

# Medico-legal Reports

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Making sense  
of earnings data

excellence | efficiency | expertise

**munro**  
forensic | actuaries





Charl du Plessis



# Agenda

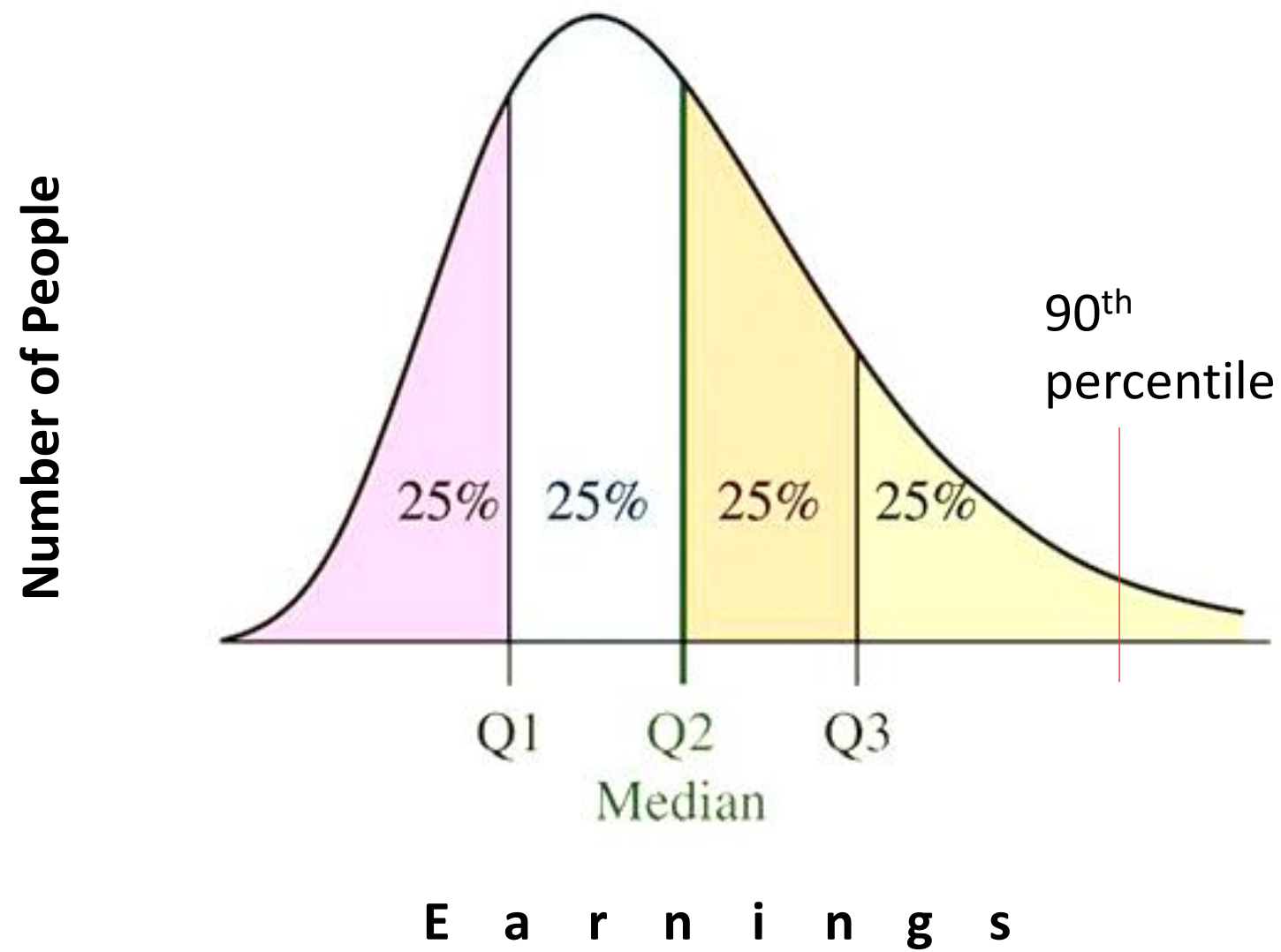
- 1. Basic statistics in remuneration data
- 2. Impact of using different data sets
- 3. Earnings data required to calculate claims



“We strive to provide our clients with precise, relevant and actionable solutions of the same quality and in the same manner as we demand to receive from others when we are the client.”

