



I am sure we are all delighted that the hubbub of the local elections are finally over and we (and hopefully our newly elected officials) can get back to work and focus on delivery.

Something we have noticed over the last month is a growing interest in performance management.

The impact of the global downturn during the last two years has made performance management a priority for c-level executives. Executives and managers feel there is an urgency to improve the processes and systems for managing business performance, just as they improved their transaction execution processes.

CRS has long taken the view that performance management has been relegated to the annual review process by many companies. Not only is this a highly ineffectual way of increasing performance, but many companies use this simply as a way to determine (and often mitigate) salary increases.

Skills acquisition and retention is one of the key challenges facing companies looking to grow. For any kind of success in this regard, performance management needs to be a constant and ongoing process which depends on two-way communication between employer and staff. It also needs to be managed with systems which are integrated with the rest of your HR and performance software. As Gartner so correctly points out, if you are conducting performance management in isolation, you are missing the point and are in real danger of making your skills strategy irrelevant.

If you would like to find out more on how we can help, why not read this [Medihelp case study](#), or give us a call and we can walk you through our world-class solution.

Until next time, *James*
James McKerrell

PAG Newsflash: ITREG Synchronisation

There have been changes to the ITREG synchronisation process from SARS' side to make it more efficient. Ensure that you are on e@syFile V4.3.3 (they did not release new software, but made changes on their side.)

All employers that previously experienced problems with the synchronisation process and would like to synchronise again should request SARS to reset their IT Reg letters first. This can be done by sending an email to itreg@sars.gov.za. Please include the PAYE number in the email. The employer will receive a new letter in their inbox on e@syFile. (Remember, you can only sync once. If you want to sync again, you need to reset first).

Also keep the following in mind when experiencing sync problems:

- Ensure that group management is set up on eFiling and that all users are linked to a group. The group should have access to EMP501 offline submissions.
- The August certificates must be on the e@syFile where you are trying to sync the numbers to. If there are no August certificates, then you will receive no numbers.
 - ◇ If the employer doesn't have the e@syFile with the August certificates anymore, then install a new e@syFile and import the CSV file again. The certificates only need to be there (you needn't re-submit for August).
- Not every employee in your company will be in the file. The following info is used to register and match the numbers, so if all the info is not there, then there would be no registration:
 - ◇ ID or passport number
 - ◇ Surname, Initials and Name (has to match 100%!) So, if you have initials R S on file and SARS has initials S R on record, then it does not match, so no number
 - ◇ Address
- Employees who were already registered before August will not be in the file.

Employment Act Threshold Earnings: an update on recent changes

--- Increase in Basic Conditions of Employment Act Threshold Earnings ---

Please see below extracts from the recent Government Notice issued by the Minister of Labour, Mildred Oliphant, with regards to Earnings Threshold. Click [here](#) to download the Government Notice.

13 May 2011

I, Mildred Nelisiwe Oliphant, Minister of Labour, in terms of Section 6(3) of the Basic Conditions of Employment Act, No. 75 of 1997, (the Act), determine that all employees earning in excess of R172 000 (one hundred and seventy two thousand rand) per annum be excluded from sections 9, 10, 11, 12, 14, 15, 16, 17(2), 18(3) of the Act with effect from 1 July 2011.

For the purposes of this notice: "Earnings" means the regular annual remuneration before deductions, i.e. income tax, pension, medical and similar payments but excluding similar payments (contributions) made by the employer in respect of the employee: Provided that subsistence and transport allowances received, achievement awards and payments for overtime worked shall not be regarded as remuneration for the purpose of this notice."

This determination replaces the determination published under Government Notice R 300 in Government Gazette No 30872 on 14 March 2008.

M N OLIPHANT, MP
MINISTER OF LABOUR

Continued overleaf...

- - - - Employment Act Threshold Earnings: Comment from The South African Labour Guide - - - -

Section 6 of the Basic Conditions of Employment Act makes provision for the Minister of Labour to publish a determination on the advice of the Commission that will exclude employees earning above a certain amount per year from sections of chapter 2 of the Act. Chapter 2 primarily deals with the regulation of working hours of employees.

On the 13th of May 2011 Minister Mildred Oliphant increased the annual threshold earnings from R149736.00 (R12478 p/m) to R172 000 (R14333.33 p/m). For the purpose of defining the word "threshold", it means the following, which is a direct quote from the ministerial determination as published: (words in brackets were inserted by us).

"Earnings" means gross pay before deductions, i.e. (before deducting) income tax, pension, medical and similar payments, but excluding similar payments (contributions) made by the employer in respect of the employee."

The sections from which such employees are excluded are:

9. Ordinary hours of work
10. Overtime
11. Compressed working week
12. Averaging of hours of work
13. Determination of hours of work by Minister
14. Meal intervals
15. Daily and weekly rest period
16. Pay for work on Sundays
17. Night work -17(2) that deals with transport and night shift allowances
18. Public holidays – 18(3) that deals with payment for work on a public holiday that falls on a day on which the employee would ordinarily not have worked.

Employees earning under the threshold amount:

These employees have the full protection of every section of the Basic Conditions of Employment Act (BCEA).

The Act entitles such persons to certain rights such as:

- * Overtime may only be worked by agreement between employer and employee.
- * The employee has the legal right and entitlement to demand payment for overtime worked at the rate of 1,5 times his normal wage rate, or at whatever rate is applicable (not less favourable than the minimum set in the Act).
- * The employee can also enter into an agreement with the employer whereby he can be given time off work instead of payment for overtime worked.
- * Generally, the employee can legally refuse to work more than 45 hours per week normal time and he can legally refuse to work more than 10 hours per week overtime and he can legally refuse to work more than 12 hours in any one day, consisting of nine hours normal time and three hours overtime. There are some circumstances where the employee may not be able to refuse, such as in emergency overtime, but that is not the issue under discussion.

There are some other conditions as well, but we are not going to go into all of them here - this article is not intended to be a training course in the BCEA.

From the above you will note that persons earning under the threshold have a legal right to "demand".

Employees earning over the threshold amount:

Persons earning over the threshold amount do not have a legal right to demand anything in respect of Sections 9, 10, 11, 12, 14, 15, 16, 17(2), and 18(3) of the Act with effect from 1 March 2008. The employer must however in determining the hours of work of the employee earning above the threshold take into consideration section 7 of the Act:

Click [here](#) to read the complete article on *The South African Labour Guide*.

Dilbert!



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Training

We continue to offer a selection of training on our modules. Please visit our website for the dates and venues.



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