

The Compensation for Occupational Injuries and Diseases Act (COIDA) provides for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases.

For the Department of Employment and Labour to provide for this compensation, every employer (excluding exempt employers) must submit a return of earnings report (W.As.8) once a year before 31 March to the Commissioner, showing:

- the amount of earnings (up to the limit) paid to the employees during 1 March the previous year to the 28/29 February of the current year, and
- such further information as may be prescribed or as the Director-General may require.

1. Extracts from the Compensation for Occupational Injuries and Diseases Act and the latest published W.As.8 form

1.1 Definition of employee

"Employee" means a person who has entered into, or works under a contract of service or apprenticeship or learnership with an employer, whether the contract is expressed or implied, oral or in writing, and whether remuneration is calculated by time or work done, or is in cash or in kind and includes -

- (a) a casual employee employed for the purpose of the employer's business;
- (b) a director or member of a body corporate who has entered into a contract of service or of apprenticeship or learnership with the body corporate, in so far as he acts within the scope of his employment in terms of such contract;
- (c) a person provided by a labour broker against payment to a client for the rendering of a service or the performance of work, and for which service or work such person is paid by the labour broker;
- (d) in the case of a deceased employee, his dependants, and in the case of an employee who is a person under disability, a curator acting on behalf of that employee; but does not include-
 - (i) a person, including a person in the employ of the State, performing military service or undergoing training referred to in the Defence Act, 1957 (Act No. 44 of 1957), and who is not a member of the Permanent Force of the South African Defence Force;
 - (ii) a member of the Permanent Force of the South African Defence Force while on "service in defence of the Republic" as defined in section 1 of the Defence Act, 1957;
 - (iii) a member of the South African Police Force while employed in terms of section 7 of the Police Act, 1958 (Act No. 7 of 1958), on "service in defence of the Republic" as defined in section 1 of the Defence Act, 1957;

- (iv) a person who contracts for the carrying out of work and himself engages other persons to perform such work;
- (v) a domestic employee employed as such in a private household; (xliv)

1.2 Definition of employer

"Employer" means any person, including the State, who employs an employee, and Includes -

- (a) any person controlling the business of an employer;
- (b) if the services of an employee are lent or let or temporarily made available to some other person by his employer, such employer for such period as the employee works for that other person;
- (c) a labour broker who against payment provides a person to a client for the rendering of a service or the performance of work, and for which service or work such person is paid by the labour broker; (xliv)

1.3 Exempt employers according to section 84:

No assessment in favour of the compensation fund shall be payable in respect of employees -

- in the employ of
 - the nationally and provincial spheres of government, including Parliament and provincial legislatures;
 - local authority which has obtained a certificate of exemption of the Workmen's Compensation Act and has notified the Director-General in writing within 30 days after the commencement of this Act that it desires to continue with the arrangement according to the said certificate of exemption, and
 - a municipality contemplated in section 108 of the Local Government Act to which exemption has been granted.
- whose employer has the approval of the Director-General obtained from a mutual association a policy of insurance for the full extent of this potential liability in terms of this Act to all employees employed by him for as long as he maintains such policy in force.

1.4 Earnings to be included for the OID Annual Return (W.As.8)

The W.As.8 form gives an interpretation of the Act for items that must be included, and those that must be excluded from the calculation of the employees' earnings. Earnings are all payments made regularly, before any deductions, whether in money or in kind, to employees. The following list are not exhaustive but are intended only to highlight certain remuneration items for which there may be some doubt as to their inclusion or exclusion.

Included:

- Overtime of a regular nature, but not intermittent or irregular overtime
- Bonus of any kind, including incentive bonuses and annual bonuses
- Commission, even though the amount may vary from month to month

- The cash value of food and quarters supplied to staff as part of a remuneration package. Cash value of fringe benefits such as company car, free accommodation or accommodation at a reduced rate, etc.
- Tangible fringe benefits (those that you can touch) such as a company car and free or cheap accommodation
- Travel and other allowances paid regularly, as paid part of the package
- Where the employee is remunerated in accordance with a package of benefits, all items forming part of the package, other than employer contributions such as medical aid contributions
- Earnings/Drawings paid to a working Directors of a Company or Members of a Close Corporation

Excluded:

- Payments of a reimbursive nature
- Overtime worked occasionally
- Payments for specific non-recurring tasks which do not form part of an employee's normal duties
- Ex gratia payments
- Intangible fringe benefits such as the taxable portion of medical aid/pension contributions by the employer, etc.
- Payments to cover special expenses such as subsistence and travelling costs, lunch and costs for business meetings
- Travel and other allowances paid occasionally
- Profit sharing of Directors and Members

You can also click [here](#) and download the latest published W.As.8 that explains what is defined as an employee and discussed which earnings are included and excluded.