# 1 Basic Statistics

## Example earnings distribution



## 2 Impact of using different data sets

### Paterson comparison

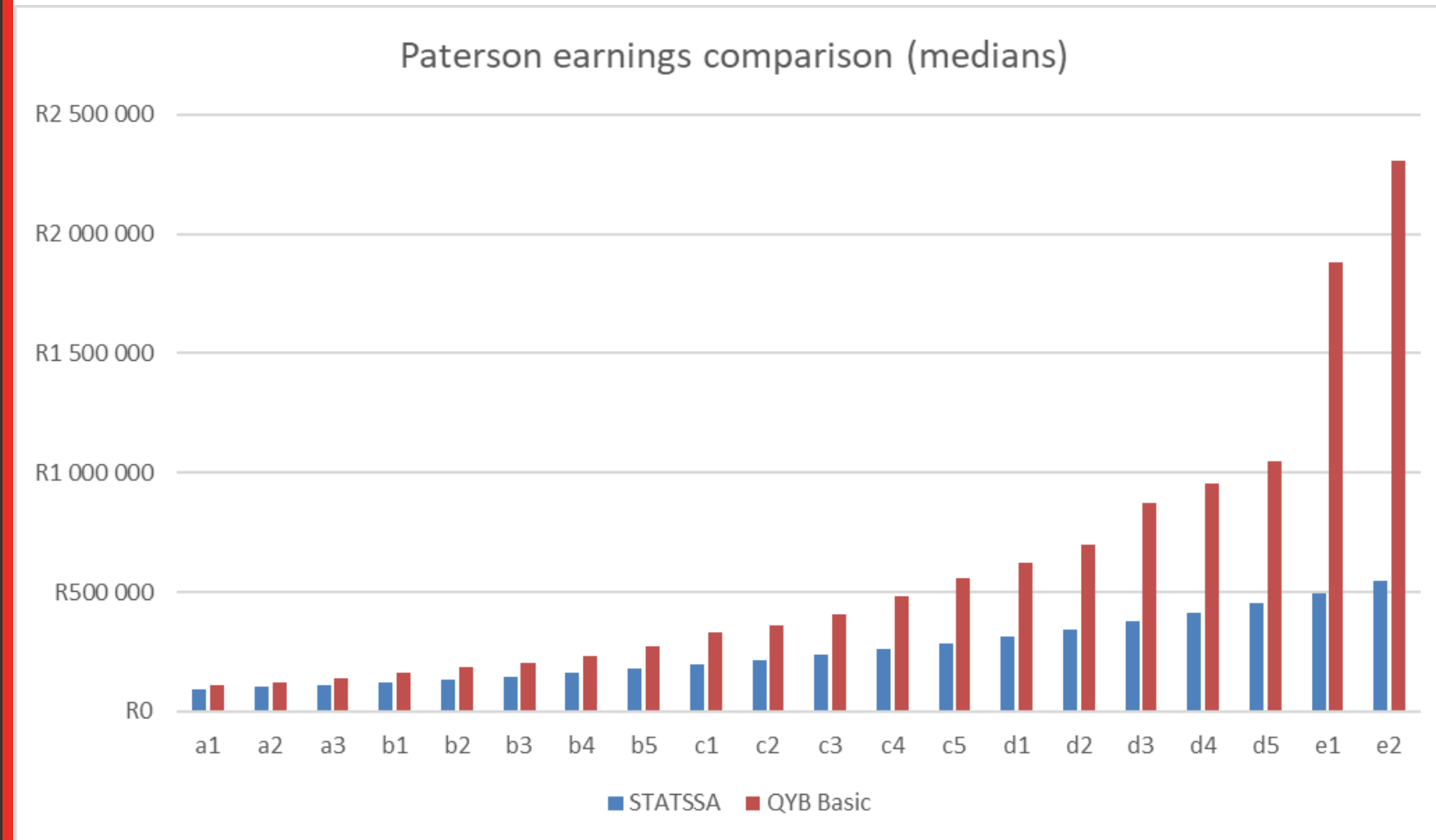
## Earnings as % of QYB Basic salaries

| Grade | STATSSA   | QYB Basic   | QYB Total   | STATSSA | QYB Basic | QYB Total |
|-------|-----------|-------------|-------------|---------|-----------|-----------|
| A1    | R 92 000  | R 107 000   | R 137 000   | 86%     | 100%      | 128%      |
| B1    | R 123 000 | R 162 000   | R 211 000   | 76%     | 100%      | 130%      |
| C1    | R 195 000 | R 330 000   | R 442 000   | 59%     | 100%      | 134%      |
| D1    | R 312 000 | R 621 000   | R 912 000   | 50%     | 100%      | 147%      |
| E1    | R 496 000 | R 1 879 000 | R 2 619 000 | 26%     | 100%      | 139%      |

## 2 Impact of using different data sets

### Paterson comparison

# STATSSA vs QYB Basic salaries- graph



## 2 Impact of using different data sets

### NQF to Paterson model

# Commonly used careers by education

| Qualification Level       | Entry Level | Ultimate Level |
|---------------------------|-------------|----------------|
| Grade 10 (NQF level 2)    | A1          | B1             |
| Grade 11 (NQF level 3)    | A2          | B3             |
| Grade 12 (NQF level 4)    | A3          | B3/4           |
| Certificate (NQF level 5) | B3          | C1/2           |
| Diploma (NQF level 6)     | B4          | C3/4           |
| Degree (NQF level 7)      | B4/C1       | D1+            |

