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

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### 1. Understanding the monthly UIF compliance process

**Author:** Dave Beattie

Ensuring UIF compliance can be difficult. These challenges are exacerbated by the antiquated technical infrastructure and systemic challenges at the Department of Employment and Labour. Here, we give some pointers on things to be aware of and think about; and on issues to consider to comply with current legislation.

#### The UIF cycle

1. Creation of declaration files: After each payroll cycle, our payroll software generates a comprehensive declaration file. This contains vital information about every employee on your payroll, including contributions for the month and other statutory details mandated by the Department of Labour (DOL).
2. Timely submission: It is imperative that these declaration files are submitted to the Declarations department before the 7th of the subsequent month, in accordance with legislation.
3. Uploading to EDEC: The submitted files are then uploaded by UIF to the Electronic Declarations (EDEC) system, the platform designated by the DOL for processing.
4. Content alignment: These files should mirror the information provided to your payroll team, ensuring accuracy and consistency.
5. Data transmission: The information within these files should also then align with the totals for payment extracted for SARS. It also provides the necessary details for the UIF to allocate credits accurately.
6. DOL handling: Once provided to the UIF, the data is in the hands of the DOL. Unfortunately, we cannot control the timing or method of their uploads.
7. Notification and confirmation: We have systems in place to receive notifications and proofs of acceptance from the DOL. Any errors are promptly addressed and filed for reference.
8. Continuous efforts: In cases of delays or gaps, we proactively re-extract and resend the files.

Note: despite best endeavours, there are often system inconsistencies which result in error messages from UIF. These are usually related to unusual situations e.g. employees on maternity, paternity or disability.

#### uFiling challenges and resolutions

uFiling is the online platform for submitting and controlling UIF information and is distinct and not connected to EDEC. Despite its potential, uFiling presents the following challenges:

- File size limitations: uFiling fails when handling bulk declarations, creating manual data entry challenges. The system also struggles to load bigger employers in time to such an extent larger employers cannot log in.
- Integration issues: Handshakes between uFiling and EDEC are not seamless, hindering the process flow.
- Multi-user setbacks: Collaborative usage is hindered due to functionality limitations.

The Payroll Authors Group of South Africa (PAGSA) has tabled these challenges with the DOL on a regular basis and there has been mention of a whole system upgrade. To date though, there has been no movement on this issue.

### **Moving forward**

As a member of PAGSA we will communicate any news that we receive on this issue. In the interim we will make every effort to ensure that the current legislation and processes are adhered to.

For more information around our UIF services contact us on [info@hrtorque.co.za](mailto:info@hrtorque.co.za).

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## **2. Navigating strike action in South Africa: A guide for employers**

**Author:** Kalleigh Gore

Strike action is relatively common in South Africa. In 2023, South African businesses lost 4.9 million workdays to strikes, doubling the number of lost workdays from the previous year according to the South African Reserve Bank.

The upcoming election in South Africa further complicates the strike landscape. Political uncertainties often amplify grievances, potentially increasing the frequency or intensity of strikes. Employers should remain vigilant and proactive in their approach to mitigate disruptions and maintain workplace stability amidst these external factors.

The Constitution grants workers the right to strike, albeit within certain limitations outlined in the Labour Relations Act. The Act establishes parameters for permissible industrial action and provides safeguards against unfair dismissal for participating employees, distinguishing between "protected" and "unprotected" strikes.

Employers do have the option of a lock-out, legally suspending operations by denying workplace access until resolution. However, strict procedural guidelines under the Labour Relations Act must be followed, including providing written notice to trade unions and/or employees. This measure can only be implemented if disputes persist after referral to the Bargaining Council or the CCMA.

During a lock-out, employees typically forgo regular wages or salaries, though specifics may vary based on contracts and labour laws. Professional advice from a labour lawyer or HR specialist is advised for compliance and determining compensation protocols.

Managing strike action in South Africa demands a strategic and nuanced approach. The key tools for employers are a good understanding of the legislation and clear communication plans and implementation.

Our HR specialists are on standby to assist you when needed. Contact us today on [info@hrtorque.co.za](mailto:info@hrtorque.co.za).

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## **3. Returning to South Africa? Give some thought to the tax consequences!**

**Author:** Erin Snyman

There have been several articles recently on increasing numbers of South Africans returning to the country from abroad. For those doing so, there are several important considerations to keep in mind from a tax perspective. Understanding the tax obligations and potential benefits can help individuals manage their finances more

effectively. Very importantly, it will also help you avoid a hefty tax bill! Luckily, this can easily be avoided with the correct advice and careful planning.

One of the primary considerations upon returning to South Africa is determining one's **residency** status for tax purposes. It is particularly important to understand what income will be taxed in which country and from which date. If badly planned, income may be taxed in both countries and relief for double tax may be limited. In some circumstances it might even be worth delaying your return or going on an extended holiday to avoid having to pay substantial tax.

South African tax residents are subject to tax on their worldwide income, which includes income earned both domestically and abroad. This means that South African tax resident individuals returning to South Africa must declare and pay tax on income earned from foreign sources.

