



HR Matters

Namibia Newsletter

Second Edition 2019

Tax Alert - ITAS: Employee Tax compliance

A quarterly newsletter published by PwC Namibia providing informed commentary on current developments in the People & Organisation arena.

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There have been a number of changes with the implementation of ITAS on 17 January 2019. One of these changes include the monthly PAYE submission which must be lodged on the ITAS portal as from the March 2019 period.

Previously, the monthly PAYE submission was a declaration of the employer's total PAYE withheld, with an annual PAYE 5 reconciliation at tax-year-end. The monthly submission on ITAS now requires a PAYE breakdown per employee per the inputs of the PAYE 5 certificate every month.

PAYE submissions can now be made in one (1) of two (2) ways:

1. Completion of excel spreadsheet declaring all employees' PAYE for the month in one (1) sheet or;
2. Registering every employee individually under the employer and accounting for their PAYE individually.

As the first submission on ITAS may prove timely it is advisable to start the preparation of the submission sooner, rather than later.

If your organisation is larger the first option may be appear more viable, as it may be easier to include all employees details on 1 sheet rather than separate lodging. The good news is payroll systems have developed reporting which can be customized by the user to finalise the monthly PAYE submission on ITAS. It is therefore advisable to liaise with your payroll service provider to on the availability of this report functionality as this can reduce your time spend on the submission significantly.

If your organisation has a fairly low number of employees and you have the capacity you may consider option 2 above, which entails the registration of all employees individually, thereafter capturing the monthly PAYE for every taxpayer individually.

How are monthly PAYE submissions different than before?

Besides declaring PAYE by employee, employers must ensure that all employees are registered taxpayers on inclusion in the monthly PAYE submission, as the tax identification number of every employee must be entered. Employers must ensure that the tax numbers and names included are 100% correct as this cannot be amended in future submissions. It is also worth noting that no structural changes should be effected to the excel template e.g. inserting an extra column as the system will reject the submission.

Employers must ensure they include the reference number for their approved housing scheme if they offer a tax benefit on housing. Employers are advised to obtain this reference number from Inland Revenue if they do not have this on file. If you do not have an approved housing scheme, it is advised you obtain one as from Inland Revenue, should you wish to grant your employees a tax benefit on housing benefits.

Employers are now also required to reflect the pension, provident retirement annuities registration numbers as well as contributions monthly. It is therefore important that employers obtain the fund details for incorporation.

Please take note of the updated payment references for PAYE as illustrated by the example below:

E.g.: 1030445445814201805

- 1 = EFT (Electronic Fund Transfer)
- 03 = Office of Registration (Windhoek in this case)
- 04454458 = TIN – Tax Payer Identification Number)
- 14 = Tax type (Employee Tax (PAYE4)
- 2018 = Year/Tax year
- 05 = Month/Period

Tax Alert - ITAS: Employee Tax compliance (continued)

1 **Ensure the revised payment reference is used**
Refer to guidance on previous page.

Ensure that correct period reference is used with every period's payment.

2 **Make payment 3 days in advance**
It is advisable to make payment at least 3 days before the 20th of the month when PAYE payment is due to ensure no penalties and interest is accrued.

3 **Play around on ITAS**
The system boasts a never before advantage where the taxpayer can request extension on a month submission. You must however make submission prior to the subsequent submission's due date.

Tips for PAYE submission on ITAS



4 **Ensure taxpayer details are correct**
Ensure that the taxpayer details on initial submission are perfectly in order, as this cannot be amended.

5 **Ensure you are tax compliant**
Do not offer tax benefits on housing if you do not have a housing scheme approval in place

6 **Stay up to date**
Ensure all your returns are captured on ITAS. Where there are outstanding returns, resubmission, has never been easier.

Please note manual submissions can still be done until September 2019, per the press release by Inland Revenue dated 19 April 2019. It is however advisable that employers acquaint themselves with ITAS sooner, rather than later to ensure timely submissions from September 2019. Please [click here](#) for the press release in this regard.