## 2 Impact of using different data sets

### STATSSA earnings by age & level of education

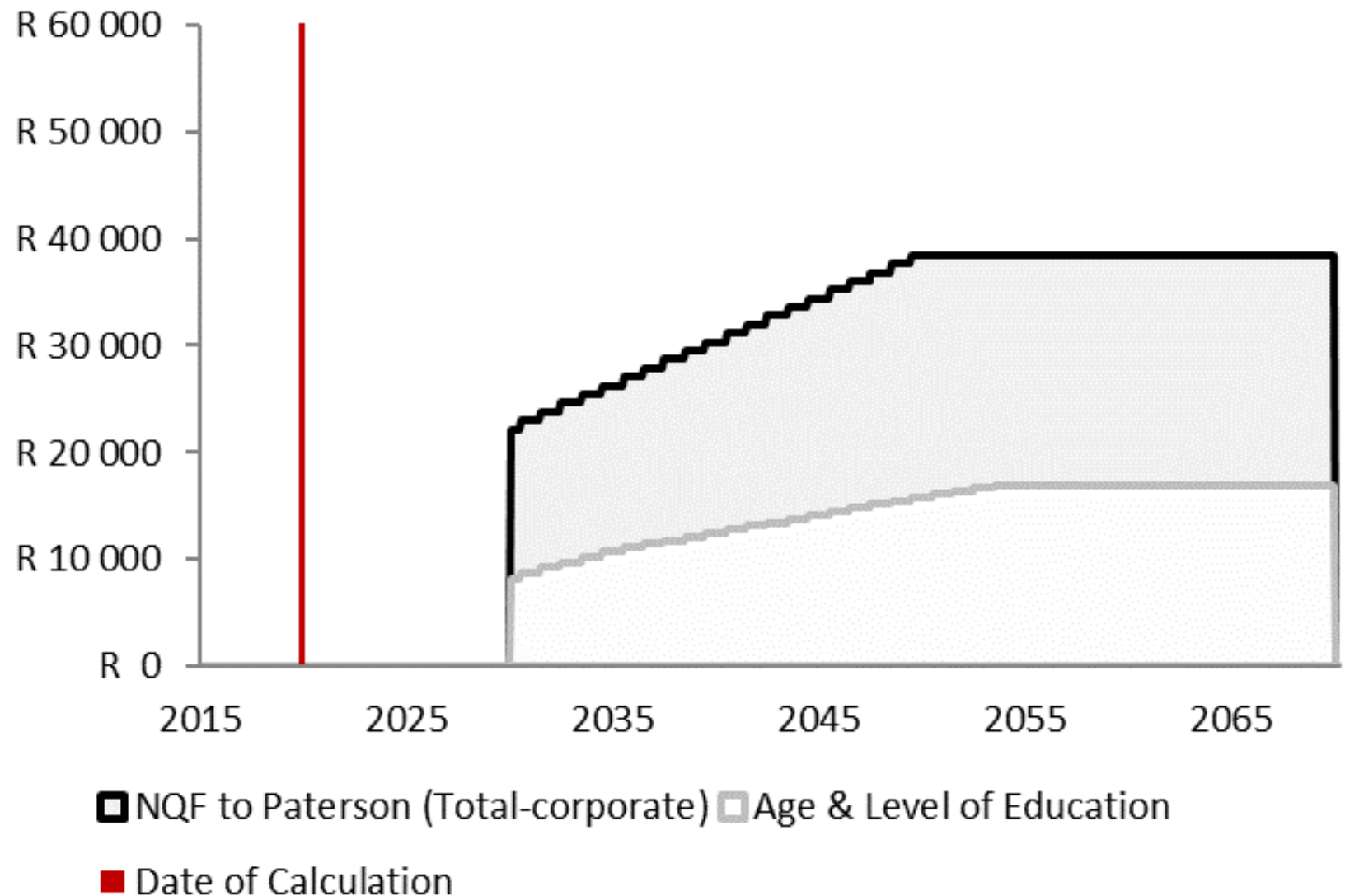
## STATSSA earnings by level of education

| Level of Education        | Age | Formal Sectors |         |           |              |
|---------------------------|-----|----------------|---------|-----------|--------------|
|                           |     | Lower / 25th   |         | Median    | Upper / 75th |
| Less than Grade 12        | 20  | R              | 17 000  | R 26 000  | R 43 000     |
|                           | 25  | R              | 19 000  | R 32 000  | R 55 000     |
|                           | 45  | R              | 23 000  | R 45 000  | R 90 000     |
|                           | 55  | R              | 24 000  | R 49 000  | R 104 000    |
| Grade 12                  | 20  | R              | 23 000  | R 40 000  | R 76 000     |
|                           | 25  | R              | 29 000  | R 56 000  | R 113 000    |
|                           | 45  | R              | 59 000  | R 127 000 | R 258 000    |
|                           | 55  | R              | 76 000  | R 165 000 | R 331 000    |
| Grade 12 with Certificate | 25  | R              | 46 000  | R 95 000  | R 175 000    |
|                           | 30  | R              | 58 000  | R 123 000 | R 225 000    |
|                           | 45  | R              | 95 000  | R 182 000 | R 333 000    |
|                           | 49  | R              | 106 000 | R 194 000 | R 354 000    |
| Bachelors Degree          | 25  | R              | 120 000 | R 220 000 | R 374 000    |
|                           | 30  | R              | 160 000 | R 292 000 | R 502 000    |
|                           | 45  | R              | 209 000 | R 374 000 | R 674 000    |
|                           | 49  |                |         |           | R 685 000    |