Please Note: The regulations to the COID Act clearly excludes travel allowance and subsistence allowance, which is in contradiction to the interpretation on the W.As.8 return form

2. OID Limit History (last 10 years)

Effective Date	Limit
1 July 2010	R261 893
1 April 2011	R277 860
1 April 2012	R292 032
1 April 2013	R312 480
1 April 2014	R332 479
1 April 2015	R355 752
1 April 2016	R377 097
1 April 2017	R403 500
1 April 2018	R430 944
1 March 2019	R458 520

3. Printing the OID report from Sage Business Cloud Payroll Professional

Please Note: If you have multiple companies in your payroll application which form part of the same Return of Earnings submission, the OID Report must be printed individually per company, due to the different company setups and pay frequencies (monthly, weekly, bi-weekly and other). Consolidating or Grouping the report will lead to incorrect calculations

3.1 Selection Screens for the OID/WCA report

Sage Business Cloud Payroll Professional provides selection Screens when the report is printed, so that the user can select which Earnings, Company Contributions, XS, Own and Perks Tax Screen items must be included in the report. You may tick and un-tick items on the Selection Screens. The first page of the report prints the settings that were in use when the report was printed.

The first screen that is displayed when the OID Report is selected explains which items should be included:

OID Report

The W A58 form for RSA and the E A56 form for Namibia give a list of the items which must be included as Earnings and those which must be excluded. In the selection screens which follow YOU MUST ENSURE that all the items which should be included are set to 'Yes' for include, and those which must be excluded are set to 'No'.

Select <Restore Defaults> below to set or reset the default values as follows: Earnings and Company Contributions which are defined as Taxable will default to 'Yes', and those which are Not Taxable will default to 'No'. Perks Items will default to 'Y' or 'N' depending on the latest information which VIP has. Calculation (XS) Screen and Own Screen Items will default to 'N'.

YOU MUST go through all the items to ensure that the 'Y's' and 'N's' are set correctly so that the amounts calculated for the OID Report are correct. Any changes will be stored for subsequent use.

Select <Continue> to Continue with, or change the current settings.
Select <Restore Defaults> to Reset to Sage's default settings.
Select <Cancel> to Exit.

RESTORE DEFAULTS

CANCEL CONTINUE

Continue

Continues to the Selection Screens but leaves the defaults as they were when the report was last printed.

Reset to Defaults

Resets the defaults according to the definitions of the various lines, but the Selection Screens are still displayed and the user can then tick and un-tick items if necessary.

Use the IRP5 Codes on the Earnings, Company Contribution, Calculation (XS), Own and Taxable Benefits (Perks Tax) Screens to tick the relevant items when one clicks on "Reset VIP Defaults".

Below is an example of a simple Earnings Selection Screen. The other Selection Screens are similar:

OID Report

Earnings to be included for OID

No	Earning	Include
01	Salary	Y
02	O/T1.5	Y
03	O/T2.0	Y
04	Commis	Y
05	PPH	Y
06	VarLve	Y
07	AnnBonu	Y
08	Lumpsum	N
09	Travel	Y
10	ShtAllo	Y
11		
12		
13		
14		
15		
16		
17		

Items which must have 'Include = Y' are:
Salaries or Wages, Regular Overtime, Commission, All Bonuses, 13th cheques, Value of Food and Quarters, Travel and other Regular Allowances. All items which are part of a Package/ Service contract, except Employer Contributions to Medical Aid, etc.

Items which must have 'Include = N' are:
Re-imbursive and Ex-gratia payments, Occasional Overtime, Payments for non-recurrent tasks, Intangible Fringe Benefits such as Employer Contributions to Medical Aid, Payments to cover Special Expenses e.g. Travel and Subsistence costs.

