

CRS *g a z e t t e*

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Tax Season is here!

It is with a sense of pride and purpose that we acknowledge the company's proactive approach to marketing and communication, in particular its strategy to engage with and utilise the media as an important platform. In this month's issue of CRS Gazette we focus on the proposed changes to tax legislation.

One of the key changes will be how employee information is managed, collated and supplied to SARS. This is indicative of the extent to which tax regulation has matured and the level at which systems now control and help streamline procedures.

The ability to leverage off solutions, integrate systems to bolster and enhance systems, processes and procedures is what will differentiate operators within any sector and industry going forward.

It is going to be a very interesting, very challenging and vibrant first quarter. CRS Technologies will continue to entrench the value of its service offering and the benefit of its leadership position in the market to customers and partners.



**James McKerrell,
Managing Director,
CRS Technologies**

IMPORTANT ANNOUNCEMENTS & DATES

CRS Breakfast 2010

We will be hosting a breakfast on the following dates in the regions:

27 May: Durban

28 May: Port Elizabeth

1 June: Johannesburg

2 June: Cape Town

We will have presentations on **Tax in 2010** and beyond, as well as the proposed **Privacy Law** changes and the effects on **Employers**. Further info will be sent out in due course.

CRS Internal Conference

The CRS team was fortunate enough to spend a day up the West Coast and brainstorm their focus for 2010. Here are a few photos of our passionate team.



SARS EXTENDS DEADLINE FOR PROVISIONAL TAX PAYERS

SARS has decided to allow more time for Provisional Tax Payers to submit their returns as generally their returns are more complex and have a higher administrative burden of having to submit three returns per year. Given that Provisional Tax Payers generally make use of Tax Practitioners, the differentiated submission date will also significantly assist Tax Practitioners. Provisional Tax Payers who are in good standing with SARS (i.e. have no outstanding returns except for the current 2009 return) and who file via E-Filing to submit their 2009 returns, will have until the 28th February 2010 to submit their returns. Payment of assessed tax is due within seven (7) calendar days after assessment

BUDGET SPEECH 2010 / 2011 ANNOUNCEMENTS

Last week Finance Minister, Pravin Gordhan called on business and labour to find common ground with government in boosting jobs, growth and reducing poverty. He also announced the following:

- **Income Tax Breaks:** Earners under R57 000 pay no tax; threshold lifted from R525 000 to R552 000, personal income tax relief of R6.5 billion.
- **Job creation scheme:** Proposed cash reimbursement scheme for young people's salaries.
- **Sin tax:** a slight increase with talks of a more drastic review next year.
- **Boosts for welfare grants**
- **Tax deductible portion of medical contributions** have increased from R625 to R670 (beneficiary 1 & 2), and from R380 to R410 for each additional beneficiary.
- **SITE** is to be abolished from March 2011
- **Limiting salary structuring:** the company car fringe benefit value will increase and deferred compensation and employer provided group life insurance will be taxed as a fringe benefit.
- No change is proposed on corporate tax rates
- Fuel levies increased 25.5 cents per litre.

COMPULSORY LOGBOOKS

From the 1st of March we see the introduction of the 80% employee's tax on travel allowances and the compulsory logbook. Please advise your employees and provide them with the link to the SARS approved Travel eLogbook that they can download from the CRS website at <http://www.crs.co.za/downloads.html>.

SOLUTION OVERVIEW: COMMUNICATIONS MODULE

This month we focus on the Communications Module, a recent addition to the CRS range of Solutions. The Communications Module is a survey and communications tool that is most definitely the best resource to have implemented in your office when faced with updating all your employee records for SARS. The Communications Module forces employees to update their personal information electronically on-line, saving our clients the headache of collecting forms and manually capturing and updating records. Please contact us on info@crs.co.za if you would like additional info or a consultant to contact you to discuss this in further detail

We would like to welcome the following clients who recently joined the CRS Community:

- Aspen
- Medihelp
- Glaxo Smith Kline
- Broad reach Health Care
- Emirates Health (Dubai)
- Smollen India

Join CRS on the following Social Networking sites:

CRS HR & Payroll:

http://www.linkedin.com/profile?viewProfile=&key=61202981&locale=en_US&trk=tab_pro



CRS HR & Payroll:

<http://www.facebook.com/business/dashboard/#/pages/Rivonia/CRS-HR-Payroll/182076029389>

facebook

CRShrandpayroll:

<https://twitter.com/CRShrandpayroll>



Changes in tax afoot as Africa's commercial potential rises

The extent to which companies in Africa have complied with information archiving, retrieval and management to meet statutory requirements will become more apparent as the continent measures the impact of a more mature tax system.

African markets are growing. There is more opportunity for businesses to engage a broader marketplace, take advantage of higher levels of commercial interest and general investment (both domestically and internationally) in manpower and product. With this increasing level of cross-border business-to-business and business-to-consumer activity, it makes sense that tax systems will evolve to meet demands and regulate economies.

