



# Annual General Meeting

[1 January 2022 – 31 December 2022]

PAGSA AGM held on  
21st June 2023

The Annual General Meeting starts at **09h00**

The Information Session starts at **11h00** *[Note: Separate Link]*

# Welcome

# PAGSA AGM Agenda

## **PAGSA Annual General Meeting** **09h00**

- AGM Formalities
- Reports: Chairman, Management, & Financial
- Voting Procedures for Exco Committee
- Open to the Floor

## **Closing** **10h30**

## **30 Minute Break**

## **PAGSA Information Session** **11h00**

- Update: COIDA Maximum Threshold
- SARS Overview of Monthly Tax Certificates
- Open to the Floor
- PAGSA Overview of new Website

## **Closing** **12h30**

# AGM Formalities

## 1. Meeting Protocol

- Video: **ON** for Presenter, **OFF** for Delegates
- Mute: Not blocked (Unmute manually)
- Proposer/Secunder Communication (Verbal or Chat Box)
- Questions: Hands Up/Down

## 2. Attendance Register

- Recorded on entry to the Meeting - no need to sign
- Apologies?

## 3. Quorum: [Minimum of 20% of the 32 'Full' PAGSA members = 6.4 members]

## 4. Special Resolutions: [None for the 2022 AGM]

## 5. Minutes:

- Pages 3 to 6 of the PAGSA Annual AGM Report

# *CHAIRMAN'S REPORT*

*Rob Cooper*

# Chairman's Report Welcome

- ▶ **The PAGSA was established in 1989 with the active support of SARS**
  - Founding member companies in 1989: Accsys, Paywell, Paywise, QPAC, VIP Payroll
- ▶ **Welcome to -**
  - Those here today who established the PAGSA 34 years ago
  - Members of the PAGSA Manco and Exco, past and present
  - All PAGSA 'Full' Members, especially those who travelled a long way to be here today ...
- ▶ **Very sad news -**
  - In last year's AGM, we paid tribute to Marelize Loftie-Eaton who passed on in June 2021
  - In February 2023, I was given the news that Dave Teron, one of the 1989 founders of the PAGSA, had passed on
- ▶ **Very good news -**
  - Niel Nel has retired from SARS, and has been appointed to the PAGSA Manco Committee

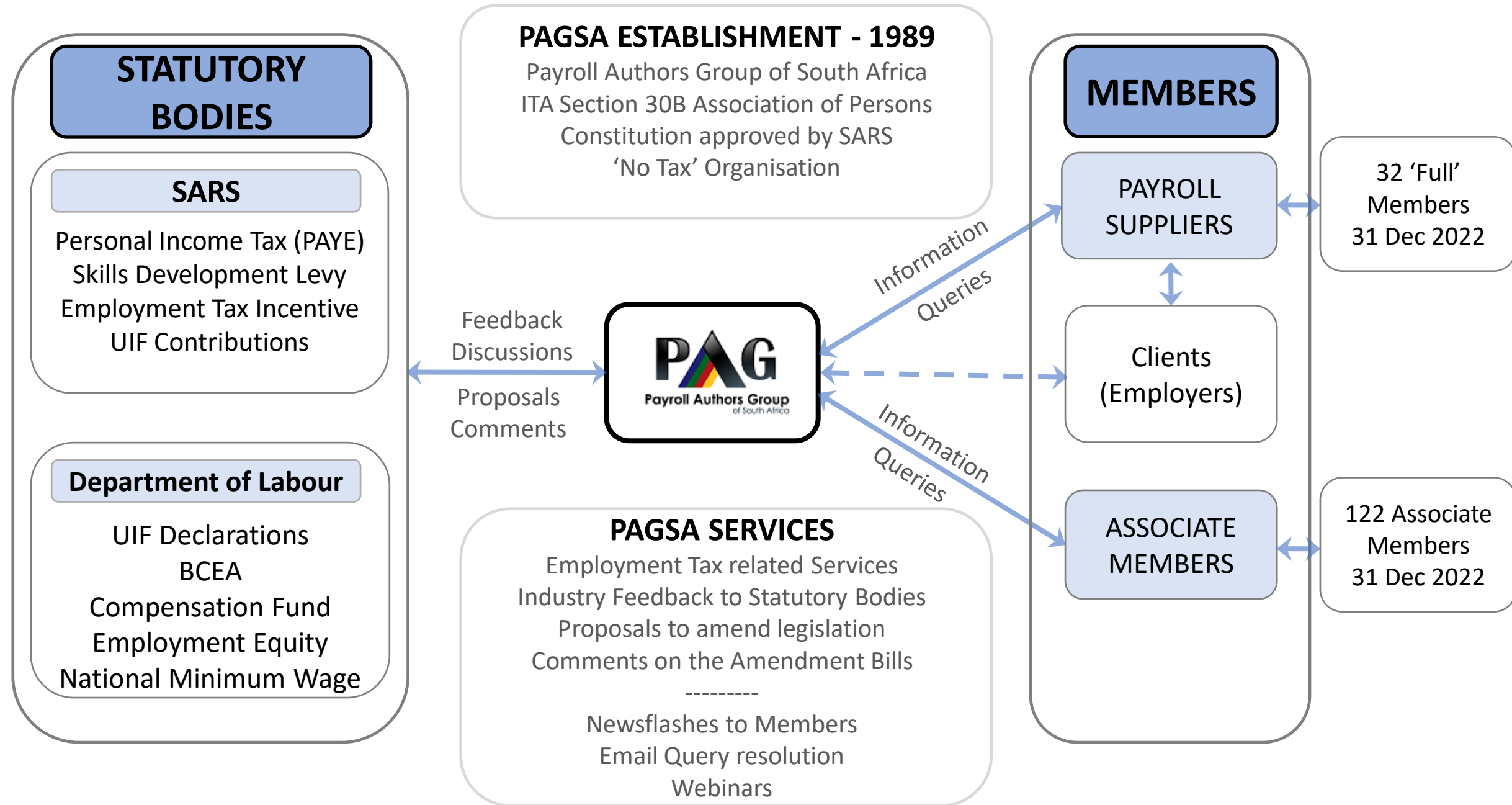
# Chairman's Report Overview of 2020 and 2021

