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

1. Unlock the Potential of Your People: HRTorque's New Training Solutions

Author: Jonathan Aitken

At HRTorque, we understand that every organisation is unique—and so are its training needs. That's why we've launched a comprehensive suite of new training services designed to empower individuals, align teams, and drive business performance.

Whether you're looking to enhance leadership capabilities, build high-performing teams, or provide focused support to individual employees, our new training programmes offer the flexibility, insight, and impact you need.

1. Bespoke Online Training

Our online training programmes are tailored to meet your exact business needs. From compliance essentials to soft skills development, we work with you to build custom courses that align with your culture, industry, and objectives.

Delivered via our user-friendly online platform, these courses offer:

- Customisable content designed with your input
- On-demand access for flexibility
- Built-in assessments and tracking
- SCORM-compliant modules for LMS integration

Whether you're onboarding new staff or rolling out change management initiatives, our bespoke e-learning is your scalable solution.

2. In-Person Coaching and Mentoring

We offer personalised coaching for individuals and small groups—ideal for nurturing leadership, improving performance, or supporting career development. Our experienced coaches work closely with employees to:

- Build self-awareness and emotional intelligence
- Strengthen problem-solving and decision-making
- Navigate workplace challenges
- Support succession planning and career growth

Tailored mentoring for management or operational teams helps embed strategic thinking and cultural alignment across your organisation.

3. Team Training Sessions

Our facilitated team training workshops focus on collaboration, communication, and collective accountability. Whether your team is newly formed or well-established, our interactive sessions help to:

- Enhance team cohesion and trust
- Resolve conflict and improve dialogue
- Align roles and responsibilities
- Drive shared goals and values

Sessions are available in half-day, full-day or multi-session formats, and are always tailored to your context and objectives.

4. Psychometric Tests and Employee Profiling

Understanding your people is key to managing and developing them effectively. We provide a range of industry-recognised psychometric tools to assess:

- Cognitive ability
- Behavioural style
- Emotional intelligence
- Leadership potential

These assessments support better hiring decisions, team fit, succession planning, and targeted development interventions. Our team can interpret results and guide you in applying the insights meaningfully within your business.

Introductory Courses from Just R150

To see what's possible, we invite you to explore our introductory online training catalogue—starting from just R150 per course. Topics range from essential workplace compliance to professional development and soft skills. Visit:

<https://ijdfz-nf.myshopify.com/>

Why Choose HRTorQue?

With decades of experience in HR, payroll, and compliance, HRTorQue is more than a training provider—we're your partner in building a stronger, smarter workforce.

Ready to invest in your people? Contact us today to discuss a training solution tailored to your business.

2. Interest paid on salary late payment in South Africa

Author: Karen van den Bergh

In South Africa, interest paid on late salary payments is governed by a combination of the Basic Conditions of Employment Act (BCEA) and general principles of labour and contract law. Here is a breakdown of everything you need to know.

Is there a legal right to interest on late salary payments?

Yes, under certain conditions. If an employer pays salary late, the employee may be entitled to interest on the delayed amount, especially if the delay is unreasonable or in breach of contract.

Which law applies?

- The Basic Conditions of Employment Act (BCEA) requires employers to pay salaries on the agreed date, typically weekly, bi-weekly or monthly.
- Section 32 of the BCEA states that remuneration must be paid no later than seven days after the end of the period for which the remuneration is payable.
- Failure to comply may constitute a breach, allowing interest claims and even referral to the CCMA.

What is the interest rate?

There is no fixed interest rate in the BCEA, but the Prescribed Rate of Interest Act (Act 55 of 1975) provides guidance:

- As of July 2025, the prescribed rate is 10.75% per annum ((this rate updates when the repo rate changes)). This rate applies by default when no other rate is contractually agreed upon.
- For example, if an employer delays paying R10,000 in salary by 30 days, the interest owed would be around R88.35 (using the 10.75% annual rate as of July 2025).

When is interest enforceable?

- If there is a written employment contract stating that interest will accrue on late payments.
- If an employee lodges a claim with the CCMA, Labour Court or Department of Labour for unpaid salaries.
- If the delay is substantial and causes financial harm, it strengthens the case.

The CCMA and legal recourse

Employees can lodge a complaint at the Department of Employment and Labour, refer a dispute to the CCMA (within six months of non-payment) or claim interest plus unpaid salary.

The CCMA may order payment of arrear salaries and include interest – particularly if the delay was wilful or negligent.

