



HAIRDRESSING & COSMETOLOGY BARGAINING COUNCIL (KWAZULU-NATAL)

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TO ALL ESTABLISHMENTS IN THE INDUSTRY:-

Notwithstanding the industry Main Collective Agreement, any person who is NOT an employee must be familiar with an amazing and complicated bunch of REGULATIONS. If you are not an employee, the assumption must therefore be that you are an employer, and many of these regulations could also apply to self-employed persons. In short, probably the safest advice is that you consult a firm of chartered accountants in order to get the best assistance!

By way of a very brief summary, employers / prospective employers / self-employed must focus amongst others, on the following issues:

UIF : any **employer** MUST register with the Department of Labour (UIF) and must deduct 1% of the employee's salary and pay it to the FUND, together with a like contribution from the employer. This will enable the worker to claim (a small amount of benefits) when they are unemployed - provided they have not resigned from their job.

WORKMENS COMPENSATION : similarly, the **employer** must register with the Workmen's Compensation Commissioner and pay an insurance premium which is based on a small percentage of payroll. This is there to compensate a worker who might be injured in the course of their duties.

SITE / PAYE : the 'personal tax' threshold is apparently R45k-pa. Between that and R60k pa, the employer must deduct SITE according to the tax tables - provided the company payroll is more than R250k pa. A SOLE PROPRIETOR only pays 'tax' once their earnings go above R40k pa. When it goes over the R300k pa, the company is treated like any other for tax purposes.

VAT : A 'company' may voluntarily register for VAT if the turnover reaches R20k pa, for claiming back on the input costs, etc. If turnover exceeds R300k pa, it is compulsory to be registered for VAT - until further notice. This threshold is under review.

SKILLS DEVELOPMENT LEVY : hairdressing is an industry which thrives on Learnerships / Apprenticeships. An employer who pays SDL may claim rebates in respect of training. An employer may still take on an apprentice without paying SDL, but will be unable to claim normal rebates under these circumstances. SDL is based on a percentage of the company payroll.

**FOR GREATER CLARITY ON SARS MATTERS - ALWAYS CONTACT A FINACIAL
EXPERT!!!**

**A.T. PARKINSON
SECRETARY TO COUNCIL**