- ▶ **2020 and 2021 were very difficult years for South Africa, and for every person in SA**
- ▶ **Payroll suppliers were reasonably shielded because payrolls are a form of 'critical' service, but**
  - The financial distress of a client reflects back onto the Payroll supplier
- ▶ **The PAGSA went through difficult times during 2020 and 2021**
  - Not because of a lack of work, but because of too much work
- ▶ **Abnormally high level of legislation changes**
  - Disaster Management Tax Relief Bills issued with almost immediate effect, plus retrospective changes for ETI
  - UIF TERS - The stream of Directives being rolled out, the problems, and the never-ending queries ...
  - UIF E-Compliance Certificate launched without discussion Jan 2021 - suspended after meeting on 12 April 2022
  - All of this placed stretched the PAGSA's resources to the limit
- ▶ **PAGSA had no choice but to fight fires and put other projects to one side**

# Chairman's Report

## PAGSA Purpose and Core Functions

- ▶ **The PAGSA is the representative body for the computerised payroll industry in South Africa**
- ▶ **The PAGSA is positioned between its**
  1. Members (payroll suppliers and employers), and the
  2. Statutory bodies whose legislation and operational requirements impact on PAGSA members
- ▶ **The core functions of the PAGSA**
  1. Provide the statutory bodies with balanced and accurate information from the perspective of our members
  2. Propose changes to legislation and administration requirements that seek to simplify and ease the burden of payroll administration, and to make it easier to comply
  3. Inform the PAGSA members of changes to legislation and administration requirements as they happen





# Chairman's Report

## PAGSA 'Payroll Supplier' Members

- ▶ The PAGSA Constitution provides for two categories of Members: 'Full' and 'Associate' members
- ▶ 'Full' or 'Payroll' Members
  - Companies that develop, install, and support computerised payroll systems in South Africa
  - As on 31 December 2022 there were 32 'Payroll' members (constant over the years)

<b>FULL MEMBERS</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Brought forward</b>	<b>36</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>33</b>	<b>34</b>	<b>32</b>	<b>35</b>	<b>34</b>	<b>33</b>	<b>33</b>
<b>New applications</b>	<b>2</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>10</b>	<b>11</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>3</b>
<b>Resignations</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>Suspensions</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>9</b>	<b>10</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>TOTAL: Year end</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>33</b>	<b>34</b>	<b>32</b>	<b>35</b>	<b>34</b>	<b>33</b>	<b>33</b>	<b>32</b>

# Chairman's Report

## PAGSA 'Payroll Supplier' Members

- 1. Indirect benefits from the PAGSA relationship for 'Payroll' Members**
  - PAGSA's relationship and communication channels with the statutory bodies
  - PAGSA's influence on new legislation and on adjusting existing legislation and administration requirements
- 2. Direct benefits from the PAGSA relationship for 'Payroll' Members**
  - Communication by Newsflashes
  - Query resolution by email
  - Platform to test tax certificate submissions with SARS
- 3. 'Payroll' members have voting rights to elect Exco committee members**
- 4. The membership fee is very reasonable ...**

# Chairman's Report

## PAGSA 'Associate' Members

### ▶ 'Associate' Members

1. Companies that do not develop but in some way support computerised payroll systems in South Africa
2. As on 31 December 2022 there were 122 'Associate' members - growing very slowly but steadily