## 2 Impact of using different data sets

### Illustration of career: Certificate (NQF 5)

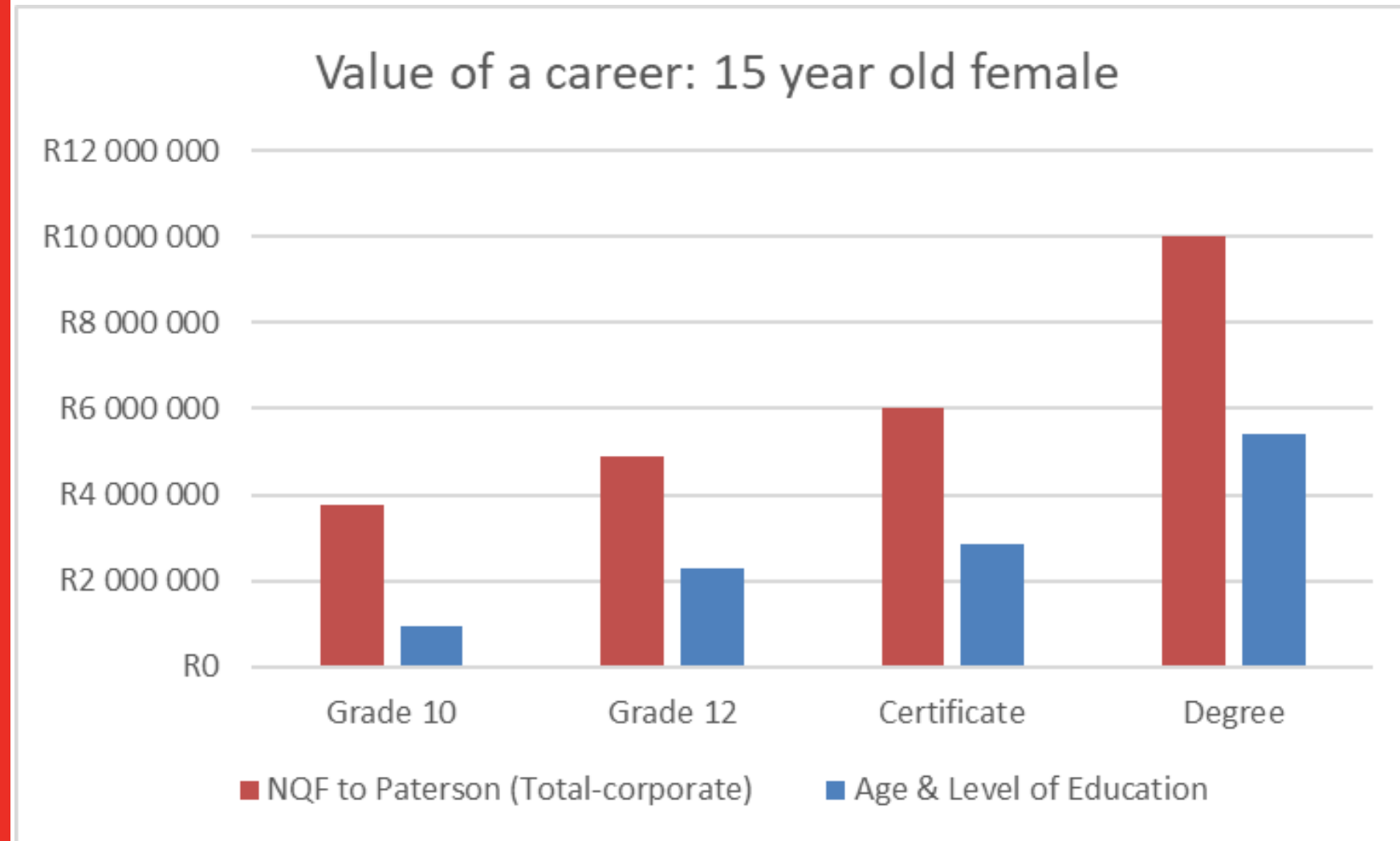
## Certificate: Earnings in current terms



