



# CAPE RESOURCES

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## A Guide to Payroll in South Africa

Running payroll in South Africa can be complex — with layered tax rules, strict labour regulations, and evolving compliance requirements. For companies hiring remotely or managing distributed teams, that complexity multiplies.

That's why Cape Resources exists.

As a South African Employer of Record (EOR), we take full responsibility for payroll, compliance, and employment — so you don't have to.

We handle everything: from employment contracts and tax registration to payslips, deductions, and statutory reporting. Your team members are legally employed by Cape Resources, but work directly for you.

This guide explains how payroll works in South Africa and how our EOR model allows your company to hire world-class South African talent simply, legally, and efficiently.

# Payroll Under the EOR Model

Traditionally, running payroll in South Africa requires a local entity, tax registrations, and detailed knowledge of local laws.

With Cape Resources' Employer of Record service, you can skip all of that. We become the official employer of your South African team — managing every legal, administrative, and payroll obligation on your behalf. You maintain full control over your employees' day-to-day work; we ensure they're paid accurately, on time, and in full compliance.

Our EOR payroll solution covers:

- \* Employment contract drafting and onboarding
- \* Registration with SARS, UIF, and Compensation Fund
- \* Monthly payroll processing and payslips
- \* PAYE, UIF, and SDL submissions
- \* Leave, benefits, and statutory entitlements
- \* Offboarding and final settlements

**With Cape Resources, payroll is not a standalone service — it's part of a complete, compliant employment solution.**

## Why South Africa for Remote Hiring

South Africa offers an exceptional combination of cost efficiency, skilled talent, and English proficiency.

Global startups and enterprises alike are hiring here to build remote teams that deliver quality and value.

### Key Advantages:

- ✓ Highly skilled professionals in tech, finance, design, and support
- ✓ Competitive salaries compared to Europe, the Middle East or North America
- ✓ English-speaking workforce and Western-aligned business culture
- ✓ Overlapping time zones with Europe and the UK
- ✓ Strong infrastructure for remote work

# Employment Classifications and Compliance

South Africa recognises several employment types — each with specific payroll implications.

Type	Description	Payroll Responsibility
Permanent / Full-time	Continuous employment with full benefits.	PAYE, UIF, SDL, leave, benefits.
Fixed-term	Employment for a specific period or project.	Prorated entitlements, tax compliance.
Part-time	Reduced hours with partial benefits.	Adjusted PAYE and UIF contributions.
Independent contractor	Self-employed, invoices for services.	Not on payroll; tax handled by individual.

Under Cape Resources' EOR model, we ensure each team member is classified and managed correctly according to South African labour law.

## Key Laws Governing Payroll and Employment

Payroll compliance in South Africa is governed by several core acts:

- ❑ Basic Conditions of Employment Act (BCEA): Working hours, leave, and payslip requirements.
- ❑ Labour Relations Act (LRA): Employment rights, dismissals, and dispute processes.
- ❑ Income Tax Act: PAYE and employer tax obligations.
- ❑ Skills Development Levies Act: 1% levy on payrolls above R500,000 per year.
- ❑ Unemployment Insurance Acts: Employer and employee contributions to UIF.
- ❑ Compensation for Occupational Injuries and Diseases Act (COIDA): Workplace injury coverage.
- ❑ Protection of Personal Information Act (POPIA): Employee data privacy and security.

Cape Resources ensures full compliance with every piece of legislation, protecting your organisation from liability and ensuring a positive employment experience.

# Mandatory Payroll Contributions and Deductions

Under South African law, every employer must make specific deductions and contributions. As your EOR, Cape Resources manages and submits all of these directly.

Contribution	Employee	Employer	Description
PAYE	✓		Income tax withheld and paid to SARS.
UIF	1%	1%	Unemployment Insurance Fund contributions.
SDL	n/a	1%	Skills Development Levy (if applicable).
COIDA	n/a	Variable	Workplace injury insurance contribution.

Additional deductions may include retirement funds, medical aid, or garnishments — all managed seamlessly by Cape Resources.

## Payroll Cycle and Reporting

Most South African salaries are paid monthly, though weekly or biweekly cycles exist in some sectors.

Cape Resources ensures payroll runs smoothly and on schedule every month.

Our payroll timeline includes:

1. Data collection — hours, bonuses, and adjustments.
2. Payroll calculation — gross, deductions, contributions, and net pay.
3. Payslip distribution — compliant with BCEA standards.
4. Employer filings — EMP201, UIF, SDL submissions.
5. Payment disbursement — employee salaries and SARS remittances.

We guarantee accuracy, timeliness, and compliance every cycle.

# Onboarding, Benefits, and Offboarding

When Cape Resources employs your South African team, we handle the entire employee lifecycle.



## Onboarding

- Drafting compliant contracts
- Collecting tax and ID documentation
- Registering with UIF and SARS
- Setting up payroll and benefits



## Benefits Management

- Annual, sick, and parental leave
- UIF coverage
- Optional medical aid or retirement plans



## Offboarding

- Final salary and leave payouts
- UIF Form UI-19 submission
- Compliance with notice and severance requirements

# Compliance and Risk Management

**Incorrect payroll processing can lead to fines, penalties, and reputational damage. Common risks include under-deducting tax, misclassifying contractors, or missing statutory filings.**

As your EOR, Cape Resources assumes full responsibility for:

- Payroll accuracy and submissions
- Employee classification
- Legal compliance with SARS, BCEA, LRA, and COIDA
- Secure handling of employee data under POPIA

Our proactive compliance management protects your organisation while giving employees confidence and stability.

# How Cape Resources Manages Your Payroll

When you partner with Cape Resources, you gain a fully managed employment infrastructure in South Africa — no entity setup required.

## **Our integrated EOR + payroll service includes:**

- ❑ Employment contracts compliant with South African law
- ❑ Employee onboarding and registration
- ❑ Automated monthly payroll processing
- ❑ Payslip generation and secure distribution
- ❑ SARS and UIF submissions
- ❑ Statutory and benefits administration
- ❑ Ongoing HR and compliance support

You focus on building your business; we handle every employment and payroll responsibility in South Africa.

# Getting Started with Cape Resources

We make remote hiring simple. Here's how it works:



## **Discovery & Consultation**

We understand your hiring needs, roles, and structure to create a tailored EOR plan.



## **Employment Setup**

Cape Resources prepares compliant contracts, registers employees, and sets up payroll.



## **Continuous Support**

We provide ongoing compliance monitoring, payroll reporting, and employee relations support throughout the employment lifecycle.



## **Proposal & Pricing**

You receive a transparent cost breakdown, including gross salary, statutory deductions, and EOR service fees.



## **Onboarding & Management**

We handle payslips, taxes, leave, benefits, and HR support - so you can focus on business performance.

# Why Choose Cape Resources



Experts in South African Employment Law - Deep understanding of BCEA, LRA, and tax compliance.



Transparent, Scalable Pricing — No hidden fees, flexible per-employee billing.



Reliable Local Partner — Based in South Africa, we handle everything from contract to compliance and on the ground support.



Proven Results - We help international startups hire top-tier South African talent efficiently and compliantly.

# Accelerate Your Growth with Cape Resources

The future of work is borderless.

With Cape Resources as your Employer of Record in South Africa, you gain access to an exceptional talent pool - without the cost, complexity, or risk of international hiring.



**Hire Confidently**



**Pay Seamlessly**



**Grow Strategically**