<b>ASSOCIATE MEMBERS</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Brought forward</b>	<b>0</b>	<b>11</b>	<b>26</b>	<b>39</b>	<b>46</b>	<b>111</b>	<b>113</b>
<b>New applications</b>	<b>16</b>	<b>31</b>	<b>17</b>	<b>14</b>	<b>79</b>	<b>19</b>	<b>23</b>
<b>Resignations</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>2</b>	<b>4</b>
<b>Suspensions</b>	<b>4</b>	<b>11</b>	<b>4</b>	<b>7</b>	<b>8</b>	<b>15</b>	<b>10</b>
<b>TOTAL: Year end</b>	<b>11</b>	<b>26</b>	<b>39</b>	<b>46</b>	<b>111</b>	<b>113</b>	<b>122</b>

# Chairman's Report

## PAGSA 'Associate' Members

### ▶ Benefits from the PAGSA relationship: 'Associate' Members -

#### 1. Indirect benefits:

- PAGSA's relationship and communication channels with the statutory bodies
- PAGSA's influence on new legislation and on adjusting the existing legislation and administration requirements

#### 2. Direct benefits:

- Newsflashes
- Optional query resolution by email (for an additional fee)

#### 3. 'Associate' members do not have voting rights and are not part of the PAGSA AGM

#### 4. The membership fee is very reasonable ...

# Chairman's Report

## PAGSA Communications with Members - 2019 to 2021

### ▶ PAGSA Communication to Members

- A core function of the PAGSA is to communicate information to our members using Newsflashes
- Due to the unique position that the PAGSA occupies in the payroll landscape, it remains the best source of accurate, balanced and timeous information for payroll managers, administrators and practitioners

#### • Statistics:

##### Communications in 2019

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOT
Newsflashes	7	8	8	3	5	3	5	7	5	4	4	7	66
Newsletters													0
Payroll Events	1	1	1	1	1	1	1	1	1	1	1	1	12
Notices					1	2							3

##### Communications in 2020

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOT
Newsflashes	2	4	19	21	13	2	1	8	6	5	3	7	91
Newsletters													0
Payroll Events	1	1	1	1	1	1	1	1	1	1	1	1	12
Notices						1					1		2

##### Communications in 2021

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOT
Newsflashes	5	11	3	4	4	5	7	11	1	1	3	4	59
Newsletters													0
Payroll Events		1	1	1	1	1	1	1	1	1	1	1	11
Notices													0

# Chairman's Report

## PAGSA Communications with Members - 2022

▶ **PAGSA Communications to all Members in 2022**

COMMS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOT
Newsflashes	1	10	6		10	4	1	5	3	5	3	7	55
Payroll events	1	1	1	1	1	1	1	1	1	1	1	1	12
Notices						4							4

▶ **During 2022, a total of 55 x Newsflashes, 12 x Payroll Events, and 4 x Special Notices were issued**

# Chairman's Report

## PAGSA Statistics of the History of Email Queries

► The table shows the following trends over recent years of the total email queries handled by the PAGSA:

PER YEAR	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Internally	1624	1498	1592	900	644	626	604	324	441	397	233
Stakeholders	57	113	122	103	68	95	24	20	34	15	24
SARS	27	37	46	41	35	66	14	6	12	3	21
UIF	1	17	24	16	6	5	0	0	6	4	3
WCF	0	13	5	2	0	1	1	1	1	0	0
Labournet	29	46	47	44	27	23	9	13	15	8	0
Errors reported	12	53	55	72	73	53	45	15	100	36	50
TOT PAG queries	1624	1498	1592	900	644	626	604	324	441	397	233
TOT SAIT queries	157	360	557	82							
TOTAL QUERIES	1781	1858	2149	982	644	626	604	324	441	397	233

1. 2018 to 2019: Increase of **338** queries
2. 2019 to 2020: Increase of **1,167** queries
3. 2020 to 2021: Decrease of **291** queries
4. 2021 to 2022: Decrease of **77** queries

# Chairman's Report

## PAGSA Relationship with our Statutory Partners

### ▶ **General Comment**

- The query turnaround time of the PAGSA
- Is dependent on the turnaround time of the relevant Statutory body

### ▶ **DoEL Divisions**

- Are helpful, but unfortunately generally very slow

### ▶ **SARS**

- SARS are of great help to the PAGSA
- Except for difficult issues that understandably take time, are professional and quick with their response

### ▶ **Brief Summary of each Statutory Partner of the PAGSA follows**



# Chairman's Report

## PAGSA Statutory Partner: Compensation Fund

- ▶ **PAGSA is in regular contact with the Compensation Fund**
  - Memorandum of Understanding of mutual support
  - Unfortunately, the Fund's service levels are not what they were
- ▶ **The PAGSA focuses on the Fund's 'front end' requirements**
- ▶ **COID Amendment Act**
  - Was finally promulgated on 17 April 2023 (delayed by the Nov 2020 ConCourt judgement)
  - Has not yet been made effective
- ▶ **Changes introduced by the COID Amendment Act**
  - Domestic workers to become COID employees
  - 'Earnings' to be replaced by the Fourth Schedule definition of remuneration, with some exclusions
- ▶ **I am hoping for an effective date of 1 March 2024 ...**

