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NEWSLETTER

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Vital statistics:

CAP determination 30 April 2017:	R259810
CPI year-on-year April 2017	5,3%
RSA long bond yield May 2017:	8,6%
Real rate of return (8,6 less 5,3):	3,3%
ABSA Property Index October 2016:	-0,3%
Houses less than 140 square meters:	+2,1%

Expenses paid by RAF undertaking: For many years it has been the practice of the RAF to pay necessary expenses such as househelp, handyman, gardener, and travel costs by way of undertaking as and when such expenses have been incurred. However, in *Mphirime v RAF* (unreported 916/2014) [2016] ZAFSHC 24 (25 February 2016) it was ruled that such costs are not medical expenses and thus not to be paid by way of undertaking but by way of capitalised lump sum. This ruling was well received and applied fairly quickly to a substantial number of settlements.

Barnard v RAF 2017 (1) SA 245 (ECP) in the same year ruled the reverse, that payment of non-health services such as househelp, handyman, gardener, and travel costs should be by way of undertaking. Doubtless this issue will soon find its way to the SCA.

The earnings data hoard: STATSSA has for decades been collecting earnings data as regards the entire working population of South Africa. More recently such data has become available for detailed analysis. Such figures are much more relevant for damages claims than the overstated Peromnes/FSA data so widely used by industrial psychologists (see *Quantum Yearbook* 2017 at page 129). The tables below illustrate the range of earnings information now available:

Peromnes	Paterson/FSA	STATSSA earnings			CORPORATE earnings		
level	Level	R1000 p/a at July 2017			R1000 p/a at July 2017		
		LQ	MED	UQ	LQ	MED	UQ
Semi-skilled							
14	B3	79	123	169	191	220	246
Skilled							
10	C3	125	197	271	415	466	555
Middle management							
6	D3	197	314	434	969	1114	1370

Earnings statistics from STATSSA March 2017				
		LQ (Rpa)	MED (Rpa)	UQ (Rpa)
Less than Grade 12				
	20	15,113	23,450	39,331
	25	17,073	28,809	49,747
	45	21,103	41,347	81,826
	55	21,952	44,894	94,933
Grade 12				
	20	20,734	35,492	65,000
	25	23,695	45,600	94,120
	45	47,248	104,814	220,155
	55	62,608	140,164	286,096
Grade 12 with Certificate				
	25	31,853	72,329	143,707
	30	42,386	97,407	188,357
	45	67,365	146,869	277,955
	55	80,759	167,161	315,860
Grade 12 with Diploma				
	25	53,526	110,276	199,660
	30	79,036	150,873	268,213
	45	116,039	207,780	362,103
	55	121,212	213,971	370,288
Bachelor's Degree				
	25	93,475	183,194	323,770
	30	133,542	253,146	441,605
	45	174,956	326,549	586,431
	55	-	-	591,181
Honors Degree and Postgraduate Diploma				
	25	97,393	191,119	335,345
	30	137,841	259,805	458,981
	45	177,426	332,521	610,889
	55	-	-	615,852
Masters and Doctorate				
	25	114,956	222,039	373,215
	30	193,253	381,453	689,322
	45	277,667	554,331	1,078,285
	55	-	-	1,091,222

It is intended to include summaries of the SATSSA data in the *Quantum Yearbook* for 2018. For more comprehensive and detailed tables please refer to Jaen Beelders of info@analyticohr.com (tel: 061-4104659).

Government budgeting guidelines: A large proportion of accident victims are Government employees. It follows that estimating their earnings is an important aspect of claims assessment. The Government guidelines for budgeting issued June 2016 recommend that salaries be projected at 1% per year above inflation in addition to notch increases; medical aid contributions to be projected at 2½% per year above the rate of inflation; and the housing allowance in line with inflation.

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