

01 November 2024

Dear Payroll Administrator

**PHI (PERMANENT HEALTH INSURANCE) OR DISABILITY INSURANCE TAXABLE
FRINGE BENEFIT**

Part of the contributions paid over to the BIBC by employers contains a Pension or Provident contribution.

1. A small percentage of this contribution is paid towards a PHI or Disability Insurance.
2. As of 01 March 2015, premiums in respect of PHI or disability insurance became subject to fringe benefit tax, under tax code 3801.
3. Put simply, the amount of the PHI or disability insurance premium must be added to the employee's taxable income when calculating the employee's PAYE.
4. Below you will find the new values of the taxable Fringe Benefit.
5. Please note that this is NOT an additional payment to the BIBC it is only the tax treatment of the benefits already being paid over to the BIBC that are affected.

What does this mean?

6. Employees' take-home pay could be less if they pay additional tax.
7. In most cases the impact on employees is minimal.
8. Even though the monetary impact is minimal, employers should still reflect this Fringe Benefit correctly on their employees' payslips and IRP5's.

All correspondence to be addressed to the Secretary

The BIBC House • 81 Voortrekker Road, Bellville 7530 • Private Bag X29, Bellville, 7535 • Tel: 021-950 7400 • Fax: 021-950 7405

Seven Oak Centre, Somerset West • Private Bag X29, Bellville, 7535 • Tel: 021-851 2160 • Fax: 021-950 7405

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PHI OR DISABILITY AND FUNERAL
DAILY AND WEEKLY TAXABLE FRINGE BENEFIT
FOR THE PERIOD 01 NOVEMBER 2024 TO 31 OCTOBER 2025

	Area A (Cape Peninsula)	
	Area B (Boland)	
	Area C (Malmesbury)	
	Area D (Overstrand)	
Category	Daily	Weekly
1) Labourer	R2,56	R12,80
2) General Worker	R3,05	R15,25
3) Tradesman Class 4	R3,25	R16,25
4) Tradesman Class 3	R3,49	R17,45
5) Tradesman Class 2	R4,42	R22,10
6) Driver/Plant Operator Code C1	R3,84	R19,20
7) Drivers Code A, A1 or B	R3,12	R15,60
8) Artisan	R5,60	R28,00
9) Security Guard	R3,24	R16,20
10) Apprentice 1st Year	R2,47	R12,35
11) Apprentice 2nd Year	R3,26	R16,30
12) Apprentice 3rd Year	R4,43	R22,15

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