CONTINUE

Please Note: Users should not copy the selections according to the print screens as it is only for display purposes. Each company's situation will vary on what is included and what is not, depending on the regularity of the payments and the company's application of the legislation.

On the right-hand side of the report, guidelines are provided on which items should be included and which should not, that users can refer to.

4. The OID Report

Below is an example of a Detailed OID Report printed in February 2020, for a monthly paid company. This month has been chosen to explain the calculations in the report.

The first page of the OID Report shows which items were included when the report was printed.

It is important to remember that this page must be filed with the report

NOTE THAT THIS PAGE MUST BE FILED WITH THE REST OF THE OID REPORT.
THE ITEMS WHICH WERE SELECTED FOR INCLUSION IN THIS REPORT ARE MARKED "Y" BELOW:

EARNINGS		COMP CONTR		CALC (XS)		SCREEN ITEMS		OWN SCREEN ITEMS		PERKS TAX ITEMS	
Earning	Include	Co.Cont.	Include	Calc(XS)	Calc(XS)	Include	Include	Own Screen	Include	Perks	Include
01.Salary	Y	01.Tax	N					01.OWN AMOUNT 01	N	01.Entertainmt Allowance	Y
02.O/T 1.5	Y	02.U.I.F.	N					02.OWN AMOUNT 02	N	02.Subsistence Allowance	Y
03.O/T 2.0	Y	03.Pension	N					03.OWN AMOUNT 03	N	03.Travelling Allowance	Y
04.Commiss	Y	04.Medical	N					04.OWN AMOUNT 04	N	04.Acquisition of Assets	N
05.PPH	Y	05.SDL	N					05.OWN AMOUNT 05	N	05.Use of Assets	Y
06.VarLve	Y	06.Garnish	N					06.OWN AMOUNT 06	N	06.Use of Motor Vehicle	Y
07.AnnBonu	Y	07.Advance	N					07.OWN AMOUNT 07	N	07.Meals and Refreshments	Y
08.Lumpsum	N	08.RA	N					08.OWN AMOUNT 08	N	08.Residential Accom.	Y
09.Travel	Y	09.AddPens	N					09.OWN AMOUNT 09	N	09.Holiday Accommodation	Y
10.ShtAllo	Y							10.OWN AMOUNT 10	N	10.Free & Cheap Services	Y
								11.OWN AMOUNT 11	N	11.Housing Loans & Subs.	Y
								12.OWN AMOUNT 12	N	12.Low Interest Loans	Y
								13.OWN AMOUNT 13	N	13.Retirement Annuity	Y
								14.OWN AMOUNT 14	N	14.Release from Debt	N
								15.OWN AMOUNT 15	N	15.Bursaries	Y
										16.Medical Aid Taxable CC	N
										17.Income Repl Policies	Y
										18.Bursaries Further Educ	Y
										19.Pension Fund DC Only	N
										20.Pension Fund DB Only	N
										21.Pension Fund DC & DB	N
										22.Provident Fund DC Only	N
										23.Provident Fund DB Only	N
										24.Provident Fund DC & DB	N
										25.Retirement Annuity Fun	N
										26.Bursary Basic Edu-Dis	Y
										27.Bursary Higher Edu-Dis	Y

5. Explanation of the Detail Report

5.1 Actual YTD OID Earning

This shows the Year-to-date plus current period total of the items which have been ticked on the Selection Screens.

5.2 Annualized OID Earning

This shows the annualized OID Earning calculated as:

Actual OID Earning x Periods in the Year

OID Periods in Service from the Employee Information (IS) screen

(OID Periods in Service from the IS screen: Remember the IS screen shows 1 less than the report)

Employee	Annualised Earning
Mr E J Hattingh – OID Period is 12 (March to Feb)	R 14 250.36/12*12 = R 14 250.36
Mrs S Clooney – OID Period is 1	R 20 000/1*12 = R 240 000

5.3 Adjusted OID Earning

This shows the Adjusted OID Earning for the employee, with the Annual Limit of R458 820 applied in the calculation

Annualized OID Earning X OID Periods in Service (with the Annual limit applied)
Periods in the Year

