ISSUE 27 JUNE 2026

The Latest in Legislative Changes

In This Issue

As June draws to a close and we reach the midpoint of the year, it's an ideal time to reflect on the progress made so far and prepare for the opportunities ahead. The regulatory and compliance landscape in South Africa continues to evolve, making it essential for businesses to remain informed and proactive. In this edition, we explore key developments, highlight emerging trends, and share practical insights to help you navigate the second half of the year with confidence and clarity.

BREAKING NEWS

Taxpayers in South Africa warned to check their banking details before next week

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The Importance of Complying with POPIA and PAIA

In today's digital and information-driven environment, organisations are entrusted with vast amounts of personal and business information. Compliance with South Africa's Protection of Personal Information Act (POPIA) and Promotion of Access to Information Act (PAIA) is not only a legal requirement but also a critical business practice that protects both organisations and the individuals whose information they process.

1. Avoid Regulatory Penalties and Legal Risks
Failure to comply with POPIA and PAIA can expose organisations to:

- Regulatory investigations.
- Enforcement notices.
- Reputational damage.
- Civil claims from affected individuals.
- Administrative fines and other legal consequences.

Compliance demonstrates that your organisation is taking reasonable steps to meet its legal obligations.

2. Protect Personal Information
POPIA requires organisations to safeguard personal information from:

- Unauthorised access.
- Data breaches.
- Loss or theft of information.
- Improper disclosure to third parties.

Effective compliance helps reduce the risk of costly security incidents and protects the privacy rights of employees, customers, suppliers, and other stakeholders.

3. Build Trust and Credibility
Customers, employees, and business partners are increasingly concerned about how their information is collected, stored, and used.
Demonstrating compliance:

- Builds confidence in your organisation.
- Enhances your professional reputation.
- Strengthens relationships with clients and stakeholders.
- Shows a commitment to ethical business practices.

4. Improve Information Governance
POPIA and PAIA encourage organisations to:

- Understand what information they hold.
- Maintain accurate records.
- Establish clear information management processes.
- Implement policies and procedures for handling information.

This often results in improved operational efficiency and reduced administrative risks.

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5. Ensure Transparency and Accountability
PAIA promotes transparency by giving individuals the right to request access to information held by public and private bodies under certain circumstances.
Compliance requires organisations to:

- Maintain an up-to-date PAIA Manual.
- Establish procedures for handling information requests.
- Keep records of requests received and processed.
- Submit annual PAIA reports before the 30th of June annually.

This demonstrates accountability and good corporate governance.

6. Strengthen Cybersecurity and Risk Management
POPIA compliance typically involves:

- Conducting risk assessments.
- Implementing security safeguards.
- Training employees.
- Monitoring information processing activities.

These measures help organisations better protect themselves against cyber threats and information security incidents.

7. Gain a Competitive Advantage
Many customers, suppliers, and tendering entities now consider information protection and privacy compliance when selecting service providers.
Being able to demonstrate compliance can:

- Improve business opportunities.
- Strengthen tender submissions.
- Enhance supplier and client confidence.
- Differentiate your organisation from competitors.

8. Promote a Culture of Compliance
Regular POPIA and PAIA reviews, training, and awareness programmes help create a workplace culture where employees understand:

- Their responsibilities regarding information handling.
- The importance of confidentiality.
- How to identify and report potential risks.

Compliance with POPIA and PAIA is far more than a regulatory obligation—it is an investment in your organisation's reputation, security, governance, and long-term success. By protecting personal information and promoting transparency, organisations can build trust, reduce risk, and demonstrate responsible business practices.

Remember: Compliance is not a once-off exercise. Regular reviews, staff training, policy updates, PAIA Manual maintenance, and ongoing monitoring are essential to ensuring continued compliance and protecting your organisation from unnecessary risk.

Employment Equity :
Preparation for the 2026 Employment Equity Submissions

With the amended Employment Equity framework now fully in force, designated employers need to ensure they are adequately prepared for the next Employment Equity (EE) reporting cycle. The 2026 submissions will continue to be assessed against the new Employment Equity Amendment Act, sector-specific numerical targets, and the employer's approved Employment Equity Plan.

All designated employers are now defined as an employer with 50 or more employees. The previous annual turnover threshold no longer applies.