Employer best practices

To avoid penalties or disputes:

- Pay salaries on time, as per the employment agreement
- Communicate transparently if payroll issues arise
- Pay compensatory interest voluntarily where delays occur (a good faith gesture)
- Document any delays and efforts to resolve

In summary

Item	Detail
Legal basis	BCEA + Prescribed Rate of Interest Act
Current interest rate July 2025	10.75% p.a.
Can employee claim interest?	Yes, especially if contractually or via the CCMA
How to calculate?	Simple interest on overdue amount

Any questions? Please reach out to the team at info@hrtorque.co.za.

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3. Severance pay calculation in South Africa

Author: Karen van den Bergh

In South Africa, severance pay is governed by the Basic Conditions of Employment Act (BCEA), particularly under Section 41. It applies in cases of retrenchment or dismissal for operational requirements, and sometimes for constructive dismissal or mutual termination with severance agreement.

How severance pay is calculated:

Severance pay = One week's remuneration for every completed year of continuous service

1. What counts as "remuneration"?

- Not just basic salary – it includes:
 - Basic wage/salary
 - Housing or transport allowances
 - Bonuses (if regular)
 - Cash value of any benefits (e.g. food or accommodation)
 - Commission (if regular)

SARS and the BCEA follow the principle of "total remuneration", not just base salary.

For example:

- Employee earns R6,000/month (R1,384.62/week)
- Worked for five full years

The calculation will be:
 $R1,384.62 \times 5 = R6,923.10$ severance pay

2. Important conditions

Condition	Explanation
Only for retrenchment or operational dismissal	Not for misconduct, resignation or incapacity dismissals
Must be a completed year of service	Partial years are not counted unless agreed otherwise
Employee must accept severance offer	If they unreasonably refuse alternative employment, they may forfeit severance
Not taxed (if $\leq R550,000$ lump sum)	Tax-free under certain conditions (SARS directive applies)

- **Severance \neq notice pay \neq leave pay**

Separate from:

- Notice pay (if notice isn't worked out)
- Accrued leave pay
- Pro-rata bonuses (if part of contract)

Frequently asked questions

Is an employee entitled to severance if they resign?

- No, severance is not due on resignation unless agreed contractually.

Can an employer offer more than one week per year?

- Yes, this is the legal minimum. Some employers offer two weeks per year or more.

Does a fixed-term contract qualify?

- Only if early termination was due to retrenchment and not due to contract expiry.

[Contact](#) one of our payroll specialists for more information.

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4. Automatic termination policies can backfire legally in South Africa

Author: Jaydene Naidoo

In South Africa's complex labour law landscape, employers often seek quick solutions to absenteeism, especially when an employee vanishes without notice. One such solution is the "automatic termination" policy, where prolonged absence is treated as abscondment, triggering immediate dismissal. While this may seem efficient, it can lead to serious legal consequences if not handled correctly.

The legal pitfalls of automatic termination

The Commission for Conciliation, Mediation and Arbitration (CCMA) and Labour Courts have consistently ruled that absence does not equal desertion. A recent example of this can be seen in the article "Is that no-show employee really absconding?" in [LabourWise](#) (the **Khomari vs Tronox Mineral Sands (Pty) Ltd** case (2025)), where a senior employee was dismissed under an automatic abscondment clause after failing to report to work for five days. Despite the policy, the CCMA found the dismissal procedurally and substantively unfair because:

- The employee responded promptly to HR's notice
- She provided medical evidence and a return date
- The employer failed to prove intent to abandon the job

The ruling emphasised the **Audi Alteram Partem** principle – every employee has the right to be heard before dismissal. Employers must investigate intent, not assume it.

Why this matters for employers

Relying on rigid policies without due process can result in:

- Unfair dismissal claims
- Reinstatement orders
- Backpay awards
- Reputational damage

Even if an employee is absent for an extended period, termination must follow a fair procedure. This includes attempts to contact the employee, issuing notices and holding a hearing – even in absentia.

At HRTorQue, we understand the legal and operational risks of managing employee absences. Our outsourced HR services ensure that your business:

- Implements compliant absenteeism policies
- Handles no-show cases with proper documentation and fairness
- Avoids costly CCMA disputes
- Receives expert guidance on labour law and disciplinary procedures

We act as a strategic HR partner, protecting your business while supporting your people. Contact [HRTorQue](#) today to learn how our outsourced HR solutions can help you navigate complex HR challenges with clarity, care and confidence.

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5. Why is my EMP501 rejected again?

Author: Karen van den Bergh

When your EMP501 reconciliation submission is rejected by SARS, it usually means there are validation issues with the data submitted. Below are the most common reasons for rejection and what you can do to rectify them.