Employee	Annualised Earning	Limit for Period	Adjusted Earnings
Mr R Bester – OID Period is 12 (March to Feb)	R 2 112 585 /12*12 = R 2 112 585	R458 820*12/12 =R 458 820 Calc>Limit	Use limit: R458 820
Mr E J Hattingh – OID Period is 12 (March to Feb)	R 14 250.36/12*12 = R 14 250.36	R458 820*12/12 =R 458 820 Calc<Limit	Use calc: R14 250.36

Detail O.I.D. Report						
Emp Code	Employee Name	Actual YTD OID Earning	Annualized OID Earning	Adjusted OID Earning	Periods in Service	Reason for Exclusion
001	MR R BESTER	2112585.51	2112585.51	458520.00	12	
002	MISS C ISSIRI	331818.16	331818.16	331818.16	12	
003	MR S SCREIBER	252840.87	252840.87	252840.87	12	
004	MRS BANDA BANDA	277236.06	277236.06	277236.06	12	
011	MRS S J PIETERSE	10465.21	10465.21	10465.21	12	
012	MS A PADAYACHY	35302.26	35302.26	35302.26	12	
031	MS K D PARASRAAM	2920.23	2920.23	2920.23	12	
032	MR W J NEL	1608.71	1608.71	1608.71	12	
034	MR G A MEIRING	2115.05	2115.05	2115.05	12	
036	MR G P J BOTHA	2792.57	2792.57	2792.57	12	
044	MR M F LANGA	1894.54	1894.54	1894.54	12	
047	MR J KOEKEMOER	3109.04	3109.04	3109.04	12	
048	MR C V JOUBERT	2884.34	2884.34	2884.34	12	
051	MR B GREYLING	2789.60	2789.60	2789.60	12	
052	MR E J HATTINGH	14250.36	14250.36	14250.36	12	
sc1001	Mrs S Clooney	20000.00	240000.00	20000.00	1	
		3074612.51	3294612.51	1420547.00	181	

6. Explanation of the Summary section of the OID Report

On the W.As.8 Form the employees that have OID Earnings up to and including R458 820 p.a. and those employees with OID Earnings above this amount must be shown separately. Directors in each of these brackets must be shown separately from “ordinary” employees.

Up to R458520 p. a.	Average Number	Amount	Above R458520 p. a.	Average Number	Amount	Total
Directors	.00	0.00	Directors	1.00	458520.00	458520.00 (4)
Normal Employees	14.08	962027.00	Normal Employees	.00	0.00	962027.00 (3)
Total Employees	14.08 (1)	962027.00	Total Employees	1.00 (2)	458520.00	1420547.00

- There is 1 Director in the Company and his OID earnings are above the OID limit.
- There are 14.08 Normal Employees in the Company whose OID earnings fall within the OID limit.

The employees are counted using the number of OID periods in the year that the employee has been in service as a fraction of the total number of OID periods so far in the year (see explanation below at point 5.1). The total amount of R962 027.00 is the total of the adjusted OID Earnings of the 14.08 Normal Employees. These employees’ adjusted OID Earnings are all below the limit and therefore print on the left side of the report.

- There are no Normal Employees in the Company whose OID earnings are more than the OID limit. If there were, the OID limit would have been used as the OID earnings.

Please Note: Remember that the current OID limit amount of **R458 520** is for the full tax year of 12 months.

6.1 Calculation of Average Number of Employees

The Average Number of employees in each of these groups is calculated as:

Actual Number of periods worked by employees in this group x Number of Employees in this group

Total number of periods that could have been worked by employees in this group

As an example, we will look at the employees with earnings that fell within the OID limit.

Up to R458520 p. a.	Average Number	Amount	Above R458520 p. a.	Average Number	Amount	Total
Directors	.00	0.00	Directors	1.00	458520.00	458520.00 (4)
Normal Employees	14.08	962027.00	Normal Employees	.00	0.00	962027.00 (3)
Total Employees	14.08 (1)	962027.00	Total Employees	1.00 (2)	458520.00	1420547.00

14 Employees worked 12 periods – 14 x 12 = 168

1 Employee worked 1 period

Actual number of periods worked: 168 + 1 = 169

There are 15 employees that could have worked 12 periods each = 180 periods

$$\frac{169 \times 15}{180}$$
$$= 14.08$$

Please Note: Every employee who completed a full OID year will count as 1. Every employee who completed a portion of a full year will be calculated as OID periods / periods in OID year.