## 2 Impact of using different data sets

### Value of career comparison

# Value of a career by level of education



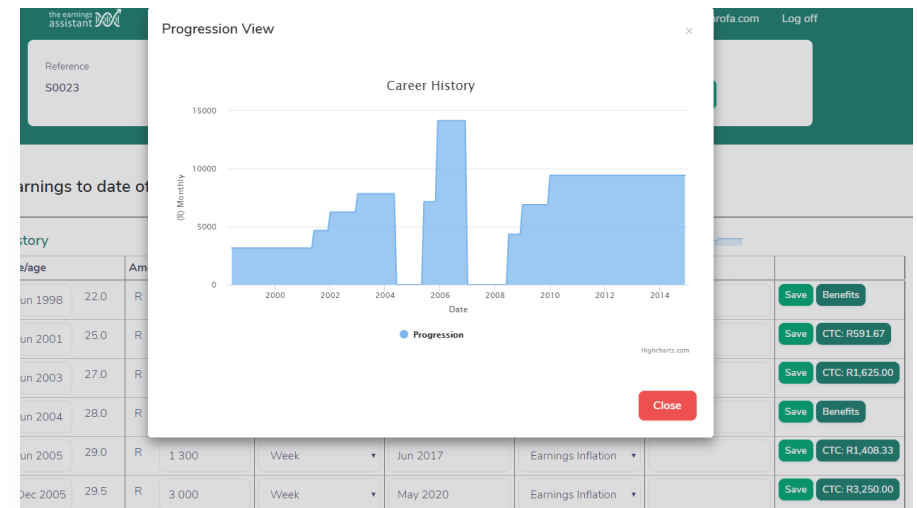
# The Earnings Assistant



## What is it?

A free-to-use online platform that enables IOP's to easily convert the narrative of a case into a logical basis for calculation. It allows for the accurate comparison of different income streams and fringe benefits from various monetary periods and provides a concise visual summary of the findings - acting as a 'logic-check'.

There is also a printable summary that can be attached to the final medico-legal report and used by the Actuary to quantify.



<https://tea.munrofa.com/>

## 3 Earnings data required to calculate claims

# The Earnings Assistant: Uninjured table

What would have happened ignoring the accident (Date of accident to retirement at age 65) ⓘ

Change retirement age 65

## Uninjured Income

|  | Date/age    |      | Amount |         | Frequency | Terms    | Increases            | Comment               |                          |
|--|-------------|------|--------|---------|-----------|----------|----------------------|-----------------------|--------------------------|
|  | 13 Apr 2015 | 28.8 | R      | 165 000 | Year ▼    | May 2015 | Earnings Inflation ▼ | Actual Earnings (pay: | Save<br>CTC: R238,750.00 |
|  | 24 Jun 2021 | 35.0 | R      | 27 000  | Month ▼   | May 2020 | Straight line ▼      | Manager (benefits ad  | Save<br>CTC: R38,300.00  |
|  | 24 Jun 2031 | 45.0 | R      | 670 000 | Year ▼    | May 2020 | Earnings Inflation ▼ | Paterson C4 (Med; Tc  | Save Benefits            |

