometres exceeding 8 000 kilometres per tax year or at a rate exceeding the prescribed rate per kilometre or the employee receives any other form of compensation for travel. Note: Code 3752 MUST only be used for foreign service income.
3703 (3753)	Reimbursive travel allowance (excl)	A reimbursement for business kilometres not exceeding 8 000 kilometres per tax year and at a rate which does not exceed the prescribed rate per kilometre. Should only be used if the employee does not receive any other form of compensation for travel. Note: Code 3753 MUST only be used for foreign service income.
3704 (3754)	Subsistence allowance –	An allowance paid for expenses in respect of meals and/or incidental costs for local travel, which exceeds the deemed amounts.

CODE	DESCRIPTION	EXPLANATION
	local travel (IT)	<p>Note:</p> <p>Code 3754 MUST only be used for foreign service income.</p>
3707 (3757)	Share options exercised (PAYE)	<p>Any amount in terms of a qualifying equity share disposed or gain made under a share scheme operated for the benefit of employees.</p> <p>Note:</p> <p>Code 3757 MUST only be used for foreign service income.</p>
3708 (3758)	Public office allowance (PAYE)	<p>An allowance granted to a holder of a public office to enable him/her to defray expenditure incurred in connection with such office.</p> <p>Note:</p> <p>Code 3758 MUST only be used for foreign service income.</p>
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"> • Entertainment allowance • Tool allowance • Computer allowance • Telephone allowance • Cell phone allowance. <p>Note:</p> <ul style="list-style-type: none"> • Code 3763 MUST only be used for foreign 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>

CODE	DESCRIPTION	EXPLANATION
		<p>Examples include:</p> <p>Non-taxable Relocation allowance</p> <p>Non-taxable Subsistence allowance for local and foreign travel not exceeding the daily limits</p> <p>Non-taxable Uniform allowance.</p> <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:</p> <p>Code 3765 MUST only be used for foreign service income.</p>
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:</p> <p>Code 3767 MUST only be used for foreign service income.</p>
3718 (3768)	Vesting of equity instruments (PAYE)	<p>Any gain in respect of the vesting of any equity instrument.</p> <p>Note:</p> <p>Code 3768 MUST only be used for foreign service income.</p>

10.3 FRINGE BENEFIT CODES

CODE	DESCRIPTION	EXPLANATION
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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 • Free or cheap services • Low interest or interest free loans and subsidies • Payment of an employee's debt or release of an employee from an obligation to pay a debt • Bursaries and scholarships. <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 (PAYE)	<p>Right of use of a motor vehicle.</p> <p>Note:</p> <p>Code 3852 MUST only be used for foreign service income.</p>
3805 (3855).	Accommodation (PAYE)	<p>Free or cheap accommodation or holiday accommodation.</p> <p>Note:</p>

CODE	DESCRIPTION	EXPLANATION
		<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 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.
3806 (3856)	Services (PAYE)	<p>Free or cheap services.</p> <p>Note:</p> <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 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.
3808 (3858)	Employee's debt (PAYE)	<p>Payment of an employee's debt or release an employee from an obligation to pay a debt.</p> <p>Note:</p> <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 (PAYE)	<p>Bursaries and scholarships.</p> <p>Note:</p> <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

CODE	DESCRIPTION	EXPLANATION
		<p>3801/3851 with effect from the 2010 year of assessment.</p> <ul style="list-style-type: none"> 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.
3810 (3860)	Medical aid contributions (PAYE)	<p>Medical aid contributions paid on behalf of an employee.</p> <p>Note: Code 3860 MUST only be used for foreign service income.</p>
3813 (3863)	Medical services costs (PAYE)	<p>Medical costs incurred on behalf of an employee in respect of medical, dental and similar services, hospital and/or nursing services or medicine.</p> <p>Note: Code 3863 MUST only be used for foreign service income.</p>
3815 (3865)	Non-taxable bursaries or scholarships (excl)	<p>Non-taxable bursaries and scholarships to employees and their dependents – Section 10(1)q – Exempt portion only.</p> <p>Note:</p> <ul style="list-style-type: none"> Code 3865 MUST only be used for foreign service income This source code is valid from 2013 year of assessment
3816 (3866)	The use of motor vehicle acquired by employer under '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: Code 3866 MUST only be used for foreign services income. Valid from the 2014 year of assessment.</p>