7. Who is included in the OID Report

Tax Status	Include or Exclude for OID
Statutory Tables	Include
Directive %	Include
Temporary / Part time	Include
PAYE only	Include
PSP – company	Exclude
PSP – trust	Exclude
Independent Contract	Exclude
No Tax - Director	Include
Temporary Director	Include
PAYE Director	Include
Directive Director	Include
No Tax	Include
Labour Broker IRP30	Exclude
Labour Broker no IRP30	Exclude
ResNonExecDirector	Exclude
NonResNonExecDir (PAYE)	Exclude
NonResNonExecDir (Dirt%)	Exclude
NonResNonExecDir (Temp)	Exclude

8. Note on Package Structuring and OID

In your payroll application, the word “Package” for the whole of the “Cost to Employer” is often used, i.e. the employer’s contributions to the employee’s Medical Aid, Pension Fund and/or Provident Fund are included in the employee’s “Package”.

The wording of the W.As.8 in the paragraph explaining which Earnings must be Included for OID, refers to Packages as follows:

“Where the employee is remunerated in accordance with a package of benefits, all items forming part of the package, other than employer contributions such as medical aid contributions”.

It has been confirmed with OID that this should be read *in conjunction* with the point under Excluded which reads:

“Intangible fringe benefits such as the taxable portion of medical aid, pension contributions by the employer, etc.”

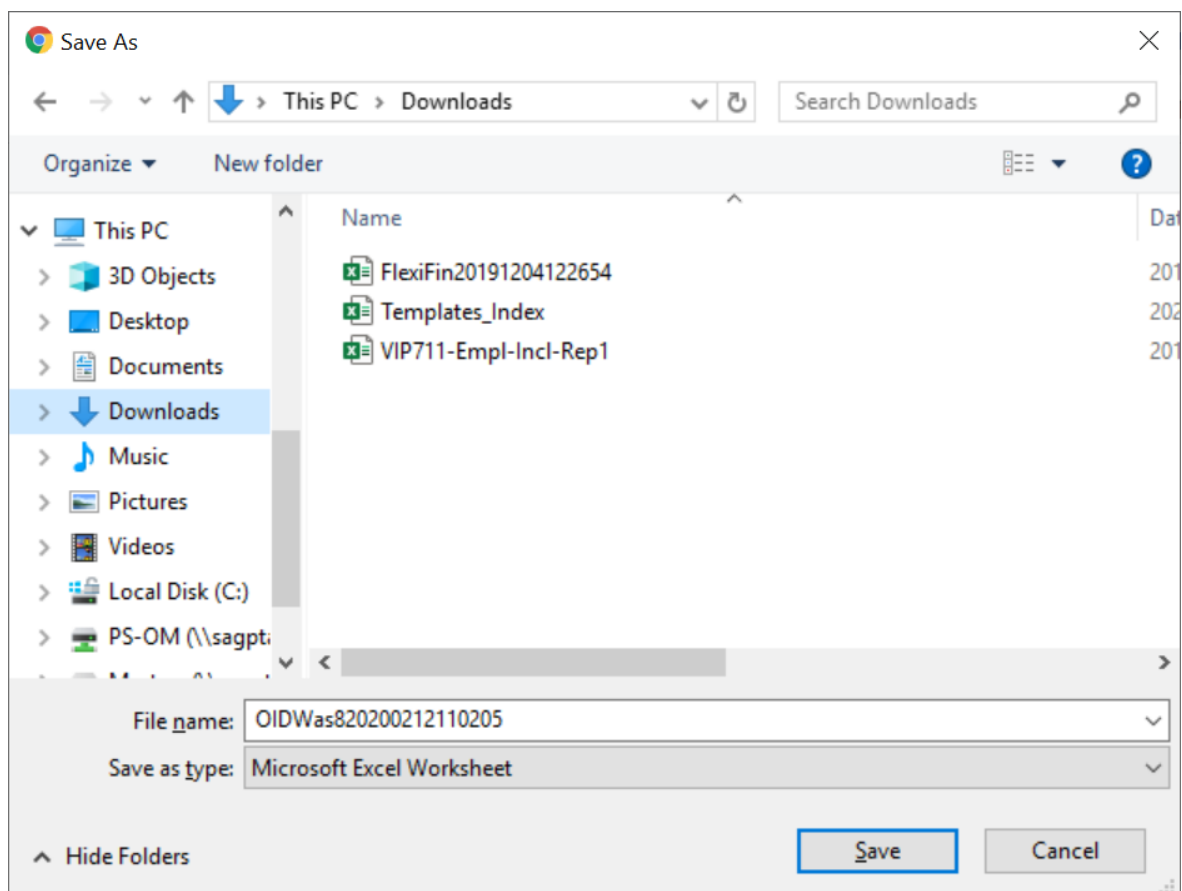
Therefore, if a “Cost to Employer Package” includes Medical Aid Contributions, Pension Contributions and/or Provident Fund Contributions, these Employer Contributions must NOT be included in the Earnings for OID purposes