# Chairman's Report

## PAGSA Statutory Partner: Unemployment Insurance Fund

- ▶ **The PAGSA's relationship with the UIF authorities**
  - Has always been, and is still, a strong relationship
  - But our relationship went through a 'dip' during 2020 and 2021 that must be restored
- ▶ **Recent problematic events**
  - The roll-out of the UIF TERS benefit from March 2020 until May 2021
  - Fund's launch of the E-Compliance Certificate (or e-CC) system in January 2021 without consulting or testing
- ▶ **The e-CC system was finally suspended after 12 April 2022 meeting with senior management**
- ▶ **What now?**
  - PAGSA proposal to the Fund to improve and expand the employee data provided monthly by payrolls
  - Initial meeting in Dec 2022
  - Productive meetings in the first quarter of 2023 between the PAGSA and the Fund's working groups
  - Could result in changes to the E03 Monthly Declaration specification

# Chairman's Report

## PAGSA Statutory Partner: Employment Equity Directorate

- ▶ The PAGSA has a healthy relationship with the Equity Directorate that goes back to 1998
- ▶ Employment Equity Amendment Act
  - Approved by Parliament in May 2022 and signed by the State President in April 2023
- ▶ Makes two significant changes that payrolls must be aware of:
  - All employers with less than 50 employees will no longer be a “*designated employer*”
  - Sectoral targets will be introduced for the EEA2 Workforce Profile report
- ▶ Implementation of the EE Amendment Act
  - Equity Plans submitted under the amended legislation will start from ‘scratch’
  - No implementation possible until the sectoral targets have been finalised and regulated
  - Effective date of 1 September 2023 announced on 31 Aug 2022 by the DDG [but let’s wait and see ... ]
- ▶ **PAGSA Proposal:** To standardise the ‘Equity Reporting Year’, and to align it with the Tax year ...

# Chairman's Report

## PAGSA Statutory Partners: SARS & National Treasury

- ▶ **SARS are making good progress after their well-publicised difficulties in recent years**
  - PAGSA has confidence that SARS will emerge stronger, with new direction, and with renewed energy
- ▶ **I am pleased to say that our relationship with SARS is strong and healthy**
  - It is always a pleasure to welcome several of their senior personnel here today
- ▶ **The Vision 2024 PAYE project**
  - Has been delayed by the 2020 & 2021 difficulties
  - Is now moving ahead steadily
- ▶ **National Treasury**
  - Our relationship with National Treasury has gone from strength to strength over the years
  - We are hoping that the provisions of the ETI Act will be simplified in the future as proposed by the PAGSA
  - We are looking forward to changes to travel allowances as requested by the PAGSA

# Chairman's Report

## PAGSA Participation in the Annual Legislation Amendment Cycle

- ▶ For many years, the PAGSA has by invitation been part of the Legislation Amendment cycle
- ▶ The main stages in the annual cycle are
  - November: PAGSA submits proposals to National Treasury for consideration for Annex C of the Budget Review
  - July: The draft Amendment Bills are published
  - August: The PAGSA submits comments on the draft amendments to National Treasury
  - September: The PAGSA participates in the workshop that discusses the comments on the draft Bills.
- ▶ The legislation activities of the PAGSA are listed in my chairman's report in the Annual report
  - This list is not complete
  - But it will give you an idea of the PAGSA's legislative activities

# Chairman's Report

## Feedback on Current PAGSA Activities

### 1. PAGSA Administration

- Improvements to our website and the email query 'ticketing' system have been completed
- Overview of the new website at the end of the Information Session after the tea break

### 2. PAGSA Workgroups

- The policy to co-opt PAGSA members with special skills to assist with certain projects remains in place

### 3. PAGSA Communication with Statutory Organisations

- One of the two core functions of the PAGSA is to provide informed and balanced input to statutory bodies to help shape both future and current legislation requirements
- The authorities must be made aware of the unique requirements of payroll system suppliers and employers
- All PAGSA members are encouraged to provide their opinions on both existing legislation where bottlenecks are being experienced, and on proposed legislative amendments and operational changes

