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Should you require any further information on any of these topics, please contact us at info@hrtorque.co.za.

1) SARS launches new USSD service

Author: Nowicki and Associates (www.nowhr.co.za)

The South African Revenue Service (SARS) has recently launched a new USSD service, enabling taxpayers to easily manage their tax matters from an 'older model' mobile phone.

With this new initiative, SARS provides an additional channel for taxpayers to access SARS services and stay on top of their tax obligations.

How does it work?

The new USSD service makes it easy for taxpayers to communicate with SARS without having to own a smartphone or visit a SARS branch. All you need is a basic feature phone with a dial function, and you will be able to use the code * 134 * 7277 # to interact with SARS.

After entering the code, taxpayers will be presented with four menu options:

1. To check if they have a tax number
2. To get their account balance
3. To check if they need to submit a tax return
4. To make an e-booking to visit a branch

These options provide taxpayers with an easy way to keep track of their accounts and ensure that all their tax filings are up to date. It also allows taxpayers to book appointments at any SARS branch in South Africa if they need further assistance or more information about their accounts or returns. The USSD service is free and does not require any data.

Why the need for such a service?

Not all taxpayers have access to the same resources, which is why SARS has launched this additional channel for those taxpayers who may not have access to eFiling, the SARS MobiApp, or even own a smartphone.

The USSD service is available from the 20th March 2023. Whether you are checking your account balance or making an appointment at one of the SARS branches, everything has now become a lot easier!

HRTorQue has created a handy PDF to help you when using the USSD platform, which you can [view here](#).

2) Apply now for your income tax number

Author: Dave Beattie

"My employees don't need an income tax number as they earn below the tax threshold and do not pay tax."

This is a statement we often hear in the payroll environment. The most recent SARS business requirements specifications (BRS) however clearly states that an income tax number for EVERY employee is mandatory. This means that IRP 5 submissions to SARS are rejected if all employees do not have income tax numbers. Such rejections cause bottlenecks for us and could result in the client's IRP 5 disk not being accepted by the 31 May deadline.

A late submission carries a 10% penalty calculated on the total PAYE liability for the year. This would be a disaster for any company, particularly considering the fact that such income tax numbers can be obtained electronically by registered tax practitioners at a low cost. It also means that employees are not required to visit SARS to hand in manual applications, thereby saving time and effort and improving productivity.

HRTorQue Outsourcing can assist you with the registration of your employees for income tax purposes, managing the process from start to finish. Our consultants will obtain the employee's personal information from your payroll administrator and complete the necessary applications. The turnaround time for this process is 24 hours and the cost per application is R 150 plus VAT*. A volume discount will be negotiated in cases where there are more than 20 applications at a time.

Should you need assistance in this regard please do not hesitate to contact Dave Beattie on 031 582 7410 or dave@hrtorque.co.za.

***Prices valid as at April 2023**

3) System spotlight: Sage Business Cloud Payroll Professional

Author: Jonathon Aitken

Sage Business Cloud Payroll Professional is a fully cloud-based payroll system designed for companies who want a flexible payroll and HR solution able to cater for all their needs.

sage Sage Payroll Professional
Certified Consultant

2022

HRTorQue is a certified Sage business partner. Our deep knowledge of the system combined with our practical HR and payroll skills make us the perfect partner to help you with your Sage Business Cloud Payroll Professional implementation and support. Give us a call today to see how we can save you money and de-risk your Sage Business Cloud Payroll Professional experience.

We are also certified business partners for Sage 300 People Payroll, PaySpace and Xero. In addition, we can assist in the setting up and support of Sage Premier / Sage VIP, Quickbooks, Pastel Payroll, Pastel Accounting, SARS eFiling, and the Department of Labour uFiling.

[Contact](#) HRTorQue to find out how we can help you with your HR, payroll or accounting system implementation, training and support.

4) Things to take note of this April

Author: Candice Zulu

1. The South African 2023 tax year-end submission is fast approaching, so make sure all your HR, payroll and tax departments are in order and meeting the requirements for this frantic period. We are always available to assist with any compliancy queries - view our tax year-end submission checklist [here](#) that we send out to our payroll clients, which includes all statutory requirement reminders.
2. Skills development levy (SDL) is upon us - a reminder that submissions are to be done by April. We have a great [article](#) written by our head of HR, Nicky Hardwick, which takes you through frequently asked SDL questions. Alternatively, view our SDL services [here](#) or [contact](#) our HR department for more information.
3. The Return of Earnings (ROE) submission to the Department of Labour has now been extended from the 1st April 2023 to the 31st May 2023. Employers are encouraged to meet this deadline in order to avoid penalties. View our COIDA fact sheet together with our pricing [here](#).
4. Reserve Bank raised the repo rate by 50 basis points with effect from the 30th March 2023. This increase of 0.50% will now bring the repo rate to 7.75%. The prime lending rate of commercial banks will increase to 11.25%.

The SARS "official rate of interest" is defined in section 1(1) of the Income Tax Act 58 of 1962 (the Act). Where a loan is obtained by an employee from his or her employer in terms of which no interest is payable or where the interest payable is less than the 'official rate of interest', the difference between the amount which would have been payable if the loan was granted at the official rate and the amount actually paid by the employee, is taxed as a fringe benefit. This 'official rate of interest' is the rate of interest that is equal to the repo rate, plus 100 basis points (1%). This rate will therefore be adjusted to 8.75% as of the 1st April 2023.

