

PRETORIA OFFICE

Alenti Office Park, Block E
457 Witherite Road
The Willows Ext 82
Pretoria

t: +27 (0) 12 807 0682

f: +27 (0) 86 502 7607

e: marketingpta@serr.co.za

CAPE TOWN OFFICE

101 Sterling Place
86 Edward Street
Bellville
Cape Town

t: +27 (0) 21 822 0555

f: +27 (0) 86 241 9481

e: marketingcpt@serr.co.za

SERR Newsletter 2/2014

Dear Client

ISSUES IN THIS NEWSLETTER

1. NEW NAME AND LOGO
2. EMPOWERING SUPPLIER
3. DEBIT ORDERS
4. SKILLS DEVELOPMENT
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As from 10 November, we are conducting business under the name **SERR SYNERGY**. We have added to our range of services to ensure that our clients comply fully with all statutory requirements. This is imperative as, amongst others, full compliance becomes a prerequisite in terms of the new (revised) BEE Codes under the Empowering Supplier requirement. Unless a supplier can prove their Empowering Supplier_status (for enterprises with an annual turnover above R10 million) and an endorsement to this effect appears on the BEE Scorecard, no procurement points are allowed for any purchases from such a supplier. Lack of an Empowering Supplier status is therefore an automatic disqualifying factor for procurement purposes, irrespective of the BEE level of compliance. This means that even procurement from a level 1 black-women-owned or black-owned entity with an annual turnover above 10 million who is not an Empowering Supplier will result in zero points for any entity purchasing from such supplier. SERR SYNERGY will follow a holistic approach to compliance and provide clients with a certificate of assessment for purposes of the Empowering Supplier requirement. Our aim is to synergize all the compliance issues applicable to businesses in South Africa to eliminate risk and facilitate Empowering Supplier status for our clients.

OUR SERVICES INCLUDE THE FOLLOWING:

- BEE compliance
- Facilitation of skills development and Employment Equity
- Accredited training and learnerships
- Labour relations services for business owners
- Labour relations services for household employers (domestic workers)
- Consumer Protection and Protection of Personal Information Act
- Corporate governance and business administration.

A service to many leads to greatness

We enclose a brochure with information on each product. Our website will also shortly provide details on all the products. Should you require any more information or want any of our advisors to visit you to explain the new services, you are welcome to contact our offices on 012 807 0682 or e-mail Sanet@serr.co.za or Erika at finance@serr.co.za or our Cape Town office on 021 822 0555 or e-mail Helen at info@serr.co.za.

DEBIT ORDERS

We will in future request all new clients to authorise deduction orders for the 25th of each month. This will enable us to circumvent the logistical challenges experienced in peak time frames at the end of the month.

For this reason we also request permission from our existing clients to change the deduction date for debit orders from the last working day of the month to the 25th of each month, starting in December 2015. Should the 25th fall on a weekend or public holiday, debit orders will be processed on the working day immediately preceding the weekend or public holiday. Debit orders for November will still be processed on the last working day.

Should this arrangement not be possible, we request such clients to inform us at finance@serr.co.za or sanet@serr.co.za to make alternative arrangements. Some clients have already indicated that the new deduction date of the 25th will be more beneficial to them than at the end of the month, as the previous deduction date often interfered with their payroll runs, account protection limits, etc.

We would also like to accommodate our clients by not having any **annual increases** in monthly fees for a three-year period (2014 to end 2017). Fees might be increased in future for new clients, but these increases will not have any effect on existing clients. This is now a standard clause in all new services agreements.

SKILLS DEVELOPMENT

As the majority of our clients' financial year ends in February, and with just more than 3 months left for most businesses in this regard, we wish to remind our clients about the importance of the Skills Development expenditure within the current financial year. Although the actual training may be done after the current financial year ends, calculation of points for BEE purposes is based on the expenditure as a percentage of annual payroll in that financial period. Please note that when calculating the points, only 15% of this expenditure is allowed for 'in-house training' in terms of Skills Development – the remaining points need to be made up by accredited training and learnerships.

For those clients who need to be measured in terms of a scorecard, Skills Development accounts for 20 points on the scorecard (for QSEs even more). The required expenditure is 3% of the annual payroll for generic businesses and 2% for QSEs (below R35 million annual turnover). In terms of the new Codes, this amount will increase after 1 May 2015 to 6% of annual payroll expenditure for generic businesses (above R50 million annual turnover) and 3% of annual payroll expenditure for QSEs (below R50 million annual turnover).

Clients are urged to contact their respective SERR SYNERGY Project Managers or our offices before embarking on any expenditure for training to ensure that the training indeed qualifies for BEE purposes. Many clients waste money by embarking on non-accredited training.

EMPLOYMENT EQUITY

For designated employers who need to score points on the BEE Scorecard for this element, proof of submission of an Employment Equity report with the Department of Labour is required. These reports can still be electronically submitted on/before 15 January 2015, whereas the closing date for submissions of hard copies was in October 2014. Should you require assistance in this regard, please contact us.

At your service