

Adam **GO**

•HR•CONSULTANCY•



At Adam & O we provide employers with premium quality Services. Yes, we are an HR Consultancy but one with a twist, rather a bonus plus. We offer

1. Financial Advisory
2. Retrenchment Advice
3. UIF Assistance
4. Advice on Disciplinary Procedure and Protocol
5. Advice on Department of Labour Requirements
6. Employee contracts per an employee, according to employee's Job title
7. HR Policy, to the specification of the organisation.

## BONUS PLUS

### 1. PRIMARY HEALTH CARE

We understand at Small and Medium Enterprises, sometimes employers cannot afford to subsidize a portion of medical aid. Therefore, we are offering a starter pack with "Primary Health care".

That consists of a registered nurse to attend to 50 employees once every 4 months. The registered nurse will practice only in their jurisdiction.

This is the exciting part, if you have less than 50 employees' you're welcome to bring the remainder (that makes 50 individuals) to the consultation. T&C's apply.

### 2. HR DATA BASE.

We understand that you're consumed in making money, therefore we will see to your HR employment. We have a data base of HR graduates, ready to share their innovative ideas with you. Basically, provide basic training, background checks and gear them up for the corporate world. T&C's apply.

### 3. GENERAL DATA BASE

Sometimes Poor Performance can be due to something deeper. For example, your secretary always takes down incorrect messages. Prior to this she was efficient. You're considering dismissing her and hiring a competent person. What you didn't realize is that she has developed a hearing impairment.

What we're offering at Adam & O is a data base of individuals to assist your employees and yourself.

In the situation above you will contact our consultancy and we will provide, from our data base individuals that can assist. e.g. an audiologist.

These individuals will offer their assistance at a reduced price. This is exclusively for the clientele of Adam & O HR consultancy. T&C's apply.

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## Employment Contracts

Commencement Date

Type of contract

Probation period

Validity of Contract

Appointment and Job description

Place of work

Hours of work and Overtime

Sunday Work, Night work and Overtime

Urgent work

Remuneration

Bonuses

Annual Leave

Sick Leave

Maternity Leave

Family Responsibility Leave

Other leave

Termination of Contract

Trade Unions

Disciplinary Procedure

Dismissal for incapacity

Retrenchment

Desertion

Grievance Procedure

Clothing Equipment and Tools

Loss Control

Confidentiality

Conflict of Interest

Restraint of Trade

Safety Measures

Business Vehicles

Employee Communication

General Changes

## EXPECTATIONS

- An employment contract for all employees specific to their job title.
- Legally compliant with BCEA and LRA. Clearly defines expectations from employer
- Outlines proper disciplinary procedure should the company require to administer disciplinary process.
- Clearly identifies type of employment



## Unemployment Insurance Fund

### WHAT IS THE UIF?

The Unemployment Insurance Fund (UIF) gives short-term relief to workers when they become unemployed or are unable to work because of maternity, adoption leave, or illness. It also provides relief to the dependants of a deceased contributor.

The unemployment insurance system in South Africa is governed by the following legislation:

- Unemployment Insurance Act, 2001 (the UI Act)
- Unemployment Insurance Contributions Act, 2002 (the UIC Act)

These Acts provide for the benefits, to which contributors are allowed, and the imposition and collection of the contributions to the UIF, respectively, and came into operation on 1 April 2002.

### HOW MUCH DO YOU NEED TO PAY?

The amount of the contribution due by an employee, must be 1% of the remuneration paid by the employer to the employee.

The employer must pay a total contribution of 2% (1% contributed by the employee and 1% contributed by the employer) within the prescribed period.

### OFFENSES

Chapter 17 of the Tax Administration Act, 2011 deals with offences committed under a Tax Act, which also applies to the UIC Act.

An offence is committed if a person:

Fails to:

- Submit a return or document to SARS or
- Issue a document to a person as needed.

