



Simplifying Employment
Tasks Worldwide

Statutory Change Alert

South Africa - Subsistence & Travel Allowance Thresholds
March 2024



SOUTH AFRICA



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MERCANS

We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



Global Payroll Solutions – Boost your HR brand and employee satisfaction

Rationalize your HR budgets, monitor your data, and optimize your global payroll tasks in real-time. Systematize processes and streamline HRM lifecycles with HR Blizz™, our unified SaaS platform, to ensure your employees are paid accurately and on time.



PEO/GEO Services – Easily hire, deploy and manage your workforce abroad

A reliable Professional Employer Organization (PEO), Mercans is your trusted employer of record to globally select, engage, and manage highly qualified personnel on your behalf, through integrated Global Employment Outsourcing (GEO).



Global Talent Acquisition – Quickly fill vacancies with only the best candidates

Mercans supports you in designing/deploying long-term HR strategies and processing full-cycle recruitment. Our ATS Suite Mesaar™ and our hiring experts help to screen, select, attract the right candidates for your organization and populate your pipeline of prequalified talents.



BPO Services – Reclaim the focus on your core activities to expand your business

Concentrate on the essentials: outsource non-primary activities and your front- and back-office functions to Mercans. Save the time, money, and energy needed to refine the value chain engagement of your customers and suppliers and increase revenue.



HR Management SaaS – Access customizable cloud-based online platforms

Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesaar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



Local Statutory Compliance – Forget the hassle of setting up branches abroad

Mercans seasoned HR advisory team are compliance experts specialized in local cultures, business protocols, and tax and legal specificities. They are committed to ensure quick go-to-market abroad and achieve a compliant global expansion, risk-free from A to Z.



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Mercans at a Glance

160+

Countries

20

Years of Success

1K+

Payroll and HR Specialists

22k+

Clients Worldwide

97%

Client Retention Rate

1.5X

Annual Revenue Growth

95k+

Largest Single Country
Payroll

25M+

Pay Slips per Annum

0

Security Breaches

Number one for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certificate certificate





South Africa – Subsistence & Travel Allowance Thresholds March 2024

South African Revenue Services (SARS) issued updated guide for employers in respect of allowances. Effective from 1st March 2024, the thresholds for exemption on allowances are mentioned below.

Changes in thresholds for Subsistence Allowance

When the employee spends a part of a day away from his usual place of work, domestic per diem mentioned below is exempt from income tax.

Allowance	2024 Domestic (ZAR)	2023 Domestic (ZAR)	2024 Foreign (ZAR)	2023 Foreign (ZAR)
Only incidental cost exempt from income tax	169	161	Prescribed rate *	Prescribed rate *
Meal and Incidental cost exempt from income tax	548	522	Prescribed rate *	Prescribed rate *

* SARS has prescribed foreign per diem in respect of each country effective from March 2024 under annexure “PAYE-GEN-01-G03-A02”.

Income code for IRP5/IT3(a):

Scenario	Local Travel	Foreign Travel	Reimbursement
Payment exceeds the threshold	3704 (total amount is reported)	3754 (total amount is reported)	3713 (the part which is subjected to tax is reported)
Payment does not exceed the threshold	3714	3764	NA



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Changes in thresholds for Travel Allowance

For travel allowance, the following two situations are envisaged, namely-

- A fixed travel allowance given to an employee.
- A reimbursement given to an employee based on actual business travel.

Allowance	March 2024 (in ZAR)	March 2023 (in ZAR)	Income Code IRP5/IT3(a)
Fixed travel allowance exempts from tax	20%	20%	3701
Fixed travel allowance subjects to tax (Note: When employer is satisfied that at least 80% of the use of the motor vehicle will be for business purposes, then only 20% of the allowance is subject to tax)	80%	80%	3701
Reimbursement at per km exempts from tax	4.84	4.64	3702
Reimbursement at per km subjects to tax	Amount above the threshold	Amount above the threshold	3722
Exemption from tax when reimbursement is not more than threshold and no other compensation is paid (travel allowance)	100%	100%	3703

Please contact your Mercans' services delivery team for any additional information regarding the implications of the above change



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They already trust Mercans





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What Makes Mercans your HR and Payroll Partner of Choice?

We Simplify Employment Tasks Worldwide

Everywhere for Everyone

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

Local Presence. Regional Strategy. Global Success

Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

A Revolutionary Service Delivery System

Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesaar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

Trailblazing Cloud-Based SaaS Products

HR Blizz & Mesaar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.



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