

## Table of contents

1. [SARS updates and notifications](#)
2. [The advantages of medical Insurance for South African businesses](#)
3. [Breaking news: National minimum wage raised by 8.5%](#)
4. [Leveraging skills development for business success](#)
5. [The seven types of rest that every person needs](#)
6. [2024/2025 Budget Speech and tax proposals](#)
7. [Revised SARS motor vehicle and AA rates](#)
8. [Things to take note of this March](#)

Should you need any further information on these topics please contact us at [info@hrtorque.co.za](mailto:info@hrtorque.co.za).

## [Top of page](#)

### 1. SARS updates and notifications

**Author:** Dave Beattie

#### **Change to complaints toll-free number**

On the 16th February, SARS issued a notice indicating a change to their Complaints Management Office (CMO) toll-free contact number. For ease of reference, it is now 0800121216.

#### **Employers' failure to deduct employees' tax**

SARS have also issued a draft interpretation note with regards to the consequences of an employer's failure to deduct or withhold employees' tax. The notice can be accessed [here](#).

It is important for employers and employees to know the law in this regard. The interpretation note explains the law, expands on the obligations of the employer and the employee, clarifies the consequences to both employer and employee in case of non-compliance, and most importantly, explains the personal liability of the employer in such cases.

The public are invited to submit any comments by the 15th March 2024.

## [Top of page](#)

### 2. The advantages of medical insurance for South African businesses

**Author:** Kalleigh Gore

In today's competitive business landscape, providing good employee health cover helps in attracting staff and has additional advantages for both the employer and employee. At HRTorque Financial Services (a registered FSP) we work with a number of health insurance products. Our focus is on implementing these benefits for little or no extra

cost to employers and making sure employers and employees then get the real benefits from the product. This article outlines some of the benefits we see with these products for the different participants.

### **Health cover for lower paid employees**

In the market we see most employers have medical aid benefits for their higher income earners. However, they tend not to have anything available for lower income employees as medical aid for these segments becomes too expensive. While medical aids offer treatment for specific conditions, health insurance works by covering employees on the occurrence of specific insurable events. As the cover is limited financially the insurance is offered at far more affordable rates and therefore works to cover lower income earners.

### **Easier to access – saving time**

Without health insurance and using public facilities, employees often need to take a full day's sick leave to go and stand in a long queue at a clinic to be seen for basic ailments. With health insurance products, employees are able to see a GP online and immediately receive prescriptions or referrals to hospitals in the provider's hospital network.

### **Prevention is better than cure**

Without health cover employees are more likely to wait until a condition is chronic before seeing a medical specialist. With health insurance, basic healthcare including dentistry and optical care is usually covered making it easier for employees to treat medical conditions before they become a bigger issue. In addition, wellness days can be facilitated to educate employees and give them the opportunity to take advantage of these basic interventions.

### **Employee Assistance Programs**

Mental health is increasingly important. An employer sponsored assistance program can be very expensive. Some of the top health insurance products offer an employee assistance program for employees to contact in cases of stress, financial struggles, domestic troubles etc... If used properly this can be of huge benefit to employers and employees alike.

### **Better data**

Not only can health insurance reduce sick leave per employee, but it also offers the ability to get anonymised data on the employer's workforce to identify underlying issues allowing for more proactive management.

### **Ancillary benefits**

Similar to medical aid platforms which offer incentives for healthier lifestyles, health insurance providers also offer incentives to members for better health. For example, monthly cell phone data bundles for a check-up and healthier heart score. This has a direct monetary benefit for staff.

### **How we can help**

HRTorQue specialises in working with employers to implement employee benefits to get the best possible outcome for employers and employees.

[Contact HRTorQue Outsourcing](#) today to discuss how we can support your business now and into the future.

### **[Top of page](#)**

## **3. Breaking news: National minimum wage raised by 8.5%**

**Author:** Kalleigh Gore

South Africa has increased its national minimum wage by 8.5%. Effective from March 1st, the new minimum wage stands at R27.58 per hour, up from the previous R20. This hike exceeds the latest annual consumer price inflation rate of 5.1% in December.

For those employed on an expanded public works programme, the minimum wage has been raised to R15.16 per hour.

The national minimum wage for domestic and farm workers, previously set at R15 and R18 per hour respectively, has now been aligned with the general minimum wage.

For workers putting in standard eight-hour days over 20 days a month, the new minimum wage translates to a monthly income of approximately R4,413.

For employers, it is important to review your wages per hour to make sure employees are earning more than the minimum wage. The Department of Labour is aggressively auditing employers for this and similar legislative compliance issues.

Should you have any minimum wage related queries, please [contact us](#) for more information.