Key Preparation Steps

- Review Your Employment Equity Plan

Ensure your EE Plan: Covers the period required by the amended legislation.
Aligns with your sector's numerical targets.
Includes realistic annual targets and affirmative action measures.
Has been consulted on with the Employment Equity Committee.

- **Confirm Your Sector Targets**

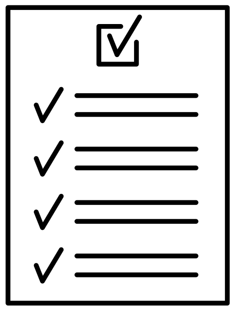
Employers must align their workforce planning and EE targets with the sector-specific targets published by the Minister for the applicable economic sector. These targets form part of the compliance assessment process.

- **Conduct a Workforce Profile Analysis**

Review:
Race and gender representation at all occupational levels.
Persons with disabilities.
Recruitment, promotions, terminations and training trends.
Progress against previous EE targets.

- **Verify Employee Data**

Ensure all employee information is accurate, including:
Occupational levels | Race | Gender |Disability status | Citizenship
Incorrect workforce data remains one of the most common reasons for reporting challenges.



- **Update Committee Records**

Ensure:
The EE Committee is properly constituted.
Meetings are held regularly.
Minutes are maintained.
Consultation records are available should the Department request them.

- **Gather Supporting Documentation**

Maintain: EE Plan
Workforce analysis | Committee meeting minutes | Consultation records | Recruitment and promotion statistics | Training records | Organograms |Barrier analysis documentation
These documents may be requested during a Department of Employment and Labour inspection.

The Employment Equity reporting cycle traditionally opens on 1 September each year with the deadline being the 15th of January each year..

Current regulations provide:

- Manual submissions: from 1 September to the first working day of October.
- Online submissions: from 1 September until 15 January of the following year.

Common Compliance Risks

- No approved EE Plan aligned to sector targets
- Failure to consult employees through an EE Committee
- Inaccurate workforce data
- Missing meeting minutes and consultation records
- Failure to monitor progress against annual targets
- None submission of EEA2 and EEA4 reports by the deadline, no extensions are granted.

HR - Working remotely in 2026

The question most companies strive to know the answer to is:
"Will working from home increase the productivity of employees"?

While this may not be easily answered, there is a little more digging to do for each Employer to understand if it is indeed beneficial to their organisation. There is no "one size fits all" for this dynamic, as industries vary and their collaboration needs may be more challenging than others.

A wide range of benefits and drawbacks could be:
Pro's:

- The employee experiences a better work-life balance.

This enables them to attend to personal needs in between working hours; to catch up or make up for lost time later in the day, giving the employee a less stressful environment.

- Freedom to work remotely aids staff to move around if needed – guilt free while still actively working.
- This flexibility ensures employees are less likely to take unnecessary leave and work through times of travel where needed.
- Improved employee experience

Just having the option to work remotely aids employee mental wellbeing not needing to commute can decrease stress levels by AT LEAST 20%. Time spent commuting translates to dedicating this to work related targets

- Decreased Infrastructure Cost

Working from home enables employees to set up their own offices, lowering company costs for maintenance on infrastructure

- Increased productivity

This statement could be true for some employees where others might need to work in a team environment / under supervision. The work for larger projects is handled well while working remotely as there is no turn off and commute interference in their work.

Con's:

- Lack of face-to-face connection

Face-to-face connection could be vital for new employees and employees in training. Individuals who are used to working in a team environment might withdraw and connections become difficult for them.

- Lack of access to information

There is a lot to say for employees to collaborate and share ideas in a face-to-face environment. People's nature is to be less interactive on conference calls or struggle with projects where they would need information or team guidance.

- Decreased Collaboration:

Collaboration assists employees to buy into the company culture and to align themselves with the company strategies. When there is no physical collaboration, it is difficult to imprint the culture on employees.

- Loneliness and isolation

Employees could become disengaged and demotivated with little to no face-to-face meetings / in person meetings where physical attendance is needed. Meeting with clients and co-workers in person assists in sharing the energy of a company.