# Chairman's Report

## Future Initiatives

- 1. 'Knowledge Base' of Resolved queries: Status - started with this, but more attention required**
  - To reduce the number of new queries if the answer is already recorded
  - Suggested by Deon (Intercode)
- 2. PAGSA Seminars: Status - to be restarted**
  - Agreed in the 2018 AGM that the PAGSA will present webinars
  - NMW seminars were presented in February 2019, followed by one other labour law seminar
- 3. PAGSA Employers Guide: Status - Investigation needed**
  - Proposal to create a "PAGSA Employers Guide" was agreed to at the June 2016 AGM
  - Due to a lack of both time and resources, no progress has been made with the Guide project
  - This project needs an investigation and a business plan to check that the project is viable as well as to determine the time, funding and resources required

# Chairman's Report

## PAGSA Financial Position

### ▶ Financial position of the PAGSA

- Has improved somewhat due to employers and tax practitioners joining the PAGSA as Associate members
- But at a slower rate than what we had hoped for prior to the Covid years

### ▶ Manco and Exco Members

- Put in many hours of work that are largely unrewarded
- This is an unhealthy situation for the PAGSA to be in

### ▶ The PAGSA should be financially strong enough to allow us to -

- Continue to provide quality services to our statutory partners and to our members
- Undertake new projects
- Remunerate the managing and executive members of the PAGSA appropriately for their services



# Chairman's Report

## Rob: Succession Plan (C/Fwd from the 2021 AGM ... 😊 )

- ▶ **Looking ahead as far as my personal activities at the PAGSA are concerned**
  - I have initiated discussions with the other members of the Manco to set up a succession plan for myself
  - In the interests of transparency, I thought it best to announce this today so that you are all in the picture
- ▶ **The SARS Vision 2024 PIT project**
  - Will have a huge impact on payroll systems in the years ahead
  - Has an influence on my thinking and on this planning
- ▶ **Due to experience of these SARS projects going back to the nineties**
  - I believe that I can make a positive contribution to this project
  - But this does not mean that I must necessarily remain in my current position
- ▶ **To be discussed further - your comments and suggestions are welcome**

# Chairman's Report In Closing

- ▶ **Looking back 34 years**
  - The PAGSA has steadily grown in stature and has improved its products and service levels significantly
  - I am confident that we are on the right track and will continue to make slow but steady progress
- ▶ **A BIG word of thanks to -**
  - Our Manco members: Rob Nowicki, Rhona van Taak, Beatrie Gouws, and Niel Nel (making a big contribution)
  - Our Exco members: Yolandi Esterhuizen (Sage), Deon van Niekerk (Intercode), Tom Verryn (Pal Systems), Ania Strydom (Payspace), and Danie Potgieter (Psiber)
- ▶ **A HUGE 'Thank you' to Rhona and her management team ...**
- ▶ **Biggest thanks of all goes to you, our members, for your ongoing support**

I THANK YOU ...

# FINANCIAL REPORT

Rhona van Taak

# Financial Report

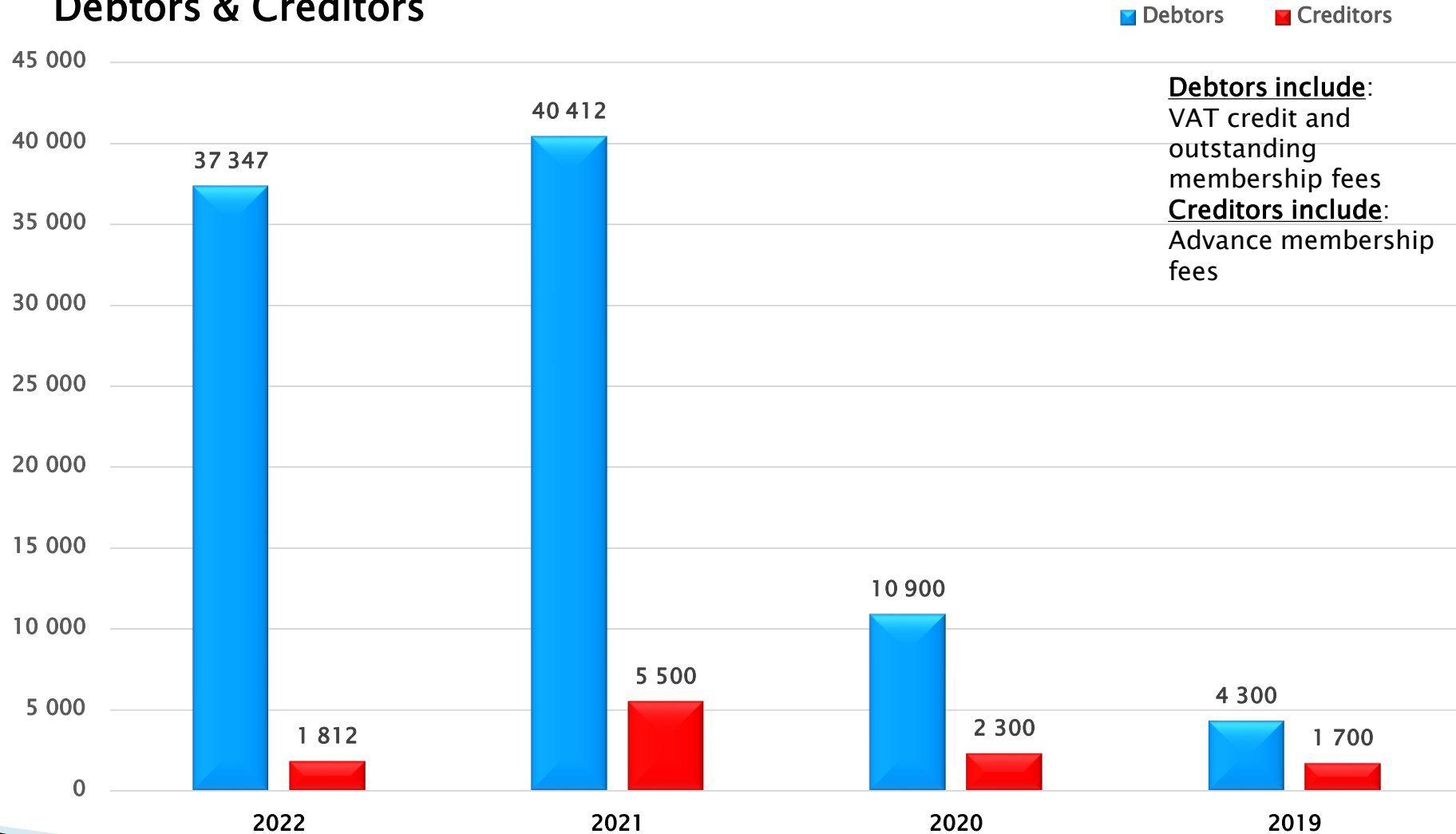
- **Summary of Financial Statements in Annual Report**
  - From page 25 to 28
  - Signed by Chairman
  