[Top of page](#)

#### 4. Leveraging skills development for business success

**Author:** Kalleigh Gore

Under the Skills Development Act and Skills Development Levy Act, companies with an annual payroll of greater than R500k p/a are mandated to contribute 1% of their payroll as skills levies to a relevant Sector Education and Training Authority (SETA). This levy, based on core business activities, is intended to fund skills development initiatives across various industries.

While submitting Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) to the relevant SETAs is not legally mandated, there are benefits in doing so. As the deadline for submission approaches on the 30th April, businesses are urged to prioritise preparation.

The benefits of timely submission are substantial:

1. **Accessing mandatory grants:** Submission of WSPs and ATRs enables businesses to reclaim 20% of their Skills Development Levy (SDL). This financial incentive eases the burden of training costs, freeing up resources for further development initiatives.
2. **Enhancing B-BBEE scores:** Skills development efforts directly contribute to Broad-Based Black Economic Empowerment (B-BBEE) scores. By investing in the development of black employees and black-owned suppliers, businesses can bolster their B-BBEE standing.
3. **Addressing skills gaps:** Identifying and bridging skills gaps within your organisation is essential for operational efficiency. Training interventions aimed at closing these gaps enhance productivity and foster a more capable and adaptable workforce.
4. **Boosting productivity and retention:** Enhanced skills can translate into increased productivity and job satisfaction, ultimately reducing turnover rates.
5. **Accessing discretionary grants:** Businesses can utilise WSPs and ATRs to apply for discretionary grant funding. These grants target critical skill shortages in specific industries, providing financial support for skill development initiatives.

For more information or assistance with skills development submissions, [please contact our HR team](#).

[Top of page](#)

#### 5. The seven types of rest that every person needs

**Author:** Celia Denton ([www.ptesconsulting.co.za](http://www.ptesconsulting.co.za))

*(Celia is the owner and director of PTES Consulting, specialising in national and international psychometric evaluation and assessment.)*

Have you ever tried to fix an ongoing lack of energy by getting more sleep – only to do so and **still** feel exhausted?

If this is you, here is the secret: sleep and rest are not the same thing, although many of us incorrectly confuse the two.

We go through life thinking we have rested because we have gotten enough sleep, but in reality we are missing out on the other types of rest we desperately need. The result is a culture of high-achieving, high-producing, chronically tired and chronically burned-out individuals. We are suffering from a rest deficit because we don't understand the true power of rest.

Rest should equal restoration in seven key areas of your life:

### **1. Physical rest**

This can be passive or active. Passive physical rest includes sleeping and napping, while active physical rest means restorative activities such as yoga, stretching and massage therapy that help improve the body's circulation and flexibility.

### **2. Mental rest**

Do you know a co-worker who starts work every day with a huge cup of coffee? They are often irritable and forgetful, and have a difficult time concentrating. When they go to sleep, they typically struggle to turn off their brain, and despite sleeping seven to eight hours a night, wake up feeling tired. This is a mental rest deficit.

The good news is you don't have to quit your job or go on vacation to fix this. Schedule short breaks every two hours throughout your workday; these breaks remind you to slow down. You might also want to keep a notepad by the bed to jot down any nagging thoughts that would otherwise keep you awake.

### **3. Sensory rest**

Bright lights, computer screens, background noise and multiple conversations – whether they are in an office or on a Teams call – can cause our senses to feel overwhelmed. This can be countered by doing something as simple as closing your eyes for a minute in the middle of the day, as well as by intentionally unplugging from electronics at the end of every day. Intentional moments of sensory deprivation can begin to undo the damage inflicted by the over-stimulating world.

### **4. Creative rest**

This type of rest is especially important for anyone who must solve problems or brainstorm new ideas. Creative rest reawakens the awe and wonder inside each of us. Do you recall the first time you saw the Grand Canyon, the ocean or a waterfall? Allowing yourself to take in the beauty of the outdoors, even if it is at a local park or in your own backyard, provides you with creative rest.

However, creative rest isn't simply about appreciating nature; it also includes enjoying the arts. Turn your workspace into a place of inspiration by displaying images of places you love and works of art that speak to you. You can't spend 40 hours a week staring at blank or jumbled surroundings and expect to feel passionate about anything, much less come up with innovative ideas.

### **5. Emotional rest**

Now let's take a look at another individual – the friend whom everyone thinks is the nicest person they have ever met. It is the person everyone depends on, the one you would call if you needed a favour because even if they don't want to do it, you know they will give you a reluctant "yes" rather than a truthful "no". But when this person is alone, they feel unappreciated and as if others are taking advantage of them.

This person requires emotional rest, which means having the time and space to freely express your feelings and cut back on people pleasing. Emotional rest also requires the courage to be authentic. An emotionally rested person

can answer the question "How are you today?" with a truthful "I'm not okay" – and then go on to share some hard things that would otherwise go unsaid.