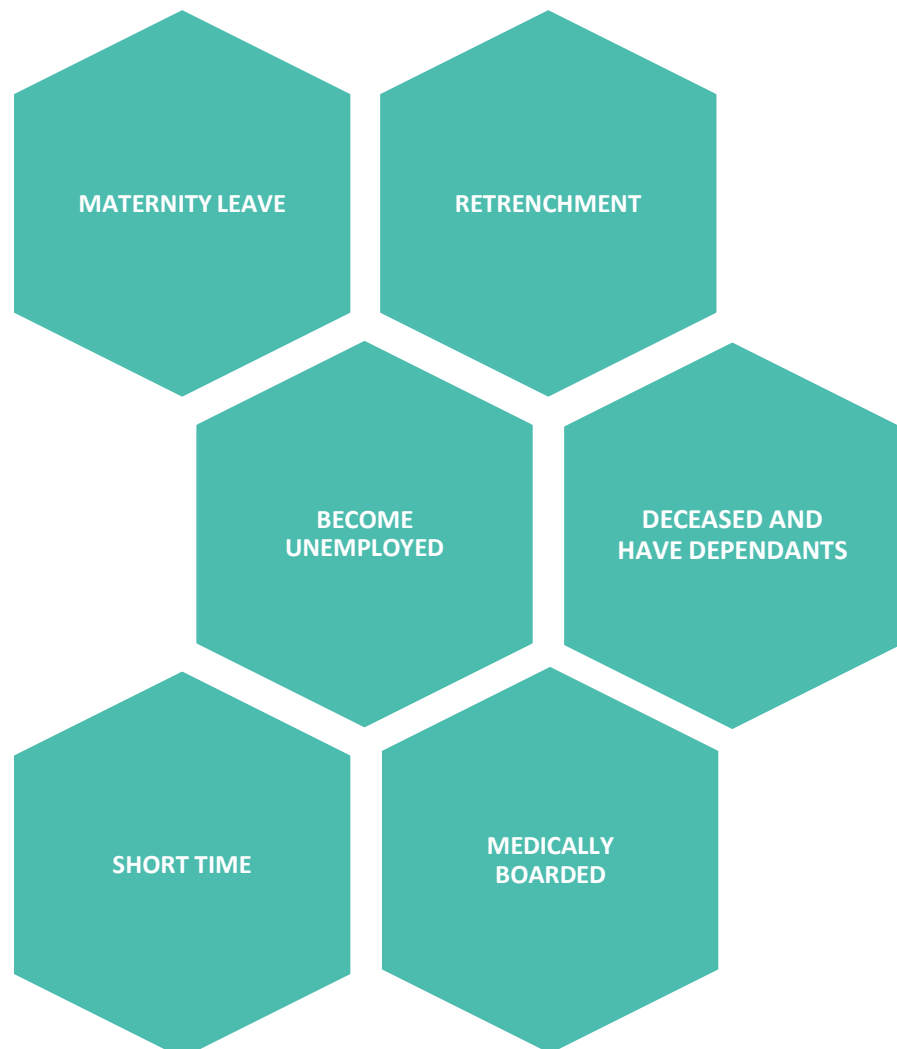
Fails or neglects to:

- Register or let SARS know of a change in registered details or
- Keep records as needed.
- Submits a false certificate or statement.
- Refuses or neglects to take an oath or make a solemn declaration.

A person convicted of any of these offences may be liable to a fine or imprisonment for a period not more than two years.

### EXPECTATIONS

- Register staff for UIF
- Submit required documents to relevant parties
- Keep up to date with required protocol.
- Assistance in claiming from UIF.



## PAYROLL

### YOUR COMPANY NEEDS TO BE REGISTERED FOR DEDUCTIONS

When you set up a company make sure that you are registered for:

- PAYE (the tax deducted from your employees)
- The skills development levy (SDL) you deduct to pay over to the sectoral education training authority
- Unemployment insurance fund (UIF)

As a company you will also need to be registered for company tax as well as VAT.

### LEAVE PAY IS CALCULATED AT A DIFFERENT RATE THAN NORMAL PAY

When calculating normal pay you multiply the hourly rate by the number of hours worked. When calculating holiday pay, the hourly rate is calculated as an average rate taken over the last three months, and this must also include overtime and any commission received by the employee.

### YOU MUST SUBMIT ALL EMPLOYEE INFORMATION MONTHLY BEFORE THE DEADLINE

On the seventh day of each month, you must submit your tax, unemployment and skills development return (EMP 201) to the receiver of revenue and pay the amounts due. If there are any late submissions, you will be liable for a fine of 10 per cent of the total amount outstanding. No exceptions are allowed on this deadline.

There are also submissions in August for the six month reconciliation, as well as the annual reconciliation in April/May. Workmen's compensation returns are due in March. There is also a monthly return to be done to the Department of Labour. These all refer to earnings and deductions done on your payroll.