- **Independent External Auditor:**
  - Corax Incorporated
  - Report in Full Financial statements
    - to be requested via email to [admin@pagasa.org.za](mailto:admin@pagasa.org.za)

# Membership fees

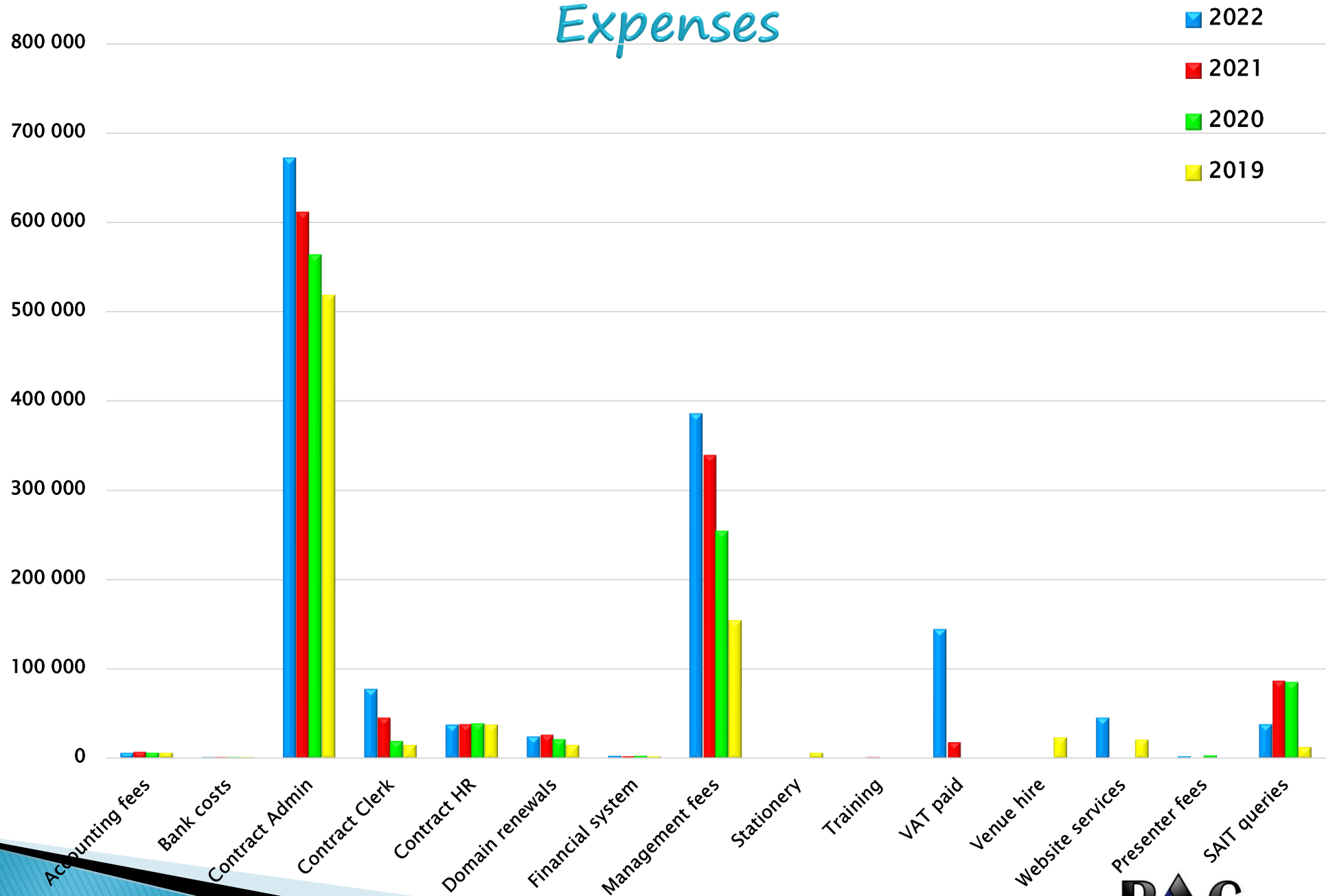


# Debtors (receivables) & Creditors (payables)

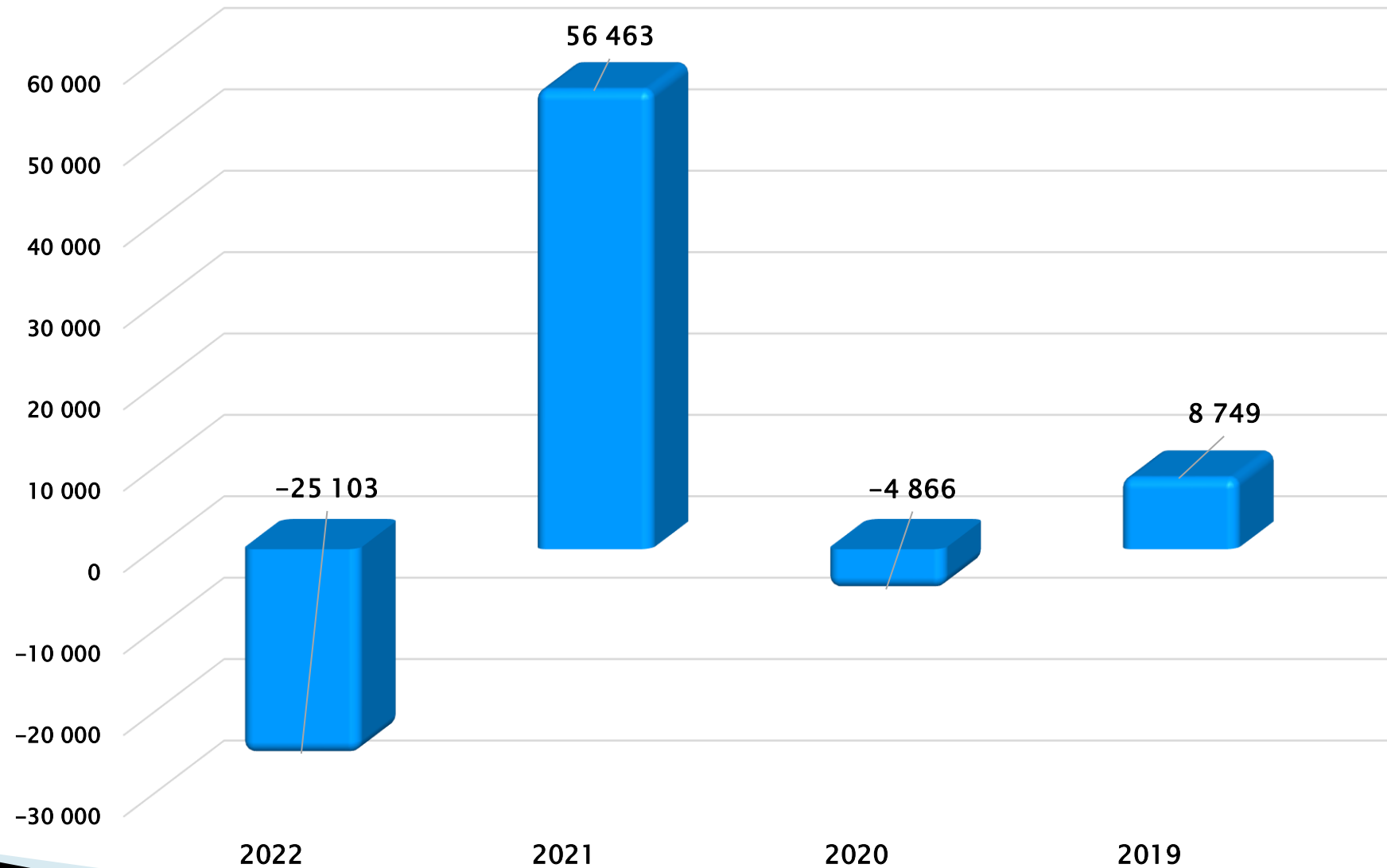
## Debtors & Creditors



# Expenses



# Profit/Loss





# APPOINTMENT OF AUDITORS

*Rob Cooper*

*Proposed:  
CORAX Accountants, Pretoria*

# VOTING FOR EXCO MEMBERS

Rob Cooper  
Rhona van Taak

# PAGSA Exco Committee Summary of the Voting Rules

- 1. The PAGSA Constitution provides that -**
  - Only 'Full' PAGSA member companies can serve on the PAGSA Exco Committee
  - The PAGSA Exco Committee is limited to a maximum of 5 member companies
- 2. It is the PAGSA member company that is elected to the Exco Committee, not the individual**
- 3. The Exco members for 2022 [Intercode, PAL Solutions, Payspace, Psiber, and Sage] -**
  - Must be proposed and seconded for re-election prior to the AGM *[Done]*
  - Must indicate their availability for re-election for another year *[Done]*
- 4. Nominations for new members for the Exco must be emailed to the PAGSA prior to the AGM -**
  - All nominations must be proposed and seconded prior to the AGM
  - All nominated member companies must confirm their availability by email prior to the AGM
  - *[One new nomination has been proposed, seconded, and has confirmed availability]*

