

Many of you have told us that skills and training remain a key concern for your business. Finding and retaining the right skills is a key inhibitor to growth. The fact is, that this problem is more important to our country's growth than ever before.

Economist, Mike Schussler, recently published some very concerning statistics which gives context to our problem.

South Africa has an overall dependency ratio of 3.83, while the world has a dependency ratio of 2.28.

What this means is that every person with a job supports one and a quarter OTHER people in the world today, while in South Africa every job supports two and eight tenths other people.

South Africa therefore has more than twice the number of people depending on that income earner than the world average.

Already South Africa is the only country in the world where more people receive welfare cheques than pay cheques, while at the same time giving out one of the biggest public sector pay cheques as well. (More than one out of every five formal sector workers is a public servant.)

Job creation is a national imperative and skills and training become a key factor in ensuring we build a workforce that can contribute to our economy. New policy and legislation will have this at its cornerstone and we can expect to see a much tighter skills and training regime coming down the line. We urge you to ensure you are compliant.

*Until next time,  
James McKerrell*



### Skills Development Levy - a quick guide

In terms of the Skills Development Levies Act all organisations in South Africa with a payroll exceeding R500,000 per annum must pay a 1% Skills Development Tax on their payroll. This tax is fully contributed by the employer as part of its general statutory taxes calculated on the EMP 201 SARS form.

In terms of the act, organisations may claim back up to 55% of their paid Skills Development Tax - in other words they may claim back 55 cents out of every Rand. However organisations may only claim back their SDL tax if

- they pay SDL tax;
- they provide approved training to employees in the organisation either internally or externally.

In terms of the Skills Development Levies Act, organisations not paying SDL tax may not claim the grants, they may however offer learnership and claim learnership grants. The actual claim that the organisation has to submit to activate the claim procedure is called an Annual Training Report and Workplace Skills Plan (ATR & WSP). Interest is payable on late payments at the same rate as is applicable to income tax, i.e. currently 8.5%.

In addition to the interest, a penalty of 10% is payable on late payments. Having due regard for the circumstances of the case, the penalty may be remitted in whole or in part.

### Training Layoff Scheme

The Department of Labour's Training Layoff Scheme could help employers. This scheme allows a worker to forego his/her normal wage, to attend a training programme and to accept a training allowance during the period of training, rather than be retrenched.

To learn more, download the Department of Labour's guide [here](#).

### Workplace Conflict

It has been said that workplace conflict is probably the most avoidable cost that organisations face and the most damaging in terms of relationships, underperformance and waste of valuable management time.

A recent survey of 260 US chief executives and senior managers of leading Fortune 500 companies showed that they spent on average 24 percent of their time resolving conflicts at work. Another survey reported that 22 percent of employees surveyed stated that they had decreased their work effort because of conflict while close on 50 percent in the same survey indicated that they actually lost work time because of conflict. A further 12 percent said they had changed jobs because of conflict at work. Less than 20 percent were able to find "win-win" solutions.

South Africa is facing changes to the Labour Relations Act, Employment Equity Act and the Basic Conditions of Employment Act, and the introduction of a new Employment Services Bill, which contains provisions that regulate the activities of labour brokers.

Click [here](#) to read the full article by Barney Jordaan (University of Stellenbosch Business School).



### CRS Technologies: Annual Update and Conferences

Based on the feedback from our recent client survey, we have decided to have a CRS release/update presentation in August/September in each of the main regions. Each session will take place 9am to 1pm, and will cover the details of the changes and the enhancements to our software.

Attendance is free of charge and invitations will be sent in the near future. In the interim, please diarise the following dates:

Johannesburg - 24 August

Cape Town - 6 September

Port Elizabeth - 8 September

Durban - 9 September

### Training Modules

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



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