Reasons for EMP501 rejection

1. Invalid or mismatched PAYE reference number

- The PAYE number on your EMP501 must match the one SARS has on file.

Check: SARS eFiling → Organisation profile → Tax reference numbers

2. Employee information errors

- Incorrect ID/passport numbers
- Duplicate or missing employee records
- Invalid or missing income tax reference numbers for employees
- Foreign employee records without a valid passport or permit number

Fix: Validate employees' details using the SARS e@syFile™ Employer utility

3. ETI calculation errors

- Incorrect ETI amounts or ineligible claims (e.g. claiming for over-aged employees or those who earned too much)
- ETI codes not matching the employee details
- Claiming ETI for employees not eligible (e.g. not qualifying months or duplicate claims)

Fix: Run the SARS ETI Validation Report in e@syFile to catch errors

4. Negative or invalid values

- SARS does not accept negative values in the EMP501
- This can come from:
 - Incorrect reversing entries
 - Incorrect take-on balances
 - Refunds or adjustments entered incorrectly

Fix: Adjust your source payroll system, rerun the EMP501 and re-import into e@syFile

5. Mismatch between EMP501 totals and IRP5/IT3(a) certificates

- The totals on your EMP501 must match the sum of all individual employee certificates
- This includes PAYE, SDL, UIF, ETI and Gross Remuneration

Fix: In e@syFile, run the Reconciliation Report before submitting

6. Submission period errors

- Submitting data in the wrong period (e.g. mid-year data submitted in the annual reconciliation)
- Wrong start/end dates

Fix: Confirm that you are submitting for the correct reconciliation period:

- Mid-year: March – August
- Annual: March – February

7. Incompatible e@syFile version

- Using an outdated version of e@syFile can cause validation issues

Fix: Always update e@syFile before starting your submission

8. Banking or contact details missing or incorrect

- SARS requires current employer banking and contact details
- Incomplete or outdated details can flag the submission

9. Employer not active or deregistered

- If the SARS system reflects that the company is deregistered or inactive for PAYE

Fix: Contact SARS or your tax practitioner to resolve registration status.

10. Source code errors

- Variances between tax directives source codes and payroll source codes
- Lump sum tax errors – not captured or captured under incorrect source code
- Codes containing totals not equalling to individual source codes (travel codes as an example, non-taxable portion not loaded on payroll under the corresponding source code)

Fix: Run validation reports in e@syFile

- Double-check all imported data and fix in payroll system first.
- Update e@syFile to the latest version.
- Delete and re-import your CSV file or IRP5 data if necessary.
- Use SARS' utilities or logs to pinpoint errors (see the logs tab or system messages in e@syFile).

If you are stuck and need assistance, contact payrollsupport@hrtorque.co.za for a consultation.

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6. Your questions answered: How income tax works in South Africa... the basics

Author: Candice Zulu

Income tax is one of the most common deductions you will see on your payslip, but understanding how it works can be confusing, especially if you are new to the workforce. Here, we break down the essentials that you need to know.

What is income tax?

Income tax is a tax levied by the South African government on the money you earn. This tax is collected by the South African Revenue Service (SARS) and is used to fund public services like education, healthcare, infrastructure and more.

Who pays income tax?

If you earn more than the annual tax threshold, you are required to pay income tax. This threshold is updated annually and depends on your age. For example, if you are under 65, the threshold for the 2025/2026 tax year is R95,750. If you earn less than that in a year, you don't pay income tax.

How is income tax calculated?

South Africa uses a progressive tax system. This means the more you earn, the higher the percentage of tax you pay. Income is taxed in brackets:

- Income up to a certain amount is taxed at 18%
- The next bracket is taxed at 26%
- Higher brackets go up to 45%

Your employer uses a PAYE (Pay As You Earn) system to deduct the correct amount of tax from your salary each month based on these brackets.

What affects the amount of tax you pay?

- Income level – the more you earn, the more tax you pay.
- Tax deductions – contributions to retirement funds, medical aid tax credits and travel allowances can reduce your taxable income.

- Rebates – these are fixed amounts subtracted from the tax you owe, based on your age and other factors.

Why is it important to understand your income tax?

- It helps you make informed decisions about salary negotiations and benefits.
- You can avoid unexpected tax bills at the end of the tax year.
- You may be eligible for tax refunds by submitting your ITR12 tax return.