# PAGSA Exco Committee

## How to Vote Today

1. The Ballot Paper containing the names of the member companies that have been nominated, proposed, and seconded, will be emailed to you during the tea break after the AGM session
2. The voting procedures are listed on the Ballot paper, but the most important points are -
  - Each member company can only vote once by submitting a single ballot form
  - The member company's name must be completed at the top of the form
  - The member companies that are eligible for election are listed on the ballot form
  - Vote for a maximum of 5 companies by marking your choice with an 'X' in the 'Voting' column
  - Member companies that have been proposed are allowed to vote for themselves.
3. Email the completed ballot paper to [Admin@Pagsa.org.za](mailto:Admin@Pagsa.org.za) by close of business on 21 June 2023
4. The results of the voting will be made available in a Members Notice within two days

# PAGSA Member Companies Available for Election to the Exco Committee

#	MEMBER COMPANY	VOTE FOR A MAXIMUM OF 5 COMPANIES BY MARKING WITH AN 'X'
1	HR Torque Outsourcing	
2	Intercode Software	
3	PAL Solutions	
4	Payspace	
5	PSiber Solutions	
6	Sage South Africa	

*General*

*Open to the Floor*



# Information Session

21<sup>st</sup> June 2023

The PAGSA Information Session will start at **11h00**  
*[Note that the invitation for the PAGSA Information Session must be used to join]*  
We will be joined by the Associate Members of the PAGSA, and by SARS

# Welcome

# *Compensation Fund Maximum Earnings Issue*

*Rob Cooper*



# Compensation Fund Problems

- ▶ Explanatory Note on the 2022 ROE [Gazettes No. 48337 (30 March 2023) and No. 48673 (30 May 2023)]

