

# South African Payroll Association

Total Guaranteed Package  
Basic Plus Benefits



# Apples with Apples

## Basic Plus

Salary	50 000
Travel Allowance	10 000
Pension (15%)	7 500
Medical Aid	7 500
<b>Total Cost</b>	<b>75 000</b>

## Guaranteed Package

<b>Package (CTC)</b>	<b>75 000</b>
<i>Includes</i>	
Travel Allowance	10 000
Pension (15%)	7 500
Medical Aid	7 500
Salary	50 000



# Demonstrating Flexibility

Guaranteed Package		Guaranteed Package		Guaranteed Package	
Package (CTC)	75 000	Package (CTC)	75 000	Package (CTC)	75 000
<i>Includes</i>		<i>Includes</i>		<i>Includes</i>	
Life Cover (1 time)	300	Life Cover (10 time)	3 000	Life Cover (1 time)	300
Pension (5%)	3 750	Pension (5%)	3 750	Pension (20%)	15 000
Medical Aid (basic)	1 000	Medical Aid (comp)	4 000	Medical Aid (comp)	2 000
Cash	69 950	Cash	64 250	Cash	57 700

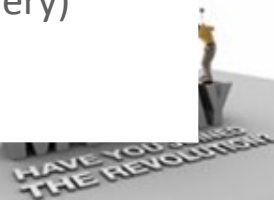


# Total Guaranteed Package

- Maximum return on investment for employer
- Optimize employee personal value proposition – alignment of remuneration with personal financial requirements.
- Creates more work for payroll – becomes more important 😊
- Tax compliant
- Attraction and retention



CONSIDERATIONS	BENEFITS
<p>Total cost of employment is fixed and known – no hidden extras</p>	<p>Total value of earnings is easily understood</p>
<p>Approach to remuneration which is more equitable and defensible</p>	<p>No discriminatory medical aid contribution levels for employees</p>
<p>Improved HR Operations</p>	<p>Standardised set of policies, business remuneration practices, letters of employment</p>
<p>Alignment to market which enables more accurate market comparisons</p>	<p>Opportunity to compare apples-with-apples when making or receiving an offer of employment</p>
<p>Cost to Company approach aligns employer to approximately 70% to 75% of SA large professional employers</p>	<p>Enables employer to be better positioned to attract and retain high quality staff through better delivery of compensation</p>
<p>Creating a better platform to allow flexibility to structure certain cash and non-cash benefits within policy and statutory constraints</p>	<p>Opportunity to make informed choices with regard to benefits and to align remuneration with personal circumstances (more value in remuneration delivery)</p>



**My Pay, My Way IS:**

Cost to Company restates all current fixed earnings as one amount

Cost to Company helps employees to understand the full value of their cash and benefits

Continued compliance with the South African Income Tax Act

Cost to Company pay structure is increasingly becoming the market norm

Cost to Company promotes fair and equitable pay practices

**My Pay, My Way IS NOT:**

Not an increase or decrease **in** current total remuneration

Not an attempt to give employees the impression that they earn more than they currently do

Not a vehicle for employees to earn tax-free remuneration

Cost to Company is not a new practice in the South African market

Cost to Company is not intended to confuse or treat employees unfairly in terms of pay



# Questions