The above are just a few points to consider. Companies need to assess the following:

- The type of work for each employee
- The collaboration requirement
- Monitoring of remote work – companies could work on deliverables
- Motivation for remote employees
- Information sharing options
- Creating team environments in the remote space
- Improving the remote employee's engagement through various strategies
- Do you have the following in place?
- Up to date KPI's for each staff member
- Correct Contracts drawn up for staff
- Updated Policies and Procedures
- Updated EEA1 forms for staff

For a full remote work assessment – contact VCA Consulting to deliver an analysis for your remote environments.

Why Outsourcing Payroll Is Smarter Than Doing It Yourself

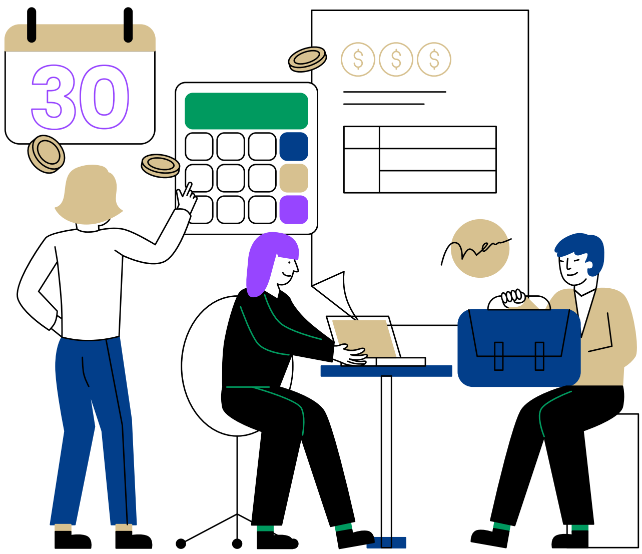
Payroll is one of the most critical functions in any business. It influences your cash flow, employee trust, SARS compliance, and even how your company is perceived as an employer.

Yet, many businesses still choose to manage payroll internally, thinking it's the more cost-effective option.

In reality, doing payroll yourself is a costly risk.

- Constant compliance changes: Labour laws, tax rates, UIF, and retirement fund rules are always being updated. Falling behind can easily lead to fines or compliance issues.
- Unexpected expenses: Payroll mistakes and incorrect SARS submissions often result in penalties, rework, and unnecessary audits.
- Confidentiality concerns: Keeping payroll in-house can expose private salary information and compromise employee privacy.
- Wasted time and focus: Time spent fixing payroll problems could be better spent driving operations, strategy, and growth.

Outsourcing your payroll means having specialists who handle every detail — from accurate salary processing to on-time SARS submissions — while ensuring you stay fully compliant. It's not just about getting payroll right; it's about protecting your business, your people, and your peace of mind.



Common Mistakes Made When Submitting the Annual Return of Earnings (ROE)

The Compensation Fund's Annual Return of Earnings (ROE) submission is a legal requirement for all registered employers. Unfortunately, many employers make errors that can result in delays, penalties, incorrect assessments, or difficulties obtaining a Letter of Good Standing.

These are some of the mistakes identified following this year’s submissions:

1. Missing the Submission Deadline
One of the most common mistakes is failing to submit the ROE before the annual deadline.
Consequences:

- Penalties and interest charges.
- Delays in assessment processing.
- Difficulty obtaining or renewing a Letter of Good Standing.

2. Reporting Incorrect Employee Earnings
Employers often:

- Understate employee earnings.
- Exclude certain earnings components.
- Report estimated figures instead of actual earnings.
- Do not know how the annual threshold is applied

Consequences:

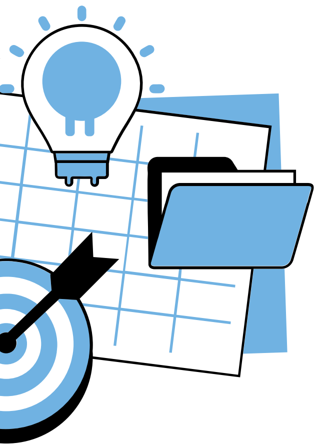
- Incorrect assessments.
- Potential reassessments by the Compensation Fund, this is a timeous exercise and delayed future ROE submission and the issuing of the LOGS
- Additional costs and administrative delays.

3. Using Payroll Figures That Do Not Match Financial Records causing discrepancies which can trigger queries or audits by the Compensation Fund.