Want your team to understand taxes better? We offer easy-to-understand employee tax briefings and payroll breakdowns. [Get in touch](#) to help your staff feel confident about what is being deducted from their pay.

Coming next in our series: Tips for managing your first salary effectively

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7. On the Case: Blurred lines - When friendly banter crosses professional boundaries

Author: Nicky Hardwick

In this month's edition, we examine a case where **an allegation of sexual harassment was not what it initially seemed.**

A female team lead reported her male subordinate for making sexually inappropriate comments over several months. But what emerged from the investigation was far more complex, and a powerful reminder that in workplace misconduct, context and conduct from both parties matter.

The situation

A female supervisor lodged a formal grievance of sexual harassment against her subordinate, citing a series of sexually explicit comments and stories that had made her feel uncomfortable and unsafe. The male employee did not deny the content of what had been said, but instead insisted he had no idea she wasn't a willing participant. He believed they were having friendly, if off-colour, conversations, because she had encouraged it.

As the case unfolded, a different picture began to emerge.

How it started

The conversations began innocently, weekend catch-ups, personal stories, light teasing. The subordinate had a lively social life, and the manager would often ask about it, sometimes prompting with questions like, *"Did you meet any girls?"* or *"Come on, give me details."*

Over time, these conversations became more graphic, but according to both parties, never crossed into explicit sexual detail, just stories that heavily implied what had taken place. Still, the tone was undeniably flirtatious and personal.

The male employee gave detailed, honest testimony. He admitted that in hindsight, the conversations were inappropriate, but stressed that they were mutual and invited. The female manager at first denied initiating or encouraging these chats, but later acknowledged that she had. She had frequently stood at his office door engaging in these conversations, and hadn't known how to end them once they began to feel uncomfortable.

The trigger: A shared office

The grievance was only raised after the manager was informed that she and the subordinate would soon share an office. This, it seems, was the catalyst for her discomfort becoming formalised. The turning point was not a sudden act, but the change in proximity that made her re-evaluate what had been happening.

The outcome

The chairperson ruled that:

- The male employee had not intended to harass or intimidate his manager
- The conversations were mutual and initiated by both parties
- No formal finding of misconduct could be made against him

The manager acknowledged that she had allowed the dynamic to evolve and had failed to set appropriate boundaries once she became uncomfortable. The case ended with no disciplinary action, but strong recommendations for policy reinforcement, culture discussions and management training.

Key takeaways for employers

1. Investigate thoroughly, don't assume guilt

Allegations of harassment must be taken seriously, but that doesn't mean accepting the surface narrative. A fair investigation is critical.

2. Set clear behavioural norms

It is not enough to say "be professional". Workplaces must define what is and isn't appropriate, especially when it comes to personal sharing and joking.

3. Familiarity breeds risk

Close working relationships can create grey areas, especially when there is a power imbalance. Managers must lead by example.

4. Help staff exit uncomfortable situations

Sometimes people don't know how to draw the line once it has been blurred. Equip staff with tools to stop conversations without escalation.

5. Context matters

Inappropriate conduct is not just about what was said, but how it came about, how long it lasted and what each party understood at the time.

How we can help

We assist employers with:

- Independent workplace investigations
- Drafting and training on sexual harassment policies
- Conflict resolution and communication protocols
- Management coaching on appropriate boundaries

If you need support navigating complex interpersonal matters in your team, contact us at info@hrtorque.co.za.

COMING NEXT in "On the Case"

A string of slips: When one financial error becomes the final straw

A senior finance officer with years of experience argued she didn't mean to make the mistake that nearly cost her organisation over R180,000 in misallocated VAT – but it wasn't her first slip. We examine

when errors move from excusable to intolerable, and what employers can do when performance issues start adding up.

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8. This month's highlights

Author: Candice Zulu

1. Income tax return filing dates

- Auto-assessments: 7 – 20 July 2025
- Filing season opens for non-provisional taxpayers who were not auto-assessed: 21 July – 20 October 2025
- Provisional taxpayers: 21 July – 19 January 2026

2. We know that the ins and outs of HR can sometimes feel like navigating a maze. That is why we have put together our **HR Managers' Pocket Guide**, a powerful resource designed to simplify your HR journey. [Find it here.](#)

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 031 564 1155 or dave@hrtorque.co.za.

4. HRTorQue hosts a range of weekly, online **HR-focused mini workshops**, assisting and guiding your managers to perform more optimally. View our list of [trainings here](#) 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 please subscribe [here](#).

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

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

The Colosseum Foyer 3, 1st Floor, Office 52-53, Century Way Century City, Cape Town

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