

KEY EMPLOYER OF RECORD SOUTH AFRICA

Cost Savings Calculator — Methodology Summary

How we calculate the numbers | April 2026

Overview

The Key EOR SA Cost Savings Calculator allows prospective clients to estimate the total annual cost of employing a South African professional through Key EOR SA, and compare it against the equivalent employment cost in their home country.

The calculator covers roles across Technology, Engineering, Finance, Marketing & Sales, and Operations — at four experience levels: Junior, Mid-level, Senior, and Lead / Head of.

It produces three outputs:

- The estimated SA all-in annual employment cost (in ZAR and GBP equivalent)
- The estimated overseas equivalent cost in the client's home currency
- The percentage saving

All salary data, employer cost rates, and exchange rates are based on publicly available market data and are reviewed and updated quarterly. The calculator provides indicative estimates — personalised quotes are available on request.

How We Calculate the South African Cost

The SA all-in annual cost is the sum of all employer-side costs associated with employing a professional in South Africa through Key EOR SA:

SA All-In Cost = Base Salary + Bonus + SDL + UIF + Medical Aid + EOR Management Fee

Cost Component	Rate / Amount	Basis
Base Salary	Market rate (60th–70th percentile)	JHB / CT benchmarks
Annual Bonus	4.17% – 8.33% of base salary	Scales with seniority
Skills Development Levy (SDL)	1% of total remuneration	Skills Development Levies Act, 1999
Unemployment Insurance Fund (UIF)	1% of remuneration (employer share)	Capped at R2,125/year for professional roles
Medical Aid Contribution	R2,500 / month (R30,000 / year)	Standard professional-level cover
EOR Management Fee	Competitive — included in your quote	Covers all employment administration

Base Salary

Figures represent Johannesburg and Cape Town market rates for quality candidates suitable for international companies — benchmarked at approximately the 60th to 70th percentile of the South African market. This reflects the calibre of candidate that international clients require, not the absolute minimum available.

Salaries are segmented by four experience levels to allow meaningful comparison at each career stage.

Annual Bonus

A modest performance bonus is included, reflecting typical market practice for professional roles in South Africa. The bonus scales with seniority:

Experience Level	Bonus (months)	% of Base Salary
Junior (0–2 years)	0.5 months	4.17%
Mid-level (3–5 years)	0.5 months	4.17%
Senior (6–10 years)	0.75 months	6.25%
Lead / Head of (10+ years)	1 month	8.33%

The bonus is included in the total remuneration figure on which SDL is calculated, in line with SARS requirements.

Skills Development Levy (SDL)

SDL is a statutory levy payable by all employers with an annual payroll exceeding R500,000, calculated at 1% of total remuneration (base salary plus bonus). It is paid to SARS and funds the Skills Development Fund under the Skills Development Levies Act 9 of 1999.

Unemployment Insurance Fund (UIF)

The employer contributes 1% of an employee's remuneration to the UIF, capped at the statutory earnings ceiling of R17,712 per month. This means the maximum employer UIF contribution is R177.12 per month — or R2,125 per year. All professional roles in the calculator exceed this ceiling, so UIF is a flat R2,125 per year for every role shown. The legal basis is the Unemployment Insurance Contributions Act 4 of 2002.

Medical Aid Contribution

A standard medical aid contribution of R2,500 per month (R30,000 per year) is included. This reflects an entry-level professional medical plan — for example, Discovery KeyCare, Bonitas BonSave, or Momentum Ingwe. While not a statutory obligation, medical aid is standard practice for professional roles employed through international companies and is included to ensure the estimate reflects a complete and realistic employment package.

EOR Management Fee

The EOR management fee covers the full scope of Key EOR SA's employment administration services, including:

- Employment contracts and statutory documentation
- Monthly payroll processing and SARS submissions
- Leave management and statutory compliance
- Ongoing HR support
- CCMA representation if required

The fee is calculated as a percentage of the employee's base salary and is included in your personalised quote. It is not displayed in the public calculator to ensure each client receives a quote tailored to their specific requirements and volume.

To receive a full itemised cost breakdown including the EOR management fee, please request a personalised quote via the Key EOR SA website.