4. Incorrect Employee Numbers
Some employers:

- Include employees who should not be reported.
- Exclude temporary, part-time, or fixed-term employees who should be included.
- Report inaccurate employee counts.

This can affect assessment calculations and compliance status.



5. Failure to Update Business Information
Many employers neglect to update:

- Company contact details.
- Physical or postal addresses.
- Banking information.
- Changes in business ownership or trading names.

Outdated information can delay correspondence and assessment notices.

6. Incorrect Industry Classification (Subclass)
Employers sometimes submit under the wrong industry classification.
Consequences:

- Incorrect assessment tariffs.
- Overpayment or underpayment of Compensation Fund assessments.
- Potential reassessments - this is a timeous exercise and delayed future ROE submission and the issuing of the LOGS

7. Not Declaring Domestic Workers and Gardeners
Private individuals employing:

- Domestic workers, Gardeners and Caregivers are required to register and submit ROEs where applicable. Many household employers remain unaware of this obligation.

8. Failure to Reconcile Previous Years
Outstanding assessments, unpaid amounts, or previous submission errors are often overlooked.
Before submitting, employers should:

- Verify previous assessments.
- Resolve outstanding balances.
- Correct any historical reporting discrepancies.

9. Waiting Until the Last Minute
Submitting close to the deadline often leads to:

- System issues.
- Missing documentation.
- Data entry errors.
- Insufficient time to correct rejected submissions.

10. Not Keeping Supporting Documentation
Employers should retain:

- Payroll reports.
- Employee earnings schedules.
- Proof of submission.
- Assessment notices.
- Payment confirmations.

These documents are essential if the Compensation Fund requests verification.

11. Ignoring Assessment Notices
After submission, employers should review their assessment notice carefully.
Common issues include:

- Incorrect earnings reflected.
- Wrong tariff rates applied.
- Administrative errors.

Any discrepancies should be addressed promptly to avoid unnecessary costs.

Why Accuracy Matters
An accurate and timely ROE submission helps employers:

- Maintain compliance with the Compensation for Occupational Injuries and Diseases Act (COIDA).
- Avoid penalties and interest.
- Receive correct assessment calculations.
- Obtain and maintain a valid Letter of Good Standing for tenders, contracts, and business opportunities.

Remember: The cost of correcting an incorrect Return of Earnings is often far greater than taking the time to prepare and verify the information before submission. Early preparation remains the most effective way to ensure a smooth submission process.

Mid-year check-in: Are you busy or are you effective?

Coaching Corner

We've reached the halfway mark of the year, which makes this a great opportunity to pause and reflect.

At the beginning of the year, many of you set intentions, goals, and priorities. But as the months pass and the pace increases, it's easy to slip into simply reacting to what's urgent instead of focussing on what's important. Being busy and being effective are not always the same thing.

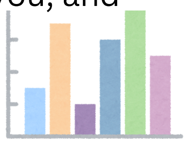
A mid-year check-in can help you reconnect with what matters:

- **Review your priorities**

Are you still spending your time and energy on the things that will have the greatest impact, or have distractions started taking over?

- **Notice your energy levels**

Your energy is a valuable resource. Pay attention to what energises you, what drains you, and where adjustments may be needed.



- **Identify what needs to change**

Small shifts now can prevent unnecessary stress later. Ask yourself: what is one thing I can simplify, delegate, or do differently?

- **Celebrate what's working**

Progress is not only measured by what still needs to be done. Recognising what's already going well builds confidence and momentum. Celebrate all your wins, big and small.

The second half of the year doesn't need to be about pushing harder. It can be an opportunity to work with greater clarity, intention, and sustainability.
If you or your team are looking for ways to build healthier, more sustainable ways of working, I'd love to explore how I can support you.

About me
Hello, I'm Sonja McKaiser, a certified life coach, workshop facilitator and podcast host, who helps professionals reclaim clarity, energy, and purpose at work and in life. Alongside my private coaching, I design workshops on wellbeing, boundaries, and leadership, creating space for healthier, more productive workplaces. I also offer online vision board workshops for teams. You can listen to my podcast, ***If not now, then when...?*** on your favourite podcast streaming platform.

And if you or your team want support turning your intentions into actions, send an email to hello@sonjamckaiser.com

Monthly Motivation