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

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1) Reconsideration of the postponement of the effective date of the two-pot (component) retirement system

Author: David Beattie

The National Assembly's Standing Committee on Finance has rejected the proposal to move the implementation date of the two-pot retirement system to the 1st March 2025, and has insisted on an implementation date of the 1st March this year. When the committee met on the 25th October last year, National Treasury proposed moving the implementation date out by a year following calls from the retirement industry that it needed more time to put revised systems in place for the new legislation.

Treasury has repeated the reasons for moving the date. These include the extensive work required by the industry to establish and test the systems and procedures required to implement the two-pot system, which will enable fund members to make one withdrawal annually from their retirement pots. Working based on draft legislation is risky as amendments could be made at any time and that would require more costly system changes. Companies dare not sit back and wait for legislative certainty though, as that would mean scrambling to be ready for the original March 2024 date. Another factor is that the rules of the various funds need to be amended and sent to the Financial Sector Conduct Authority for review and approval. This process is going to take time due to the volume of changes that will need to be submitted.

The South African Revenue Services also needs time to put systems in place for the two-pot system. If SARS cannot process the transactions effectively it will cause a logjam in the whole system.

Treasury believes the initial timeline is overly ambitious and a rushed implementation could result in challenges that would be detrimental to members.

The proposed change did not go down well with the majority of MPs and the general consensus was that the implementation date must remain the 1st March 2024. On the 4th December though, Treasury and Parliament's Standing Committee on Finance reached a compromise, with a new proposed starting date of the 1st September 2024. Finance Minister, Enoch Godongwana proposed this date as a compromise as it will allow for the retirement industry to be better prepared to manage the new system.

It was not surprising to note that MPs accepted National Treasury's proposal to raise the cap on the seeding amount by R5 000 to R30 000. This means that each retirement fund must transfer 10%, but no more than R30 000, of the value of a member's savings on the 29th February 2024 (will this now become the 31st August 2024 one wonders?) from their vested component to their savings component. The purpose of seeding is so that members will have money in their savings pot that can be withdrawn immediately when the system is implemented.

It is also important to note that National Treasury has accepted the industry's proposal that provident fund members who were 55 years and older on the 1st March 2021 will, by default, be excluded from the two-pot regime, and must explicitly choose to opt in. This is a reversal of the position in the draft legislation, which is that provident fund members who were 55 or older on the 1st March 2021 are automatically included in the two-pot system, unless they choose to opt out.

While MPs are pushing for retirement fund members to have access to this savings pot component, it is important to understand the impact that such withdrawals will have on the investment value of the fund at retirement.

Accessing a savings withdrawal benefit at any time prior to retirement may have a far bigger impact than the member realises. Younger employees often think they can easily catch up on the amount withdrawn, but do not realise that preserving the investment means that they benefit from the power of compounding. Compounding is essentially earning returns on previous returns, over and above the amounts that the member contributes.

It is important though to not lose sight of the fact that this legislation is being proposed so that members can access the savings component in cases where they do not have an emergency fund. The important concept that members will need to get their heads around is the term 'emergency funds'. Is accessing these emergency funds of such critical importance that the member is willing to forgo the benefits of retaining previously invested funds and enjoying the benefits of compound growth?

Before making such a decision members should consider the following questions:

1. Does the member really need the withdrawal amount to pay for something important? If yes, do they need the full amount or could they reduce it?
2. What is the marginal tax rate of the member likely to be in the year of the withdrawal and how might the withdrawal impact the member's overall tax liability?
3. How much tax is the member likely to pay on the withdrawal itself?
4. How is the withdrawal likely to impact the member's long-term savings to retirement?

There is a general concern that members of funds will be accessing these savings to fund general day to day living expenses, and not treating it as an emergency source of funds as was originally intended. Staying the course and not accessing these funds will have a significant impact on the amount of money that the member will have to provide as an income on retirement. Whether members will apply their minds to these factors when deciding on a course of action is a concern at this point.

We will keep you updated on the latest developments regarding the two-pot system roll-out.

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2) What is proactive HR?

Author: Jenny Dowlath

Proactive HR refers to a strategic approach where HR professionals actively anticipate and address potential issues within an organisation before they escalate into significant problems. Instead of merely reacting to events as they occur, proactive HR involves the use of various tools and strategies to identify and manage potential HR issues early on. At HRTorQue, our team of skilled consultants can actively manage and anticipate HR challenges in the following ways:

1. Data analysis and employee management

We proactively use data analysis tools to identify potential areas of concern within the workforce. This could include identifying employees who are disillusioned, disengaged, or might pose potential issues, by analysing leave patterns and by using data tools and kpi's to monitor performance. We collaborate with local management which is crucial to proactively address and manage these situations before they escalate.

2. Documentation and compliance

A key pillar of proactive HR is ensuring that organisations have the right documentation in place. Our HR consultants are well equipped to follow proper processes with employees, maintaining accurate records and

ensuring fairness in dealings with employees. This proactive approach to compliance not only helps in legal matters but also reduces the need for senior management involvement.