Add another line

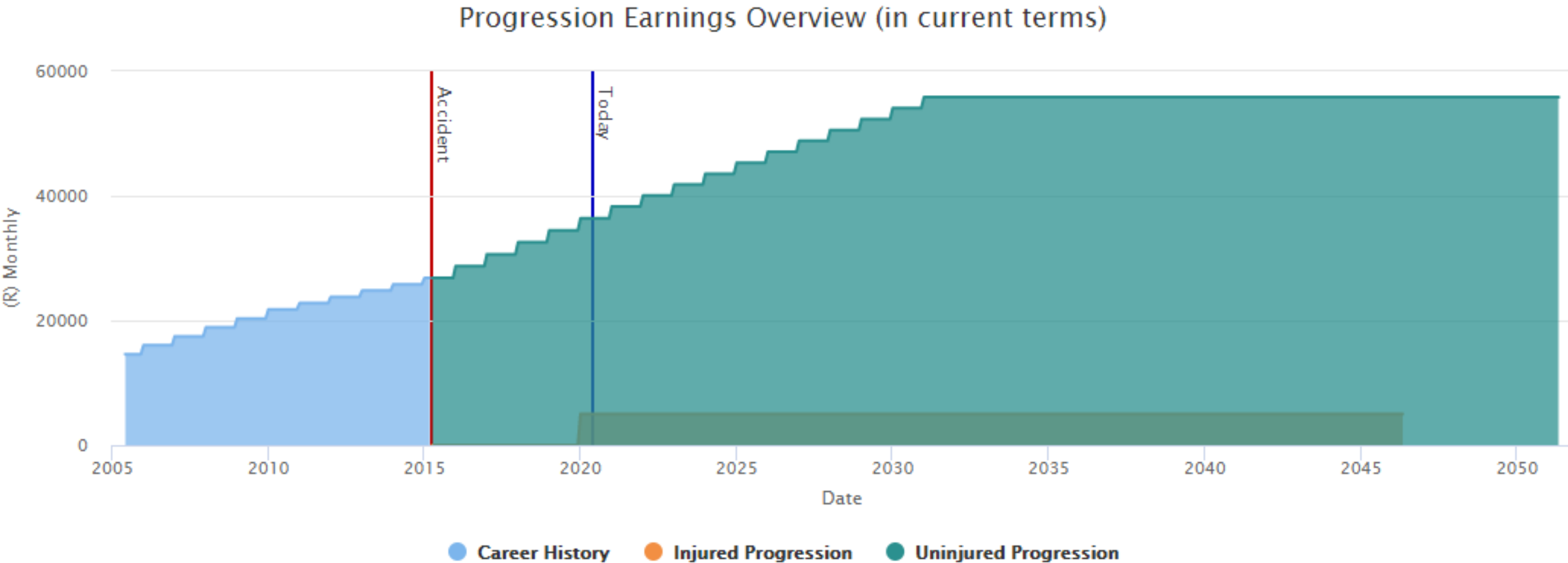
## 3 Earnings data required to calculate claims

# The Earnings Assistant: Fringe benefits

|                                        |                                      |                                          |                                      |
|----------------------------------------|--------------------------------------|------------------------------------------|--------------------------------------|
| Total CTC                              |                                      | R38,300.00                               |                                      |
| 13th Cheque                            | <input type="radio"/> No             | <input checked="" type="radio"/> Yes     |                                      |
| Retirement Contributions Employee (EE) | <input type="radio"/> None           | <input checked="" type="radio"/> Pension | <input type="radio"/> Provident      |
| R                                      | <input type="text" value="2025.00"/> | or                                       | <input type="text" value="7.5"/> %   |
|                                        |                                      | R                                        | <input type="text" value="2700.00"/> |
|                                        |                                      | or                                       | <input type="text" value="10"/> %    |
| Overtime % of basic (taxable)          | <input type="radio"/> No             | <input checked="" type="radio"/> Yes     |                                      |
|                                        | R                                    | <input type="text" value="1350.00"/>     | or                                   |
|                                        |                                      | <input type="text" value="5"/> %         | of R27000                            |
| Allowances                             | <input type="radio"/> No             | <input checked="" type="radio"/> Yes     |                                      |
|                                        | R                                    | <input type="text" value="5000"/>        |                                      |

## 3 Earnings data required to calculate claims

# The Earnings Assistant: Graph



## 3 Earnings data required to calculate claims

# Paterson Model: Common issues

## **IOP career progression description**

“The claimant was a Constable at the time of the accident, and would have been promoted to Warrant Officer (B1) at age 45, earnings Paterson C5, with only inflationary increases thereafter.”

## **Government SAPS career progression description**

From Constable you are promoted to Sergeant, then Warrant Officer. Promotion is to the first notch, with subsequent notch progressions every 3 years until the top notch in the salary band.



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**Thank you!**