## 6. Social deficit rest

If you are in need of emotional rest, you probably have a social rest deficit too. This occurs when we fail to differentiate between those relationships that revive us from those relationships that exhaust us. To experience more social rest, surround yourself with positive and supportive people. Even if your interactions have to occur virtually, you can choose to engage more fully in them by turning on your camera and focusing on who you are speaking to.

## 7. Spiritual rest

This the ability to connect beyond the physical and mental and feel a deep sense of belonging, love, acceptance and purpose. To receive this, engage in something greater than yourself and add prayer, meditation or community involvement to your daily routine.

As you can see, sleep alone cannot restore us to the point where we feel rested. Now is the time for us to begin focusing on getting the right type of rest we need.

*Editor's note: Fatigue can also be associated with numerous health problems, so please get checked out by your physician if it persists.*

[Top of page](#)

## 6. 2024/2025 Budget Speech and tax proposals – South Africa

**Author:** CRS [www.crs.co.za](http://www.crs.co.za)

The Minister of Finance, Enoch Godongwana, delivered the Budget Speech for the fiscal year 2024/2025 on Wednesday, the 21 February 2024.

### Highlights of the Budget Speech

- The consolidated budget deficit is projected to narrow from 4.9% of GDP in 2023/24 to 3.3% by the end of the 2024 medium-term expenditure framework (MTEF) period.
- Revenue collection in 2023/24 has weakened significantly relative to projections in the 2023 budget, and tax revenue for 2024/25 is expected to amount to R1.86 trillion.
- Real GDP growth is projected to an average of 0.6% in 2023. This is down from 0.8% growth estimated during the 2023 medium-term budget speech.
- Government debt is expected to peak at 75.3% of GDP in 2025/26, with debt service costs as a share of revenue peaking in the same year.
- Government again proposes no changes to the general fuel levy or the Road Accident Fund levy, resulting in tax relief of around R4 billion.
- Over the next three years, the government will make three transfers to Eskom for capital and interest payments. Transfers in each of these years are R2 billion lower than projected, as a result of the entity's failure to conclude disposal of Eskom Finance Company, as stipulated in the debt relief conditions.
- For the first time in two decades, government is forced to tap into SA's Gold and Foreign Exchange Contingency Reserve Account (GFECRS). The settlement amounts to R150 billion over the medium term. As a result, government's gross borrowing requirement is projected to decrease from R553.1 billion in 2023/2024 to R428.5 billion in 2026/2027.

### Tax proposals

- No increases of income tax, VAT or fuel levies.
- No inflation adjustments to personal income tax tables and medical tax credits.

- Daily amounts in respect of meals and incidental costs (daily and overnight) were increased.
- Treasury will be hiking other taxes to make up the additional revenue. This includes increasing excise duties on alcohol between 6.7% and 7.2%, while duties on tobacco products will increase by between 4.7% and 8.2%.
- SA will implement a global minimum corporate tax, with multinational corporations subject to an effective tax rate of at least 15%, regardless of where their profits are located.
- The two-pot retirement system will be implemented in 2024/25.
- Producers of electric vehicles in the country will be able to claim 150% of qualifying investment spending as an incentive to aid the transition to new energy vehicles.

**For ease of reference, the most important information relating to taxes for employers is illustrated below:**

<b>Tax Rates</b>	<b>2023/2024</b>	<b>Tax Rates</b>	<b>2024/2025</b>
<b>Taxable income (R)</b>	<b>Rates of tax</b>	<b>Taxable income (R)</b>	<b>Rates of tax</b>
0 – 237 100	18% of each R1	0 – 237 100	18% of each R1
237 101 – 370 500	R42 678 + 26% of the amount above R237 100	237 101 – 370 500	R42 678 + 26% of the amount above R237 100
370 501 – 512 800	R77 362 + 31% of the amount above R370 500	370 501 – 512 800	R77 362 + 31% of the amount above R370 500
512 801 – 673 000	R121 475 + 36% of the amount above R512 800	512 801 – 673 000	R121 475 + 36% of the amount above R512 800
673 001 – 857 900	R179 147 + 39% of the amount above R673 000	673 001 – 857 900	R179 147 + 39% of the amount above R673 000
857 901 – 1 817 000	R251 258 + 41% of the amount above R857 900	857 901 – 1 817 000	R251 258 + 41% of the amount above R857 900
1 817 001 and above	R644 489 + 45% of the amount above R1 817 000	1 817 001 and above	R644 489 + 45% of the amount above R1 817 000

<b>Rebates</b>	<b>2023/2024</b>	<b>Rebates</b>	<b>2024/2025</b>
Primary	R17 235	Primary	R17 235
Secondary	R9 444	Secondary	R9 444
Tertiary	R3 145	Tertiary	R3 145