To **avoid double taxation** on income earned abroad, South Africa has entered into double taxation agreements (DTAs) with various countries. These agreements ensure that individuals are not taxed twice on the same income, providing relief through mechanisms like tax credits, exemptions or reduced tax rates. Individuals returning from countries with DTAs should familiarise themselves with the specific provisions to optimise their tax position. However, these agreements are difficult to interpret and often result in you paying the higher marginal tax rate in both countries without real relief.

Returning residents may also have accumulated assets and investments abroad during their time overseas. It is important to understand South Africa's exchange control regulations, which govern the movement of funds and assets across borders. Individuals must comply with reporting requirements and may need to obtain clearance from the **South African Reserve Bank** for certain transactions involving foreign assets. We often find people confusing the tax and SARB requirements – these are two different bodies, and both processes need to be considered.

For individuals who emigrated from South Africa and are now returning, there are specific tax implications concerning **retirement funds**. Emigrants may have withdrawn their retirement savings upon departure, triggering tax consequences. Upon returning, they may need to consider the tax treatment of these withdrawals and any subsequent contributions to retirement funds in South Africa.

Navigating the complexities of South African tax laws requires careful planning and compliance. Seeking professional advice from tax consultants or financial advisors can help individuals understand their tax obligations, optimise their tax position, and ensure compliance with regulatory requirements. Proper tax planning can minimise tax liabilities while maximising available benefits and relief mechanisms.

We recommend booking a call with one of our experts before returning, as planning ahead is always critical in these cases. Most importantly though – **welcome home!** We look forward to finding ways to save you money through this journey.

Click [here](#) to book a **FREE** 15-minute introductory call with us.

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#### 4. Compensation Fund earnings threshold increase (COIDA)

**Author:** Karen van den Bergh

The Department of Labour has published Gazette 50386 on the 27th March 2024 which states the maximum amount on which an assessment of an employee shall be calculated.

With effect from:

1. 1 March 2023 to 28 February 2024 the threshold is **R568 959** per annum.

2. 1 March 2024 to 28 February 2025 the increased threshold is **R597 328** per annum

On or before the **30th June 2024** you are required to submit the Return of Earnings (ROE) submission to the Department of Labour. This is legislated under the: COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT (NO. 30 OF 1993). Each registered business must submit a separate return.

If you have not requested this service from us in the past and require us to complete and submit this return on your behalf before the deadline, please contact us on [info@hrtorque.co.za](mailto:info@hrtorque.co.za). If we have submitted for you in the past then we will complete your return and send you the figures for checking and confirmation before submission.

To view our fact sheet with pricing please click here - [COIDA Fact Sheet](#)

To view the Government Gazette please click here - [Compensation Fund Earnings Threshold Gazette](#)

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## 5. Employer annual filing season now open: Important dates and information for 2024

**Author:** Candice Zulu

Employers across South Africa are reminded that the 2024 employer annual filing season officially commenced on the 1st April 2024, and will run until the 31st May 2024. During this period, employers are required to submit all annual reconciliation declarations, covering the tax year from 1 March 2023 to 28 February 2024.

It is imperative for employers to ensure that their EMP501 submissions reflect accurate and up-to-date payroll information about their employees. Failure to comply with these requirements can lead to penalties and unnecessary complications.

For those who find navigating the intricacies of the employer filing season daunting, assistance is available. HRTorQue offers comprehensive support services tailored to your needs. Whether utilising Psiber, Payspace, Sage 300 People or Sage VIP, our team of experts are ready to assist in streamlining the filing process and ensuring compliance with SARS regulations. Contact us on [info@hrtorque.co.za](mailto:info@hrtorque.co.za).

Employers seeking further guidance and insights into the filing season can access the full notice issued by the South African Revenue Service (SARS) through the following link: <https://www.sars.gov.za/latest-news/employer-annual-reconciliation-declaration-submission/>

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## 6. HRTorQue Outsourcing reaches a Level 2 B-BBEE status

**Author:** Candice Zulu

HRTorQue is thrilled to share the news of our attainment of Level 2 Broad-Based Black Economic Empowerment (B-BBEE) status. This achievement underscores our unwavering dedication to advancing diversity and empowerment in South Africa.

At HRTorQue, we firmly believe in providing equal opportunities for all individuals, regardless of race, gender or background. Our commitment to inclusivity permeates every aspect of our operations, from our hiring practices to our client engagements. As a trusted provider of outsourced solutions, we ensure that businesses of all sizes have access to the tools and support they need to thrive.

From streamlined payroll processing to comprehensive HR administration, our suite of services is designed to elevate efficiency and professionalism across the board. We pride ourselves on delivering unparalleled service excellence to each and every one of our clients, regardless of industry or scale.

Our attainment of Level 2 B-BBEE status marks a significant milestone in our journey towards setting industry standards and leading by example. We are deeply honored to be recognised for our commitment to transformation and empowerment, and look forward to driving positive change in the corporate landscape of South Africa.

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## 7. Things to take note of this April

**Author:** Candice Zulu

1. **SARS Digital Platforms upgrades:** SARS has issued a notice in respect of their digital platforms which will be upgraded from 18h00 on 26 April 2024 until 21h00 on 28 April 2024. The impact will be that some of the functionality on eFiling will not be available or you might have service interruptions.
2. 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 this [link](#).
3. 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.
4. **Income tax numbers:** 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 your employees' 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).
5. HRTorQue hosts a variety of weekly, online, **HR-focused 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 the 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.

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