## LEGALITIES

There are seven laws that govern the employment and remuneration relationship

South African workers are well educated on what they are entitled to and expect the payroll department and the company to deliver what is due. Therefore, it is imperative to run an error-free payroll. The following seven acts regulate the employment relationship in South Africa:

- Basic Conditions of EA
- Labour Relations Act
- Unemployment Insurance Act
- Health and Safety Act
- Workman's Compensation Act
- Income Tax Act
- Skills Development Act



## DISCIPLINARY PROCEDURE

The concept of progressive discipline is applied, as this awards the employee an opportunity to correct himself/herself.

An employee cannot be dismissed without following correct procedure. Therefore, it is imperative to have a system in place.

We will create all documents relating to disciplinary procedure

### MISCONDUCT

- Disciplinary Code
- Verbal Warning
- Written warning
- Final Written Warning
- Notice of Disciplinary Hearing
- Request for an Appeal
- Notice of suspension anticipating Hearing
- Official Record of Disciplinary Hearing
- Notice of Summary Dismissal
- Grievance Form

### INCAPACITY: POOR WORK PERFORMANCE

- Notice of poor work performance
- Official record of poor work performance
- Notice of incapacity inquiry

### INCAPACITY: ILL HEALTH

- Notice of incapacity inquiry
- Official record of incapacity inquiry

## EXPECTATIONS

- Create all required documents
- Assist in Disciplinary Process
- Legal Advice
- Assist in correct procedure to dismiss avoiding legal implications.





## RETRENCHMENTS

### WHAT IS RETRENCHMENT

Retrenchment is a form of dismissal due to no fault of the employee, it is a process whereby the employer reviews its business needs in order to increase profits or limit losses, which leads to reducing its employees.

South African law, specifically section 189 of the Labour Relations Act, states that employers cannot retrench employees without following due process. Failure to do so could land the employer in legal hot water

### HOW LONG IS THE RETRENCHMENT PROCESS?

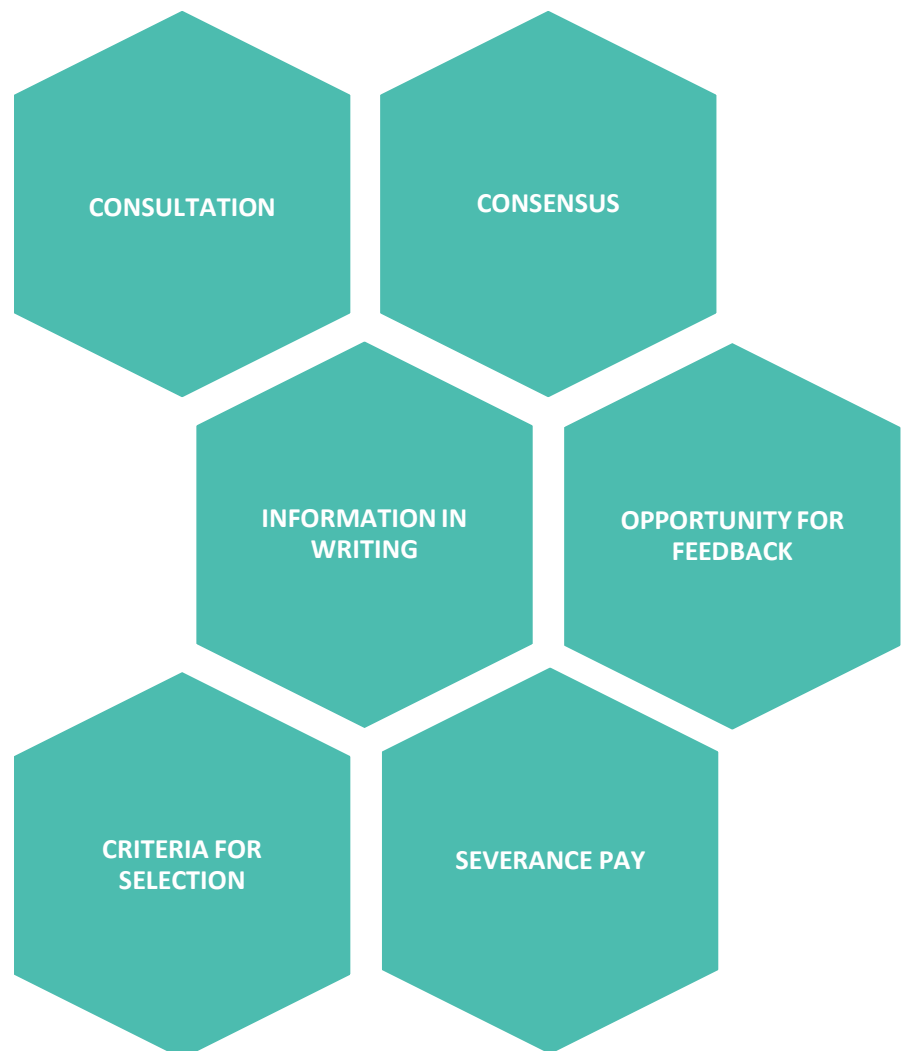
Normally on average such a process takes between two and three weeks. We employee more than 50 employees and contemplate dismissing at least 10 employees based on the company's operational requirements. In such instances the employer will have to follow the steps outlined in section 189A of the Labour Relations Act.