10.4 LUMP SUM CODES

CODE	DESCRIPTION	EXPLANATION
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CODE	DESCRIPTION	EXPLANATION
3901 (3951)	Gratuities (PAYE)	<p>Gratuities paid by an employer in respect of retirement, retrenchment or death.</p> <p>Note:</p> <p>Code 3951 MUST only be used for foreign service income.</p>
3906 (3956)	Special Remuneration (PAYE)	<p>Special remuneration paid to proto-team members.</p> <p>Note:</p> <p>Code 3956 MUST only be used for foreign service income.</p>
3907 (3957)	Other lump sums (PAYE)	<p>Other lump sum payments.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Backdated salary/wage/pension extending over previous year of assessments • Lump sum payments paid by an unapproved fund • Gratuity paid to an employee due to normal termination of service (e.g. resignation). <p>Note:</p> <p>Code 3957 MUST only be used for foreign service income.</p>
3908	Surplus apportionments (Excl)	Surplus apportionments on or after 1 January 2006 and paid in terms of section 15B of the Pension Funds Act of 1956.
3909	Unclaimed benefits (PAYE)	Unclaimed benefits prior to 1 March 2009 and paid by a fund in terms of the provisions of General Note 35.
3915	Retirement lump sum benefits (PAYE)	<p>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.</p> <p>Note:</p> <p>With effect from 2009 year of assessment, amounts previously included</p>

CODE	DESCRIPTION	EXPLANATION
		under codes 3903/3953 and 3905/3955 must be included in this code (3915).
3920	Lump sum withdrawal benefits (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 (e.g. resignation, transfer, divorce, maintenance, housing loan payments).</p> <p>Note:</p> <p>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).</p>
3921	Living annuity and section 15C surplus apportionments (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. <p>Note:</p> <p>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).</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 the 2012 year of assessment.</p>

10.5 GROSS REMUNERATION CODES

CODE	DESCRIPTION
3696	Gross non-taxable income [amounts under codes 3602/3652, 3703/3753, 3714/3764, 3815/3865, 3908, 3922 (Excl)].
3697	Gross retirement funding employment income.
3698	Gross non-retirement funding employment income.

10.6 DEDUCTION CODES

CODE	DESCRIPTION
4001	Current pension fund contributions.
4002	Arrear pension fund contributions.
4003	Current and arrear provident fund contributions.
4004 Not applicable from 2010	<p>Employee's arrear provident fund contributions</p> <p>Note: Value of this code must be included in the value of code 4003 with effect from the 2010 year of assessment.</p>
4005	Medical aid contributions.
4006	Current retirement annuity fund contributions.
4007	Arrear (re-instated) retirement annuity fund contributions.
4018	Premiums paid for loss of income policies.
4024	Medical
4025 Not applicable from 2010	<p>Medical contribution paid by employee allowed as a deduction for employees' tax purposes.</p> <p>Note: This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code.</p>
4026	Arrear pension fund contributions – Non-statutory forces (NSF).

CODE	DESCRIPTION
4030	Donations deducted from the employee's remuneration and paid by the employer to the Organisation.
4472 Not applicable from 2010	Employer's pension fund contributions. Note: This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code.
4473 Not applicable from 2010	Employer's provident fund contributions. Note: This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code.
4474	Employer's medical scheme contributions in respect of employees not included in code 4493. As of 1 March 2012 the contributions paid by an employer on behalf of an employee 65 years and older and who has not retired, should also be reflected under this code.
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:

CODE	DESCRIPTION
	This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code.
4493	<p>Employer's medical aid contributions in respect of an employee who qualifies for the "no value" provisions in the 7th Schedule.</p> <p>This is the employer's portion of the medical scheme contribution made on behalf of an employee who is —</p> <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 • an employee who is 65 years or older (not applicable from 2013).
4497	Total Deductions/Contributions