How We Calculate the Overseas Equivalent Cost

The overseas cost formula applies a country-specific employer cost multiplier to the local market salary for the equivalent role:

$$\text{Overseas Cost} = \text{Local Base Salary} \times (1 + \text{Employer Cost \%})$$

Overseas salary figures represent national averages for each country, excluding premium city loadings (London, New York, Amsterdam city centre, etc.), to provide a fair like-for-like comparison. The employer cost percentages reflect statutory obligations in each jurisdiction as at the 2026 tax year:

Country	Employer Cost Components	Total % Applied
United Kingdom	National Insurance (15% above £5k) + auto-enrolment pension (3%)	~18%
Germany	Employer social contributions (approx. 20%)	~21%
Netherlands	Social insurance contributions (18– 22%)	~20%
France	Patronales / employer social charges (~25%)	~25%
Australia	Superannuation guarantee (11.5%)	~11.5%
United States	FICA — Social Security + Medicare (~7.65%)	~8%
Canada	CPP + EI employer contributions (~10%)	~10%

Overseas Salary Data Sources

Salary benchmarks for each country are drawn from multiple sources and cross-referenced for accuracy:

- United Kingdom: PayScale UK, Glassdoor UK, Indeed UK, Bristow Holland salary reports (2025–2026)
- Germany: Glassdoor DE, PayScale DE, StepStone, Optima Europe 2026 benchmarks
- Netherlands: Glassdoor NL, PayScale NL, government salary statistics
- France: Glassdoor FR, PayScale FR, INSEE salary data
- Australia: Glassdoor AU, PayScale AU, Seek salary data
- United States: Glassdoor US, PayScale US, Indeed US, Bureau of Labor Statistics (BLS)
- Canada: Glassdoor CA, PayScale CA, Indeed CA, Statistics Canada

Exchange Rates

All ZAR figures are converted to GBP for display purposes, using the following rates as at April 2026. All other currencies are first converted to GBP via their respective cross-rates:

Currency Pair	Rate Used	Source
GBP / ZAR	R22.00	Investing.com (Apr 2026)
EUR → GBP	0.87	ECB reference rates (Apr 2026)
USD → GBP	0.758	NBC / MUFG data (Apr 2026)
AUD → GBP	0.523	RBC / NBC data (Apr 2026)
CAD → GBP	0.546	Bank of Canada (Apr 2026)

Exchange rates are reviewed monthly and updated if any rate has moved more than 3% from the stored value. Rates are sourced from Investing.com, the ECB, and major bank FX publications.

South African Salary Data Sources

SA salary figures are benchmarked against the following sources, reviewed quarterly (January, April, July, October). Any role where the market median has shifted by more than 5% is updated:

- PayScale (payscale.com/research/ZA) — salary surveys with hundreds of self-reported data points per role
- Glassdoor (glassdoor.com/Salaries) — anonymously submitted salaries, weighted to Johannesburg and Cape Town
- Indeed (za.indeed.com/career) — salary data from live job postings, updated February–March 2026
- Jobted (jobted.co.za/salary) — actual salary offerings from job vacancies over the trailing 12 months
- ERI SalaryExpert (salaryexpert.com) — employer salary surveys and total compensation data
- OfferZen (offerzen.com/blog) — South Africa's largest tech talent marketplace, with career-stage progression data

Senior finance and accounting salaries are additionally cross-checked against real-world data within the Key Recruitment Group network, including actual starting salaries reported by newly qualified professionals and recruitment consultants.

What the Calculator Does Not Include

The calculator is designed to give a clear and honest picture of the core recurring employment costs. The following items are not included in the calculator total, but can be quoted separately:

- Recruitment fee — only applicable when Key EOR SA's in-house recruitment service is used; amortised over 12 months if included
- Pension / retirement fund — not a standard inclusion; quoted separately if required
- Equipment and laptop costs — one-off or periodic; quoted separately
- South African VAT (15%) — a pass-through cost on the invoice, not an employment cost

Key EOR SA provides personalised, itemised quotes that include any of the above where relevant to your specific requirements.

Disclaimer

The calculator provides indicative estimates based on publicly available market data and real-world verification. Actual costs will vary based on role specifics, candidate profile, agreed benefits package, and exchange rates at the time of engagement.

The calculator is not a quote. Key EOR SA provides personalised, itemised quotes on request. To receive a full cost breakdown for your specific requirements, please contact us via keyemployerofrecordsa.com.