### WHAT IS THE MINIMUM RETRENCHMENT PACKAGE?

Severance pay – a retrenched employee must at least be paid 1 week's pay for each completed year of ongoing service. However, the employer must pay the retrenched employee the amount specified in any policy or his/her employment contract, if that amount is larger.

## PROCEDURE

- Consultation must take place as soon as the employer contemplates retrenchment.
- An attempt must be made to reach consensus
- An employer has to disclose relevant information in writing
- The employer must give the other consulting party an opportunity to make presentations that must be considered and be responded to
- If no agreement is reached on the criteria for selection, criteria must be fair and objective. The LIFO (last in first out) principle is often applied, but is not the only consideration. Staff with key skills may be retained and a poor performance record may be taken into consideration.
- A payment of severance pay , notice pay and any other pay that is due to them.



## HR POLICY

Human resources (HR) policies and procedures are put in place as a form of guidance and protection for everyone within the organization. Because of these policies and procedures, employees know what to expect within their workplace and managers know how to make specific decisions.

- Employment Equity Policy
- Leave Policy
- Recruitment, Selection and Retention Policy
- Permanent Employment Policy
- Induction Process and Procedure Policy
- Temporary Employment Policy
- Common Business Language Policy
- Confidentiality Policy
- Access to Employee Files Policy
- Conflict of interest Policy
- Employee use of Assets Policy
- Extraneous Employment Policy
- Gifts to Employees Policy
- UIF Policy
- Utilisation of Unit Vehicles Policy
- Use of Internet and Email Policy
- Working Hours Policy
- Performance Management Policy
- Sexual Harassment Policy
- Smoking Policy
- Substance Abuse Policy
- Disciplinary Code Policy
- Losses and Debts Owing to the organisation

## EXPECTATIONS

Create an HR policy to the Specific requirements of the organisation.

Assist and advice in any breach of HR policy or contract.



## DEPARTMENT OF LABOUR REQUIREMENTS

Labour inspectors are appointed by the Department of Labour to advise employers and employees of their rights and obligations in terms of employment, to conduct an inspection of the workplace and to investigate complaints. Labour inspectors visit the workplace in order to ensure compliance with labour law, especially the following:

- Labour Relations Act
- Basic Conditions of Employment Act ("BCEA")
- Compensation for Occupational Injury and Diseases Act
- Employment Equity Act
- Occupational Health and Safety Act
- Unemployment Insurance Act