10.7 EMPLOYEES' TAX DEDUCTION AND REASON CODES

CODE	DESCRIPTION
4101	SITE (Standard Income Tax on Employees)
4102	PAYE (Pay-As-You-Earn)
4115	Tax on retirement lump sum benefits (tax on code 3915, 3920 and 3921 and 3922)
4116	Medical scheme fees tax credit taken into account by employer for PAYE purposes
4141	UIF contribution (employer and employee contributions)
4142	SDL contribution
4149	Total Tax (4101 + 4102 + 4115), SDL (4141) and UIF (4142). This total does not include the value of 4116 Medical Scheme Fees Tax Credit taken into account by employer for PAYE purposes.
4150	<p>01 or 1 = Invalid from 1 March 2002</p> <p>02 or 2 = Earn less than the tax threshold</p>

CODE	DESCRIPTION
	03 or 3 = Independent contractor
	04 or 4 = Non-taxable earnings (including nil directives)
	05 or 5 = Exempt foreign employment income
	06 or 6 = Directors remuneration – income quantified in the following year of assessment (only valid from 1 March 2002)
	07 or 7 = Labour Broker with valid IRP 30 (only valid from 1 March 2004)

11 RULES FOR THE CONSOLIDATION OF SOURCE CODES FROM THE 2010 YEAR OF ASSESSMENT

SARS has undertaken an initiative to simplify the data submission process through the combination of required source codes and elimination of redundant codes. The source codes to be used for income and deduction declarations for current submissions or for initial (first) submissions for prior tax years are contained in the table below.

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 in respect of the relevant years of assessment. Certain codes have been re-introduced as **‘Main Codes’** from the 2013 year of assessment. This table reflects how these codes are absorbed in to the remaining codes.

TYPE OF INCOME	MAIN CODE	SUB-CODE RATIONALISATION
Income	3601/3651	Codes 3607/3657, and *3603/3653 and *3610/3660 must be incorporated into 3601/3651.*Only in respect of the 2010 to 2012 years of assessment.
	3602/3652	Codes 3604/3654, 3609/3659 and 3612/3662 must be incorporated into 3602/3652
	3603/3653	Main code from the 2013 year of assessment
	3605/3655	
	3606/3656	
	3608/3658	

TYPE OF INCOME	MAIN CODE	SUB-CODE RATIONALISATION
	3610/3660	Main code from the 2013 year of assessment
	3611/3661	
	3613/3663	
	3614	
	3615/3665	
	3616/3666	
	3617/3667	
Allowances	3701/3751	
	3702/3752	
	3703/3753	
	3704/3754	
	3707/3757	
	3708/3758	
	3713/3763	Codes 3706/3756, 3710/3760, 3711/3761 and 3712/3762 must be incorporated into 3713/3763.
	3714/3764	Codes 3705/3755 and 3709/3759 and 3716/3766 must be incorporated into 3714/3764.
	3715/3765	
	3717/3767	
	3718/3768	
Fringe Benefit	3801/3851	Codes 3803/3853, 3804/3854, 3805/3855, 3806/3856, 3807/3857, 3808/3858 and 3809/3859 must be incorporated into 3801/3851.
	3802/3852	
	3805/3855	Main code from the 2013 year of assessment
	3806/3856	Main code from the 2013 year of assessment
	3808/3858	Main code from the 2013 year of assessment
	3809/3859	Main code from the 2013 year of assessment
	3810/3860	
	3813/3863	
	3815/3865	Main code from the 2013 year of assessment
	3816/3866	Main code from the 2014 year of assessment

TYPE OF INCOME	MAIN CODE	SUB-CODE RATIONALISATION
Lump sum	3901/3951	
	3906/3956	
	3907/3957	
	3908	
	3909	
	3915	
	3920	
	3921	
	3922	Main code from the 2012 year of assessment
Gross Remunerations	3696	
	3697	
	3698	
Deductions	4001	
	4002	
	4003	Code 4004 must be incorporated into 4003
	4005	
	4006	
	4007	
	4018	
	4024	
	4026	Applicable to non-statutory forces (government)
	4030	
	4474	
	4493	
	4497	
Employees' Tax Deduction and Reason Codes	4101	
	4102	
	4115	
	4116	Main code from the 2013 year of assessment
	4141	
	4142	
	4149	