## **Maximum Earnings**

*A Maximum Earnings is applied annually at the end of the assessment period (28 February 2023) to the individual employee's annual total earnings, not per month. Full annual maximum earnings of R529 264.00 will apply irrespective of the number of months the employee was employed in the 2022 ROE Season.*

### **Examples:**

- a) If an employee has earned total annual earnings of R600 000.00 from the employer during the period as stated above, the amount should be capped at R529 264.00 and be declared as such.*
  - b) If an employee has earned total annual earnings of any amount below R529 264.00, the total annual earnings that must be declared is the total annual earnings amount as earned by the employee, regardless of whether the said employee worked for a full year or a part of the year.*
- ▶ Urgent emails requesting clarification, and withdrawal of retrospective penalties for the 2022 ROE



*South African Revenue Service*

# Welcome to SARS

1. Mark Kingon
2. Vlok Symington
3. Chilli Magada
4. Madie Mamabolo

# SARS PRESENTATION

Mark Kingon

Vision 2024 PAYE Project –

Overview of Monthly Tax Certificates

# Questions?



*Thank you*  
*Re a leboha*  
*Re a leboga*  
*Ndza Khensa*  
*Dankie*  
*Ndi a livhuwa*  
*Ngiyabonga*  
*Enkosi*  
*Ngiyathokoza*

# *PAGSA Website Overview*

*Rob Nowicki*

*General Discussions*

*Open to the Floor*





Thank you  
for joining us today!



[www.pagsa.org.za](http://www.pagsa.org.za)



086-536 5904



[admin@pagsa.org.za](mailto:admin@pagsa.org.za)