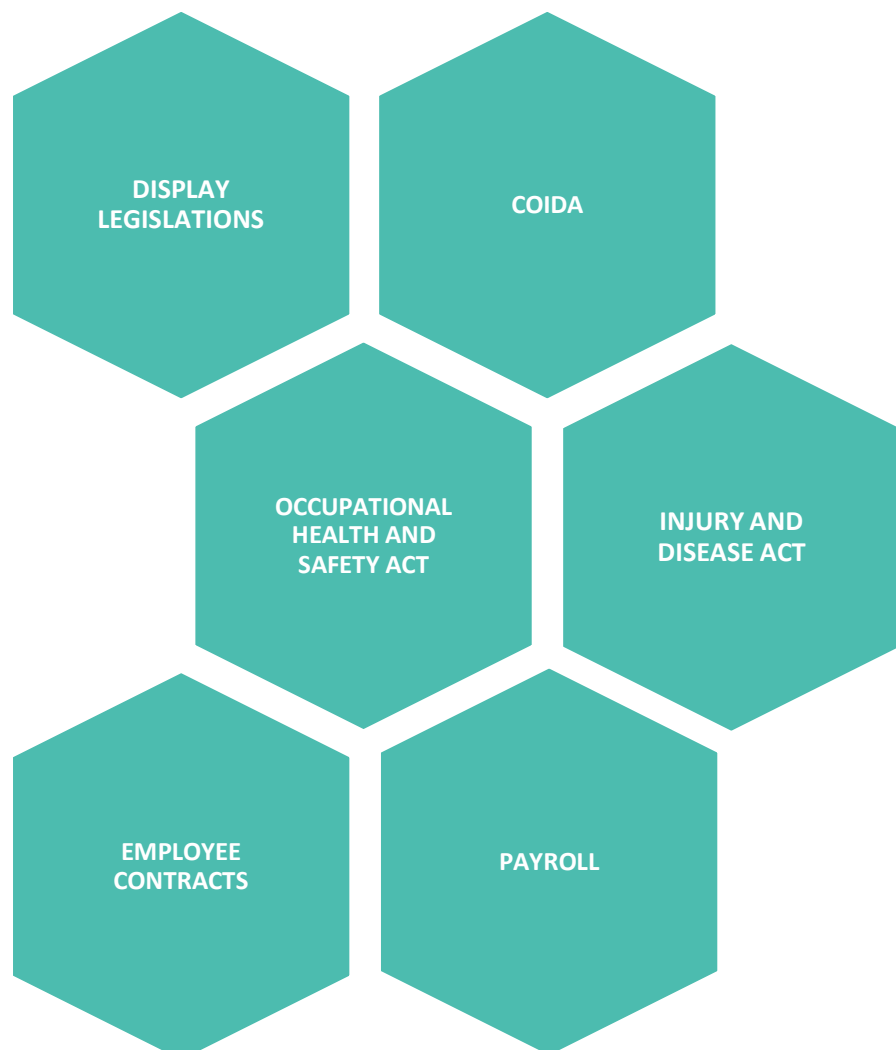
During an inspection a labour inspector will check various points in terms of compliance with labour legislation and can request copies of employment contracts and payslips. Labour inspectors in some instance also interview one or two of the employees. Other points for inspection include:

- Proof of registration with the Workman's Compensation Fund and Unemployment Insurance Fund, as well as proof of the last payments made.
- Is there a summary of the following legislation displayed in the workplace?
- Basic Conditions of Employment Act
- Employment Equity Act
- Occupational Health and Safety Act and the Regulations – this Act only needs to be displayed when the employer has five or more employees.

Are the employer and employees trained to deal with health and safety issues.

## CONSEQUENCES OF NON-COMPLIANCE

Amendments to the BCEA resulted in the grace period to comply in cases of non-compliance, to fall away. Labour inspectors can now immediately issue a compliance order. Legal implications and consequences for the employer in cases of non-compliance can include fines (between R300 (minimum) to R1500 (maximum) per employee) and imprisonment (one year (minimum) to six years (maximum)). Recent amendments to the BCEA have resulted in fines and imprisonment having tripled



## FINANCIAL ADVISORY

### BREAKDOWN

Implementing strategies for clients in insurance coverage, estate planning, investment planning, retirement planning and other insurance related areas to ensure financial objectives are met.

### FINANCIAL PLANNING

- Advising clients on informed and insightful financial planning strategies.
- Review clients insurance portfolios.
- Customized proposals to attain financial security.

### LIFE INSURANCE

Provide licensed and accredited advisory

### INVESTMENT

Provide advisory and planning on the following:

- Endowments
- Education Policies
- Tax-free Savings
- Guaranteed Investments
- Flexible Investments
- Collective Investment Schemes (Unit Trusts)

### RETIREMENT PLANNING

Provide advisory and planning on the following:

- Retirement Annuities
- Pension Transfers
- Preservation Funds
- Life & Living Annuities

### HEALTH PLANNING

### SHORT TERM PLANNING

## BUSINESS LIFE INSURANCE

Protects personal estate against claims for the amount of surety provided. Provides capital to buy business partners shares, whilst protecting business from unwanted partners. Pay off current business debts upon death or disability of a business partner. The Business will have enough money to continue with day-to-day activities, even when the unfortunate happens to a keyperson.

Provide advisory and planning on the following:

- Keyperson Insurance
- Buy & Sell Agreement
- Business Overheads Insurance
- Business Contingent Liability Insurance

Minimum Cover Amount of R100 000



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