5. HRTorQue hosts weekly, online, HR-focused mini workshops, covering a variety of topics to assist and guide your managers to perform more optimally in their positions. View the [list of trainings available](#) or [email us](#) for more information.

5) Encouraging employee performance

Author: Karen van den Bergh

Together with job profiles and key performance areas, employees need to know when they are performing well and when they are not.

Effective managers assist in clarifying expectations and provide clear, timeous communication relating to the employee's work structure and priority of tasks.

They hold employees responsible and accountable for their input and output, and make themselves available to assist the employee with their questions. They also ensure ongoing support and regular feedback.

After setting expectations, effective managers do not walk away hoping that the task will 'just be done'. Regular measurement and feedback are essential. This employee engagement plays a crucial role in supporting company growth.

What is responsibility and accountability?

The responsible person is the individual who completes the task and is the person responsible for action / implementation. Responsibility can be shared. The degree of responsibility is determined by the individual with the

'accountability'.

This is the person who is ultimately answerable for the activity or decision.

The main difference between responsibility and accountability is that responsibility can be shared while accountability cannot. Being accountable not only means being responsible for something but also ultimately being answerable for your actions. Also, accountability is something you hold a person to only after a task is done or not done. Responsibility can be before and/or after a task.

We offer a range of services aimed at optimising the performance of your employees. To find out how we can help support you email us on info@hrtorque.co.za.

6) Independent contractors... employers beware

Author: Karen van den Bergh

A common error made by HR departments is to assume that independent contractors are truly independent and that no PAYE needs to be deducted from payments made to these individuals. This often happens because the individuals in question previously worked for the organisation, have slipped into a consultants role (usually on retirement), and HR haven't had the time to check whether they are truly independent both initially and on an ongoing basis. HR should be aware however that if they are audited by SARS, any independent contractors will be reviewed and if they are not independent then SARS will require the employer to deduct PAYE (penalties and interest for historic non-payment would also apply).

Independent contractors earn income for the services they render, and SARS made changes to the Fourth Schedule of the Income Tax Act in 2000 to bring these individuals into the PAYE net if certain criteria are satisfied (please see Interpretation Notes 17 and 35) to protect the fiscus as far as possible. Note, that while labour law Independent contractors are not necessarily employees for UIF (as the definition is linked to labour law), they may very well be for PAYE purposes.

Simply, in terms of interpretation note 17, a statutory test is first carried out to see whether an independent contractor is actually independent and thereafter a common law test is applied.

Statutory test

This test has two parts and the second part takes preference:

1. If part one is positive then the person is deemed not to be carrying on an independent trade and therefore any earnings are remuneration and PAYE should be deducted. The first test has two sub-parts both of which need to apply for the person not to be independent:

- a) The first element is that the services or duties are required to be performed mainly (which is a quantitative measure of more than 50%) at the premises of the client; and
- b) The second element of the test is whether the worker is subject to the:
 1. Control of any other person as to the manner that the worker's duties are or will be performed, or as to the hours of work; or
 2. Supervision of any other person as to the manner that the worker's duties are or will be performed, or as to the hours of work

Second test

A person who employs three or more full-time employees, who are not connected persons in relation to him or her and are engaged in his or her business throughout the particular year of assessment, is deemed to be carrying on a trade independently.

So, if a person meets the second part then they will be an independent contractor even if they fail the first test.

Common law tests

Assuming the statutory tests are not applicable then the common law test can be applied to see whether the person is independent. These tests are not a checklist and hence are not conclusive. They rely on the definition of an employee in section 200A of the Labour Relation Act. If the person is an employee per these definitions then payments made to them should be treated as remuneration and PAYE should be deducted.

Until the contrary is proved, a person who works for or renders services to any other person, is presumed, regardless of the form of the contract, to be an employee, if any one or more of the following factors are present:

- The way the person works is subject to the control or direction of another person
- The person's hours of work are subject to the control or direction of another person
- In the case of a person who works for an organisation, the person forms part of that organisation
- The person has worked for that other person for an average of at least 40 hours per month over the last three months
- The person is economically dependent on the other person for whom he or she works or renders services
- The person is provided with tools of trade or work equipment by the other person
- The person only works for or renders services to one person.

Should you need assistance with this or any other independent contractor process, please contact our Legislative Compliance Manager, Dave, on dave@hrtorque.co.za

7) HRTorQue Outsourcing achieves Level 3 B-BBEE status

Author: Candice Zulu

HRTorQue is excited to announce that we have achieved a Level 3 Broad-Based Black Economic Empowerment (B-BBEE) status. This significant achievement is testament to our unwavering commitment to transformation and empowerment in South Africa.

We understand the importance of a diverse and inclusive workplace, and believe that every person deserves equal opportunities and respect, regardless of their race, gender or background. We are proud to have taken significant steps to advance our B-BBEE rating, which reflects our dedication to fostering a sustainable and equal society.

As a provider of outsourced solutions in the workplace, we help companies of all sizes to improve their efficiency and professionalism in dealing with their employees. Our suite of services includes outsourced payroll processing and HR administration, a full suite of HR services, and finance admin and accountancy support. We are committed to providing the highest quality of services to all our clients, regardless of their size or industry.

It is our aim to not only become a leader in our industry, but to lead by example too. Our Level 3 rating is an important step towards achieving these goals.

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