3. Communication improvement

Recognising that a lack of communication can lead to employee disengagement and conflict, proactive HR focuses on enhancing communication within an organisation. Our knowledgeable team use various tools and strategies which are applied to improve HR communication, making HR more visible to all employees. Effective communication helps identify and address potential issues before they become significant problems.

4. Performance improvement

Proactive HR also aims to improve overall organisational performance by identifying and coaching local managers. Our seasoned consultants are experienced in implementing, activating and administering performance management, thereby supporting employees and local management. In this way, HR contributes to enhancing the performance of the entire organisation.

In addition, proactive HR is cost-effective in the long run, as it reduces the need for senior management involvement in resolving escalated issues.

By addressing potential problems early on, HR can demonstrate its value to senior management and contribute to a more efficient and productive workplace. Let HRTorQue [help you today.](#)

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3) Managing incapacity: Subjecting an employee to a medical examination

Author: Jenny Dowlath

In the realm of human resource management, addressing employee incapacity is a delicate yet crucial aspect of fostering a healthy and productive workplace. Legislation such as the Labour Relations Act and the Employment Equity Act provides guidelines for employers, emphasising the need for a proactive and legally compliant approach.

Understanding the Labour Relations Act

The Labour Relations Act places a responsibility on employers to thoroughly investigate the extent of ill health or injury when an employee is temporarily unable to work. Moreover, the cause of incapacity becomes relevant if a decision is made to dismiss the employee. For certain conditions like alcoholism and drug abuse, the Act recommends considering counselling and rehabilitation as constructive measures.

Insights from the Employment Equity Act

The Employment Equity Act adds another layer to the process, asserting that it is not unfair discrimination to distinguish, exclude, or prefer any person based on the inherent requirements of the job. However, testing employees for medical reasons is strictly prohibited unless it is justifiable in light of medical facts, employment conditions, or the inherent requirements of the job.

Defining inherent job requirements

The concept of inherent job requirements becomes pivotal in the process. Establishing clear person/job specifications outlining these inherent requirements is vital when referring employees for medical assessments. This not only ensures objectivity in the investigation but also aligns with the principles of the Employment Equity Act.

Employee perception and policy importance

Despite legal frameworks, employees often perceive medical interventions as disciplinary measures, leading to misunderstandings. To navigate this, organisations must craft clear policies related to incapacity management. Such

policies should encompass relevant legislative provisions and explicitly state that employees may be required to undergo medical assessments to confirm the duration and extent of their incapacity.

Communication as a cornerstone

Transparent communication is paramount in addressing employee concerns and dispelling misconceptions. Clearly articulating the purpose and nature of medical assessments helps employees understand that such interventions are not punitive but rather a proactive step to supporting their well-being and the overall efficiency of the company.

In managing employee incapacity, a holistic approach that combines legal compliance, clear policies and effective communication is essential. Our team of experienced HR consultants ensure our clients adhere to the Labour Relations Act and the Employment Equity Act, fostering an environment of understanding and support and ensuring organisations navigate the complexities of incapacity management while promoting a culture of respect and fairness. [Contact](#) our HR department today to see how we can help you.

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4) Streamlining your business with HRTorQue: Navigating CCMA claims and enhancing HR practices

Author: Jenny Dowlath

Running a business comes with numerous challenges, and dealing with employee claims through the CCMA (Commission for Conciliation, Mediation, and Arbitration) can be a daunting task, especially for employers without internal expertise. The stress intensifies when legal representation isn't allowed during conciliation proceedings. HRTorQue, in collaboration with experienced labour relations professionals, offer a solution to alleviate these concerns and provide comprehensive HR support.

Facing CCMA claims with confidence

For many employers, attending CCMA proceedings can be overwhelming, particularly when lacking the necessary know-how to prepare for conciliation and arbitration. HRTorQue understands this challenge and offers representation services, allowing businesses to focus on their core operations. This is particularly beneficial considering that legal representation is not permitted during conciliation, adding an extra layer of complexity.

Monthly retainer for seamless assistance

With HRTorQue's monthly retainer option, the hassle of personally attending CCMA proceedings is eliminated. This service provides a practical solution for businesses looking to streamline their operations and avoid unnecessary distractions from frivolous claims. By having seasoned professionals represent you, you can navigate the intricate CCMA process with confidence.

Beyond CCMA: Holistic HR support

HRTorQue goes beyond resolving CCMA matters. Our monthly retainer includes a range of HR services aimed at developing and enhancing your business from a human resources perspective. This encompasses assistance with recruitment, job match profiling, formulation of job profiles for various positions, and much more. The goal is not only to resolve disputes but to contribute to the overall growth and efficiency of your organisation.

