




POLICY DOCUMENT

HR: Payroll

Exco Review

Signature Date	5 September 2025
Name	Ashraf Grimwood
Signature	

www.khethimpilo.org



hr@khethimpilo.org



+27 21 410 4300



Introduction

Human Resources is responsible for guiding and managing the overall provision of Human Resources services, compensation, benefits, policies, and programmes for the entire organization. The mission of Human Resources is to maximize the productivity of the organisation by optimizing the effectiveness of the workforce by maintaining a fair, equitable, and positive work environment for all employees, in support of the mission of the organisation. It is based upon the belief that the success of the organisation, and its ultimate value, is primarily dependent upon its people; and that the development of the greatest potential for each employee will create job satisfaction and career opportunities for individuals and provide maximum benefit to the organisation.

It is advisable that the HR policies are read in conjunction with the provisions of the following South African legislative ACTS:

- (BCEA) Basic Conditions of Employment Act of 1997
- (EEA) Employment Equity Act of October 1998
- (SDA) Skills Development Act of 2008
- (OHS) Occupational Health and Safety Act of 1993
- (POPI) Protection of Peoples information Act of 2013
- (LRA) Labour Relations Act of 1995
- INCOME Tax Act

Purpose

The purpose of this policy is to give guidelines to both managers and staff on the payroll process within Kheth'Impilo (KI).

Employees

All employees at KI must sign an employment contract stating the start date and where applicable the end date of the project. Employees will be paid as per the conditions stipulated in the contract. All staff are paid for a full calendar month irrespective of the pay date. Where an employee does not commence employment on the first day of the month, the salary will be prorated. Similarly, where the employee's last working day is not on the last day of the month, the salary will be prorated.

Consultants

Consultants, contractors, locums and temporary or relief workers will be paid on a wages per hour basis and only for the actual hours worked. These type of workers are required to submit an invoice and a detailed timesheet for the relevant time period. Details of the rate applicable will be paid within 15 days of receiving the appropriate invoice and supporting documentation. Contractors will be taxed at a nominal rate of 25% as per legislation.

Payroll system

The Payroll department must ensure that the payroll system used is regularly updated and kept in line with changes to the tax legislation.

Process

The HR & Payroll Manager must verify that the Payroll Department has accurately captured the following information on the Payroll system:

- a) New employees
- b) Changes in Employee information
- c) Changes to the Employees bank account
- d) Salary information
- e) Allowances
- f) Statutory Deductions
- g) Non-Statutory Deductions only if written consent from the employee and approved by the Human Resources Manager
- h) Travel Advances and reimbursement of expenses incurred by an employee
- i) Advance requests for operational purposes not reconciled per the finance timelines
- j) Funder & project

The HR & Payroll Manager must check and approve all master data changes and ensure that changes and the subsequent approval of these changes are well documented.

The Finance Manager must perform a monthly reconciliation of the payroll reports to the general ledger and the bank accounts.

The HR & Payroll Manager must ensure that non-statutory deductions (e.g. garnishees) are requested and paid timeously to third parties.

Payroll approval and payment

- On completion of the payroll processing, the payroll must be reviewed and approved for payment by the HR & Payroll Manager and the Finance Manager.
- Supporting documentation and payroll changes must be submitted by the payroll officer with the variance report for approval.
- Salaries are paid by Electronic Funds Transfer (EFT) only. All Employees are required to have bank accounts and to submit their banking details to the payroll department within one week of their appointment.
- Final payment via EFT must be released by two authorized bank account signatories.
- If an overpayment of salary or an allowance is made to a staff member for any reason, KI will take steps to recover the overpayment. A reasonable attempt will be made to reach an agreement with the staff member on a suitable method and timeline for repayment.
- If the staff member's employment with KI is terminated, KI retains the right to recover any overpayment owing.

Payroll confirmation

- The HR administration must distribute the confirmation lists to the various pay points together with the monthly timesheet per the payroll calendar.
- Paypoint or subdistrict managers must certify that all Employees listed on their respective confirmation lists are in the employ of KI and are entitled to payment.
- The confirmation lists must be returned to the Payroll Officer within 5 days of the salary payment date.
- The return of the confirmation lists will be updated into a register by payroll noting that the confirmation lists had been actioned.

- Paypoint or subdistrict managers must report unknown employees to the human resources department no later than 10 days of receiving their payroll reports, for follow-up action and rectification.
- All KI staff members must submit a timesheet. Where timesheets are not received by the cut-off date this may result in an employee's salary being put on hold.
- Where the salary payment is put on hold, an employee may receive the salary when the timesheet is submitted. Payment in this regard is called a manual payment. These payments will be made in conjunction with the finance payment release cycles.

Payment upon termination

- Termination payments will be made once all KI equipment and materials have been returned and the payroll department receives confirmation thereof. In the event an agreement is made between an individual and the organisation, the terms of this agreement must be met in full before payment is considered.
- In the event of an absconcion, payment will be made only once a timesheet is received.
- Termination payment will only be made once all KI materials and equipment have been returned in good condition.
- All timesheets must be on file at the time of final payment release.

Statutory compliance

Unemployment Insurance Fund

Per legislation, the organisation deducts 1% of basic salary from each employee. The organisation matches this contribution. The total contributions are paid via the monthly EMP201. A Declaration of employee movement is submitted electronically each month by the due date. Payroll will issue the UI-19, salary schedule and UI2.7 when necessary.

Payslip

- Employee payslips are a legal requirement when it comes to the provision of an actual payslip and even more importantly, what need to be visible in the payslip:
- Employer's name and Address
- Employee's name and Occupation
- Employee /Staff Number
- Employee's Identity or Passport Number
- Engagement Date
- Period for which payment is made
- Total salary and any allowances paid
- Any deductions
- Nett Pay
- Printed payslips are distributed in sealed envelopes.
- Electronic payslips are password protected.

PAYE

KI calculates and deducts employee tax as per the country's tax legislation. On a monthly basis these deductions are paid to SARS, via the EMP201. KI complies with tax legislation and submits the EMP501 reconciliation return bi-annually. Annually a remuneration certificate (IRP5) is issued to all staff employed during the tax year (March to February). The tax certificates are available from the payroll department by mid-June each year.