



COMMUNITY DEVELOPMENT INITIATIVES INTERNATIONAL NPC

Reg. 2012/201981/08 | PBO 930 041 456 | Tax Ref: available on request
B-BBEE Level 1 | s18A Authorised | www.wemindfoundation.co.za



SmartCommute™ — Commuter Resilience Partnership (CRP)

Protect your workforce before financial pressure becomes operational risk. | Continuously available, per employer

12.7%

**TRANSPORT
INFLATION, YOY**
Stats SA, June 2026

≈-3.6%

**REAL TAKE-HOME
PAY, YOY**
Sustained cost-of-living
pressure

R550–R600

PER EMPLOYEE/MONTH
Fixed Social Ex Gratia Payment,
by Band

7.5%

**CDII ADMIN
FEE**
All-in
administration

s11(a)

**PRIMARY TAX
TREATMENT**
Staff welfare, own
employees

1. WHAT IS SMARTCOMMUTE™?

SmartCommute™ — the Staff Mobility Assistance & Recognition Tool — is the Commuter Resilience Partnership (CRP), a continuously available, independently administered workforce resilience intervention, with a fixed 3-month term for each employer, designed to respond to sustained cost-of-living pressure. It delivers a monthly **Social Ex Gratia Payment** of **R600/R575/R550** per qualifying participant — non-contractual, non-recurring, and structurally distinct from salary at every level.

Cost-of-living context: CPI is running at 5.0% year-on-year and transport inflation at 12.7% year-on-year (Stats SA, June 2026), with real take-home pay down approximately 3.6% year-on-year. This is a sustained, multi-factor pressure — oil and petrol price volatility, exchange-rate movements, general inflation, and elevated bank lending rates — not a single event. This structural pressure persists throughout each employer's SmartCommute™ programme term and beyond.

The programme is administered independently by **Community Development Initiatives International NPC (CDII)** — a registered B-BBEE Level 1 NPC and approved Public Benefit Organisation (PBO 930 041 456; Reg. 2012/201981/08). CDII is the Programme Principal. Participating companies act as Disbursement Agents under the Programme Participation & Master Agreement (PP&MA v1.1).

The programme is not ongoing support. Each employer's participation is a once-off, fixed three-month term from its own start date. Renewal is only by a new written PP&MA amendment — it is not a precedent, a commitment, or an automatically recurring programme.

2. PROGRAMME PARAMETERS

Duration	Continuously available — fixed 3-month term from the employer's own start date, renewable only by a new written agreement
Payment type	"Social Ex Gratia Payment — Staff Welfare Assistance" non-contractual non-recurring ex gratia
SARS code	Code 3601 (ex gratia gross remuneration). PAYE applies. UIF, SDL, COIDA, and benefit funds do NOT apply.
Payment range	R550–R600 per employee per month — fixed by salary Band: Band A: R600 (NMW to R14,180.80/month) Band B: R575 (R14,180.80–R22,466.74/month) Band C: R550 (R22,466.74–R30,752.69/month)

Payroll	Separate pay-run — minimum 5 business days before salary date. Separate payslip line.
Admin fee	7.5% of total monthly disbursement (invoiced by CDII separately)
Sunset	(a) close of the employer's 3-month term, unless renewed by a new written agreement; (b) written notice from CDII following its determination of a material macroeconomic or company-specific change substantiating that circumstances have materially changed.

3. WHO QUALIFIES?

Track 1 — Employer Payroll (Code 3601)

- Permanent employees within a qualifying salary Band
- Employed learners (SDA s17 learnerships)
- Employed interns on fixed-term contracts

Track 2 — CDII Direct Disbursement

- Unemployed learners in registered learnerships
- Stipend-only interns without employment contracts
- CDII disburses directly — no employer payroll involvement

EXCLUDED: Shortlisted recruitment candidates.

Eligibility is verified by CDII before each Disbursement Notice is issued. Band placement is documented on the Employee Acceptance Form (EAF v6.6) and confirmed by CDII.

4. EMPLOYER BENEFITS

PRIMARY — s11(a) Staff Welfare Deduction

Participation for your own employees is generally deductible as staff welfare expenditure under section 11(a) of the Income Tax Act, subject to that section's requirements. It is not an s18A donation and does not earn B-BBEE SED points.

POOLED CONTRIBUTIONS ONLY — s18A or B-BBEE SED: An unrestricted contribution to the Fund's pool, not directed to your own employees and with CDII alone selecting the beneficiaries, may qualify either as an s18A donation (bona fide, within 10% of taxable income; CDII issues a Section 18A Certificate) or as SED spend under Statement 500/605 (at least 75% black beneficiaries) — never both on the same Rand.

Your responsibility: each route has its own eligibility criteria. Please confirm your position with your own tax adviser, B-BBEE Verification Agency and legal adviser.

King V ESG / Social Pillar: Board-governed, fully documented, structured social welfare response. Suitable for integrated reports and ESG disclosure under King V governance principles (effective 1 January 2026).

5. INDICATIVE COST MODEL

Reference: 27 employees at Band A ceiling (R600/month) × 3 months. Individual amounts vary by Band. Verify against your actual numbers and tax position with an independent tax adviser.

Item	Via CDII	Self-funded*
Gross disbursements (27 × R600 × 3 mths)	R48,600	R48,600
CDII administration fee (7.5%)	R3,645	Nil
Payroll admin (3 runs, est.)	R4,740+	R4,740+

s11(a) tax saving at 27% CIT on payments and fee — PRIMARY (own employees)	–R14,106	–R13,122
Effective net cost	~R42,879+	~R40,218+
s18A deduction	Pooled contributions only	Not available
B-BBEE SED (never with s18A)	Pooled contributions only	Not available

Transparency note: The s11(a) deduction is not exclusive to CDII — it is generally available to any employer on a self-funded Code 3601 pay-run. What the CDII structure adds is an independent Programme Principal with documented governance and legal defensibility; s18A or B-BBEE SED can apply only to unrestricted pooled contributions, never both. UIF, SDL, and COIDA do not apply.

6. HOW IT WORKS — STEP BY STEP

Step 1 — Board Resolution. Board or EXCO passes resolution authorising participation. CDII provides template (CRP/BR/2026/001 v7.6).

Step 2 — Sign the PP&MA v1.1. Employer signs the Programme Participation & Master Agreement with CDII. CDII is Programme Principal; employer is Disbursement Agent.

Step 3 — Employee Acceptance Forms. Each qualifying employee completes EAF v6.6 — Band confirmed by employer payroll records, ex gratia acknowledgement. CDII verifies eligibility and confirms individual amounts.

Step 4 — CDII issues Disbursement Notice. Monthly written notice from CDII at least 5 business days before payroll date. Specifies amounts per employee.

Step 5 — Separate pay-run. Code 3601. PAYE only. Separate payslip line. Bank reference: "Social Ex Gratia Payment — Staff Welfare Assistance". Minimum 5 business days before salary.

Step 6 — CDII admin invoice. 7.5% of total disbursement. Monthly, terms agreed in the PP&MA.

7. NEXT STEPS

1. Request your personalised cost estimate: www.wemindfoundation.co.za/smartcommute/calculator/

2. Request the Employer Executive Pack (programme overview, implementation checklist and one-page summary). The Board Resolution template, PP&MA v1.1 and EAF v6.6 follow once you've signed a Letter of Intent.

3. Board or EXCO passes resolution approving participation
4. Sign the Programme Participation & Master Agreement with CDII

5. CDII verifies eligibility; employees complete EAF v6.6

6. CDII issues first Disbursement Notice; first pay-run executed

CONTACT CDII TO PARTICIPATE

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