<b>Tax threshold</b>	<b>2023/2024</b>	<b>Tax threshold</b>	<b>2024/2025</b>
Below age 65	R95 750	Below age 65	R95 750
Age 65 and over	R148 217	Age 65 and over	R148 217
Age 75 and over	R165 689	Age 75 and over	R165 689

**Trusts other than special trusts:** Tax rate of 45%

**Medical tax credits** (unchanged)

<b>Member</b>	<b>2023/2024</b>	<b>2024/2025</b>
Each of the first two persons covered by the medical schemes	R364	R364
Each additional dependent	R246	R246

**Retirement fund lump sum withdrawal benefits** (unchanged)

Taxable income	Rate of tax
R1 - R27 500	0% of taxable income
R27 501 – R726 000	18% of taxable income above R27 500
R726 001 – R1 089 000	R125 730 + 27% of taxable income above R726 000
R1 089 001 and above	R223 740 + 36% of taxable income above R1 089 000

#### Retirement fund lump sum benefits or severance benefits (unchanged)

Taxable income	Rate of tax
R1 - R550 000	0% of taxable income
R550 001 - R770 000	18% of taxable income above R550 000
R770 001 - R1 155 000	R39 600 + 27% of taxable income above R770 000
R1 155 001 and above	R143 550 + 36% of taxable income above R1 155 000

#### Subsistence allowances

Where the accommodation to which that allowance or advance relates is in the republic and that allowance or advance is paid or granted to defray:

- Daily: Incidental costs only, an amount equal to R169 (previously R161) per day; or
- Overnight: The cost of meals and incidental costs, an amount equal to R548 (previously R522) per day; or
- Where the accommodation to which that allowance or advance relates is outside of the republic, and that allowance or advance is paid or granted to defray the cost of meals and incidental costs, an amount per day determined in accordance with the 'Table: Daily Amount for Travel Outside the Republic' under the [Draft Notice](#) published on the 21st March on the SARS website.

To view the official Budget Speech, follow this [link](#).

To view the draft notices regarding the daily amount in respect of meals and incidental costs, follow this [link](#).

[Top of page](#)

## 7. Revised SARS motor vehicle and AA rates

Author: CRS [www.crs.co.za](http://www.crs.co.za)

#### SARS rate per kilometre in respect of motor vehicles

Following the 2024/2025 Budget Speech, the Minister of Finance has determined that the rate per kilometre referred to in Section 8(1)(b)(ii) and (iii) of the Income Tax Act must be amended for the 2024/2025 tax year.

A notice stipulating the rates was published on SARS's website, effective 1 March 2024.

Rates per kilometre, which may be used in determining the allowable deduction for business travel against an allowance or advance where actual costs are not claimed, are determined using the following table:

Value of the vehicle (including VAT) (R)	Fixed cost (R p.a.)	Fuel cost (c/km)	Maintenance cost (c/km)
0 - 100 000	34,480	151.70	46.00
100 001 - 200 000	61,770	169.40	57.60
200 001 - 300 000	89,119	184.00	63.50
300 001 - 400 000	113,436	197.90	69.30
400 001 - 500 000	137,752	211.80	81.50
500 001 - 600 000	163,178	243.00	95.60
600 001 - 700 000	188,653	247.10	107.30
700 001 - 800 000	215,447	251.20	118.90
Exceeds 800 000	215,447	251.20	118.90

### AA rate per kilometre

Where the reimbursed rate exceeds the prescribed rate of R4.84 (previously R4.64) cents per kilometre, irrespective of the business kilometres travelled, there is an inclusion in remuneration for PAYE purposes. The full inclusion amount is subject to PAYE, unlike the fixed travel allowance where only 80% of the amount is subject to PAYE.

However, this alternative is not available if other compensation in the form of an allowance or reimbursement (other than for parking or toll fees) is received from the employer in respect of the vehicle.

To view the official SARS notice please follow this [link](#).

[Top of page](#)

## 8. Things to take note of this March

**Author:** Candice Zulu

1. The upcoming **National Elections** for South Africa has been confirmed and will take place on Wednesday the 29th May 2024. This has been confirmed as a national public holiday. To view the Government Gazette, follow the [link](#).
2. We know 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](mailto:dave@hrtorque.co.za).
4. 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.
5. For our latest recordings from our **Wednesday webinars** take a look at our [YouTube channel](#), filled with informative HR, payroll and legislation tips and tricks. If you are not receiving our weekly invites you can subscribe [here](#).

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

[Top of page](#)





Phone: 031 564 1155 • Email: [info@hrtorque.co.za](mailto:info@hrtorque.co.za) • Website: [www.hrtorque.co.za](http://www.hrtorque.co.za)

**Durban (Head Office)**

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