9. How to complete the W.As.8 form

When printing the OID report and selecting the Summary Report, Microsoft Excel will open the OIDwas81 Template.

Follow the simple steps in this document in order to import your Sage Business Cloud Payroll Professional data into the template.

- Print the OID report under Reports and Maintenance and select to print Summary.
- Once the PDF report print preview has populated, click on finish at the bottom right hand side of the screen.
- If your Windows Screen does not automatically open prompting you to save the Excel download, click on ‘Click here’ to start the process.
- You should then be asked to select where you would like to save OID Excel report



- Browse to your desired location and select save.
- When the process is complete, open the report
- If the sheet is blank, select on enable content

The spread sheet is made up of two sheets; Part 1 and Part2.

The OID limit provided is currently a yearly limit and no guidelines are given by OID on how to apply the limit on a monthly basis.

The Employer will need to manually complete the Provisional Earning Section, but the Actual Earnings will automatically be populated from the data on the payroll system.

PART 2:				Reference number:								
Declaration March 2019 - February 2020												
I, the undersigned confirm that the number of employees and their earnings (staff costs/salaries & wages) for the 12 months ending 28/02/2020 are as follows:												
Actual Earnings:01/03/2019 - 28/02/2020				Provisional Earnings:01/03/2020 - 28/02/2021								
Month	Number of employees and amount of earnings (staff costs/salaries & wages) per month paid to all employees (excluding directors of a Company or members of a close corporation) up to a maximum of R458520 per person for the above period.			Number of directors/members and amount of earnings (staff costs/salaries & wages) per month paid to directors of a Company or members of a Close Corporation up to a maximum of R458520 per person for the above period.			Number of employees and amount of earnings (staff costs/salaries & wages) per month expected to be paid to all employees (excluding directors of a Company or members of a close corporation) up to a maximum of R..... per person for the above period.			Number of directors/members and amount of earnings (staff costs/salaries & wages) per month expected to be paid to directors of a Company or members of a Close Corporation up to a maximum of R..... per person for the above period.		
	Number	Earnings - (Rands only)		Number	Earnings - (Rands only)		Number	Earnings - (Rands only)		Number	Earnings - (Rands only)	
Mar	14	80 169		1	38 210							
Apr	14	80 169		1	38 210							
May	14	80 169		1	38 210							
Jun	14	80 169		1	38 210							
Jul	14	80 169		1	38 210							
Aug	14	80 169		1	38 210							
Sep	14	80 169		1	38 210							
Oct	14	80 169		1	38 210							
Nov	14	80 169		1	38 210							
Dec	14	80 169		1	38 210							
Jan	14	80 169		1	38 210							
Feb	14	80 169		1	38 210							
Total		962 027			458 520			0			0	
Number of employees				14				Number of employees.				
Number of Directors				1				Number of Directors.				
Total employees				15				Total employees.				

Final Steps:

Print page 1 and Page 2 of the Excel document and submit the form to OID. A copy of the information should be kept for at least 4 years.

Save the Excel document in your Tax year end folder for safe keeping and enquiries.

For more information or assistance in registering, submitting the return online or any claims, click [here](#).

To access the online system where the return must be submitted, click [here](#).

Please Note: with regards to OID for February 2020 If you make provision for OID by using Methods of Calculation, it is important that you revise and adjust the methods according to the new thresholds published.