African countries have differing tax laws and requirements, and South Africa is arguably the most advanced in terms of tax revenue collection and processes. One of the biggest challenges when assisting clients with their administration and employment of staff in African countries is obtaining updated statutory information. The fundamental business principle going forward is that companies should expect that statutory bodies/ tax authorities will make changes to their requirements on an ongoing basis. The onus is on the company or their appointed service provider to obtain these updates timeously and ensure that their Solution remains compliant.

This is where service providers can make a meaningful difference. Companies have the option to engage with expert service providers on different levels to ensure compliance and effective tax management. As is the norm (and what should be understood by all parties) is that criteria for selection of a service provider must include track record, level of expertise and knowledge of the countries in which they operate. One of the main changes, we believe, that will characterise markets in Africa is that there will always be a need for greater/ more enhanced tax collection structures. To this end, in South Africa, the South African Revenue Services (SARS) is becoming an expert in the collection process but the base of collection needs to expand to avoid higher tax rates.



The case for South Africans abroad

Organisations continue to battle with the challenges associated with cross-border taxation. When appointing 'expats' in Africa, it is essential to find a solution that allows flexibility around these appointments and for the complexities around compliance. It is important to consider and fully understand the position if you are a South African citizen living abroad. If you work abroad it is advisable to ascertain whether you are still regarded as a tax resident in South Africa. If this is the case, you are obliged to disclose your worldwide income in your South African individual tax return. It is important to note that exemptions and deductions may be claimed against the income derived outside of the country. Should you not be classified as a tax resident, it is only necessary to disclose the South African source of your income on your individual income tax return. The reason for this is to account for interest from a local bank account and/or income from a property being rented out. If you have no locally sourced income, it is possible to deregister from South African tax.

Of course with any developing scenario in business, there are various approaches that can be adopted and each will have consequences. It would be prudent for decision makers to consider the focus of the business, requirements, availability of resources and short & long-term objectives prior to making a final decision on approach. The view and perception of Africa as an area of solid commercial investment continues to change. Traditionally, the continent has generally been limited to large scale, major enterprise. Today, as more businesses gain access to next generation technology, broaden their sphere of influence and review their strategies, the implication of evolving tax systems will certainly influence success and growth going forward.

The asset that is human resources

The pace and success of human resource development is arguably the most critical force of change within corporate South Africa today. This is the view of James McKerrell. According to McKerrell the modern HR development solution is designed to enhance information share and management within organisations. It is this ability that will differentiate growing organisations within the current marketplace. "With Human Resources becoming a major influence behind all successful, growing businesses, the need for a system to be the driving force has become more evident. Our view is that Human Resource Modules should cater for recording and managing of all human resource related information. Each module shares the data in the base module to complete the integrated human resource management cycle," McKerrell explains.

As an established operator within what is emerging as one of the fastest growing and most competitive sectors, CRS Technologies continues to endorse its message to the market that human resources can best be leveraged by adopting a phased approach and engaging with consultants that offer more than just solutions. "Consultancy is becoming entrenched within the domestic human resources market," McKerrell continues. "As with any services-orientated space – especially one that demonstrates consistent growth and vast opportunity, the human resource arena is very attractive for service providers. Businesses need to exercise caution in which service providers they partner with to support processes and procedures, to offer and support technology investment and application."



Any credible consultancy should involve a range of services that are grouped to provide a holistic and effective platform to meet all HR related requirements says McKerrell. These services include job evaluation, salary and pay structures, benchmarking HR policies to current changes in the market, staff training and advice on automatic HR processes. "A close inspection of what a consultancy division should provide will highlight a number of key areas that affect local business development," adds McKerrell. "Skills development, information and communication technology literacy and policy application or enforcement are considered to be the main areas of activity within the market." Aside from the delivery of an end-to-end solution, CRS Technologies is positioned as an advisor, consultancy and partner that is founded upon and consistently communicates a central, fundamental precedent: the human resource is the most significant asset within the modern workplace.

Twenty five years on – CRS Technologies remains at the forefront of HR development in South Africa

If ever there was a time for specialist service provision within the human resource market, it is now. As businesses and companies grapple with the dynamics and pressure of worldwide economic recovery, decision makers within the domestic marketplace are poised to extract the maximum value of human resource and skills development combined with technology. Partnerships are being struck, credible service providers are being sought and new foundations being laid for a new era in human capital resource management, application and intellectual capacity.

CRS Technologies has marked its 25th anniversary in the human resources and payroll by taking initiative, re-branding its image and creating a new look and feel, along with its competency. By management's own admission, the company has traditionally shied away from opportunities to engage the media and share in the details of its successes with the market. "Whilst we have been acknowledged by industry and partners for our impressive client base, the credibility and reliability of our service offering, we have also been criticized for not being visible enough in the market," says Dave Philp, Operations Director at CRS Technologies. "This was one of the main reasons behind our campaign to reintroduce a fresh look and positioning on our brand."