Our commitment to your business

Our commitment extends beyond addressing immediate concerns. We strive to empower businesses by offering professional representation, strategic HR services and a proactive approach to potential challenges. By partnering with us, you not only gain a reliable ally in CCMA proceedings but also access comprehensive HR support for the ongoing development of your business.

Navigating CCMA claims and ensuring robust HR practices are critical aspects of running a successful business. HRTorQue provides a valuable solution by offering representation services for CCMA matters and incorporating holistic HR support through our monthly retainer. With our expertise, you can confidently address CCMA challenges and focus on growing your business, secure in the knowledge that your HR needs are in capable hands.

[Contact us](#) for more information.

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Author: Delene Sheasby (www.worksafetysa.co.za)

Editors note: Delene is a registered health and safety management consultant. The below points are just starting points and depends on the type of business and risks you face – you may need to include other elements too. Should you need assistance with your workplace safety compliance [contact us today](#).

1. Conducting hazard identification and risk assessments

Identifying potential hazards through systematic risk assessments is a critical step. Regular evaluations help businesses understand the risks inherent in their operations and take appropriate measures to mitigate them.

2. Appointing health and safety representatives and committees

At the forefront of OHS compliance is the appointment of trained health and safety representatives and the formation of committees. These individuals act as the cornerstone of a proactive safety culture, bridging the gap between management and the workforce in identifying and mitigating workplace hazards.

3. Developing health and safety policies and procedures

Customised policies and procedures are the playbook for safety in the workplace. They should reflect the unique aspects of the business while aligning with national OHS standards, ensuring a clear and practical approach to workplace safety.

4. Providing health and safety training and awareness

Knowledge is power when it comes to OHS. Regular training sessions and awareness programmes empower employees with the knowledge to identify risks, follow safety protocols, and respond effectively in emergency situations.

5. Ensuring proper use and maintenance of personal protective equipment (PPE)

PPE is often the last line of defence against workplace hazards. Ensuring its proper use, regular maintenance and accessibility is paramount for protecting employees from potential harm.

6. Emergency planning and preparedness

A well-conceived emergency plan can mean the difference between chaos and structured response in critical situations. Regular drills and training ensure that employees know how to act swiftly and efficiently in an emergency.

7. Health and safety information, reporting and record-keeping

Documenting and reporting are crucial for tracking OHS performance and compliance. Maintaining accurate records of incidents, training and risk assessments provides invaluable insights for continuous improvement in safety standards.

8. Regular health and safety inspections and audits

Inspections and audits are essential tools for identifying non-compliance and areas for improvement. These regular checks help ensure ongoing adherence to safety standards and regulations.

9. Ensuring worker wellness and occupational health

Beyond immediate safety measures, long-term employee wellness is a key aspect of OHS. Programmes focusing on occupational health, including disease prevention and stress management, contribute to a healthier, more productive workforce.

10. Compliance with industry-specific regulations

Businesses must be mindful of additional regulations specific to their industry. Whether it is construction, chemicals or electrical safety, understanding and complying with these specific standards is crucial for comprehensive OHS management.

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6) Things to take note of this January

Author: Candice Zulu

1. Upcoming **tax year end** for our payroll clients in the following African tax authorities:
 - a. Namibia – February
 - b. Lesotho – March
2. We understand that managing HR matters can sometimes feel like navigating a maze. That is why we have put together our **HR Go-to Guide**, a powerful resource designed to simplify your HR journey! Access our [HR Go-to Guide](#) now.
3. **Income tax number:** We 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 R150 plus VAT. A volume discount will be negotiated in cases where there are more than 20 applications at a time. Should you need assistance please contact Dave Beattie on 031 582 7410 or dave@hrtorque.co.za.
4. **Communicate with SARS quickly and easily:** 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 the organisation. 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
5. HRTorQue hosts a variety of weekly, online, **HR-focused mini workshops**, covering various topics to assist and guide your managers to perform more optimally. View our [list of trainings available](#) or [email us](#) for more information.
6. For our latest recordings from our **Wednesday webinars** check out our [YouTube channel](#), filled with informative HR, payroll and legislation webinars. If you are not receiving our weekly invites you can subscribe [here](#).

[Contact us today](#) for all your HR, payroll, tax and accounting needs.

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Durban (Head Office)

Phone: 031 564 1155 • Email: info@hrtorque.co.za • Website: www.hrtorque.co.za

163 Umhlanga Rocks Drive, Durban North, KwaZulu-Natal

Johannesburg

Unit G03, 14 Eglin Road, Sunninghill, 2191

Cape Town

Ground Floor, Liesbeek House, River Park, Gloucester Road, Mowbray, Cape Town, 7700

Bloemfontein

62 Kellner Street, Westdene, Bloemfontein

East London

24 Pearce and Tecoma Street, Berea, East London

Port Elizabeth

280 Cape Road, Newton Park, Port Elizabeth

Polokwane

125 Marshall Street, Polokwane

Nelspruit

Promenade Centre, First Floor, Suite 11 A, Nelspruit