The decision to make changes to key public relations and marketing areas of the business, including the website, logo, and invest in services to promote and make the company more visible, was initiated after consultation with our employees and clients, says Philp. "Essentially the market has changed, it has matured and developed. Global standards continue to add impetus to this transformation. As a leader in the field of consulting and integrated software solutions to an established blue chip clientele, our vision and mandate was to elevate the basic changes we made to the look and feel of the brand. We also wanted to reflect advances in the industry and our extensive service offerings and communicate this effectively to our market," says Philp.

James McKerrell explained that the campaign is aggressive but strategic and is designed to successfully entrench the new-look brand into the marketplace and sustain levels of visibility. "Aside from the presentation of a fresh brand, our objective with this campaign has been to successfully communicate what this change means to both the company and our ongoing services. We are focused on solutions rather than just product, we have a proud track record of proactive, results-orientated service to blue-chip clients – these are some of our core strengths. Furthermore we want to reaffirm our position as leaders in the market with the resources, skills and experience to carefully negotiated challenges on operations," says McKerrell.

"Internally, we can mention the need for skills. From an external point of view, global enterprise resource planning solutions continue to be punted to multinationals based in South Africa and this process excludes local vendors. All these aspects of our influence and positioning in the market have to be relayed to the market and our brand represents our strength and capability within this changing environment," he adds. "CRS is a company about people. Our greatest challenge is to ensure that we retain our talent and keep our staff motivated. Twenty five years ago no one would have dreamt that there would be a computer on every desktop and people would have instantaneous, automatic access to information via the Internet. Our market has progressed and our position as entrusted service providers is to oversee these changes, position ourselves accordingly and add value to our clients," adds Philp.

In addition, Philp points to the fact that the company was founded upon people and the influence of this resource on key areas of commercial growth. Today, amid a climate of economic pressure and impact on operations to succeed, the role of our people in ensuring value added services to our clients is of the utmost importance. A constant and consistent evaluation of structures and strategies is required in order to refine business models and ensure that a robust approach is sustained.

Given the level of general market competition and the status of technical and HR skills as a sought-after commodity, it is not surprising that human resource development and technology solution development and implementation has emerged as one of the fastest growing sectors today. CRS identified this trend some time ago and has kept abreast of technology whilst also effectively managing its growth and relevance in the marketplace with the introduction of a number of innovative, value added products," Philp continues. Management at CRS Technologies looks forward to the rollout of this campaign as corporate South Africa positions itself to leverage off a new dawn in human resource development, strategy and technology evolution.

QUICK Q & A

Dave Philp, operations director at CRS Technologies

Q: What is the next big thing in your industry?

A: I believe the time is fast approaching when HR practitioners will become strategists and that HR data will become increasingly accessible by employees and management throughout the organisation.

In doing this, HR departments will go from being gatekeepers to making sure that concise, accurate information is available for effective decision-making where it is really needed.

Q: What inspires you?

A: I am inspired by people who have passion and dedication.



James McKerrell, MD, CRS Technologies

Q: What is the next big thing in your industry?

A: Businesses are looking to solutions that enable employees to access information using do-it-yourself technology.

Q: What inspires you?

A: What inspires me is being able to empower HR and payroll practitioners through technology.



CRS Training Calendar for 2010



Courses offered by our experts

We offer regular training on all the Modules available within the CRS Solution. Our Training Facilitators offers professional training in small, interactive groups, and are all experienced Consultants on the various CRS Modules. Training is available at all our Regional Offices

HR & PAYROLL SOLUTIONS

constantly raising standards

Course	Duration	Region	Dates (from February 2010)
Payroll Operations Module	2 Days	Gauteng	11 – 12 March 2010 15 - 16 April 2010
Payroll Operations Module	2 Days	Western Cape	18 – 19 March 2010 22 – 23 April 2010
Parameters Module	2 Days	Gauteng	04 - 05 March 2010 29 - 30 April 2010
Parameters Module	2 Days	Western Cape	17 - 18 March 2010 12 - 13 April 2010
Leave Module	1 Day	Gauteng	31 March 2010 29 April 2010
Leave Module	1 Day	Western Cape	03 March 2010 28 April 2010
Report Writer Module	2 Days	Gauteng	01 – 02 March 2010 19 – 20 April 2010
Report Writer Module	2 Days	Western Cape	25 – 26 March 2010 08 – 09 April 2010
Equity Module	1 Day	Gauteng	24 March 2010 09 April 2010
Equity Module	1 Day	Western Cape	05 March 2010 15 April 2010
Employee Relations Module	1 Day	Gauteng	09 March 2010 21 April 2010
Employee Relations Module	1 Day	Western Cape	09 March 2010 05 April 2010
Safety Module	1 Day	Gauteng	03 March 2010 06 April 2010
Safety Module	1 Day	Western Cape	10 March 2010 14 April 2010
Wellness Module	1 Day	Gauteng	23 March 2010 26 April 2010
Wellness Module	1 Day	Western Cape	12 March 2010 26 April 2010

R1200 per person per day. For further info, contact us on info@crs.co.za