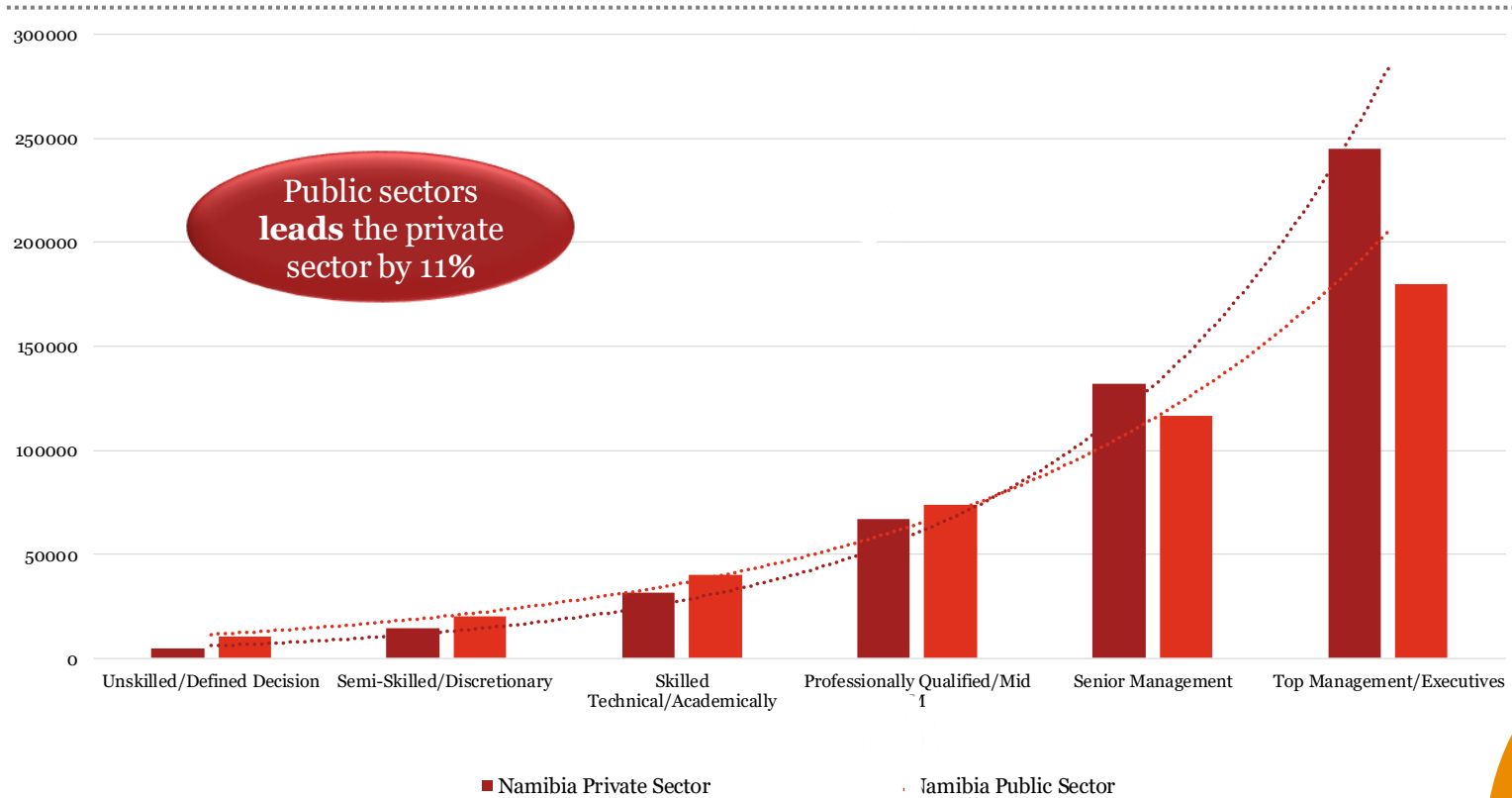
Taxpayers are advised to stay alert and updated of any communication that may be released by Inland Revenue regarding ITAS in future. There are also a number of public training hosted by Inland Revenue on ITAS, which we recommend all employers attend to make this transition easier than anticipated.

For any urgent queries on the way forward we advise employers to contact Inland Revenue directly.

PwC's REMchannel® Namibia Stats

With every months publications, we analyse data from our subscriber database. Here are some statistics from the survey as published in **April 2019** for the Namibia Public Sector

All this information and more is available at your finger tips if you subscribe to REMchannel® the largest online salary survey in Namibia.



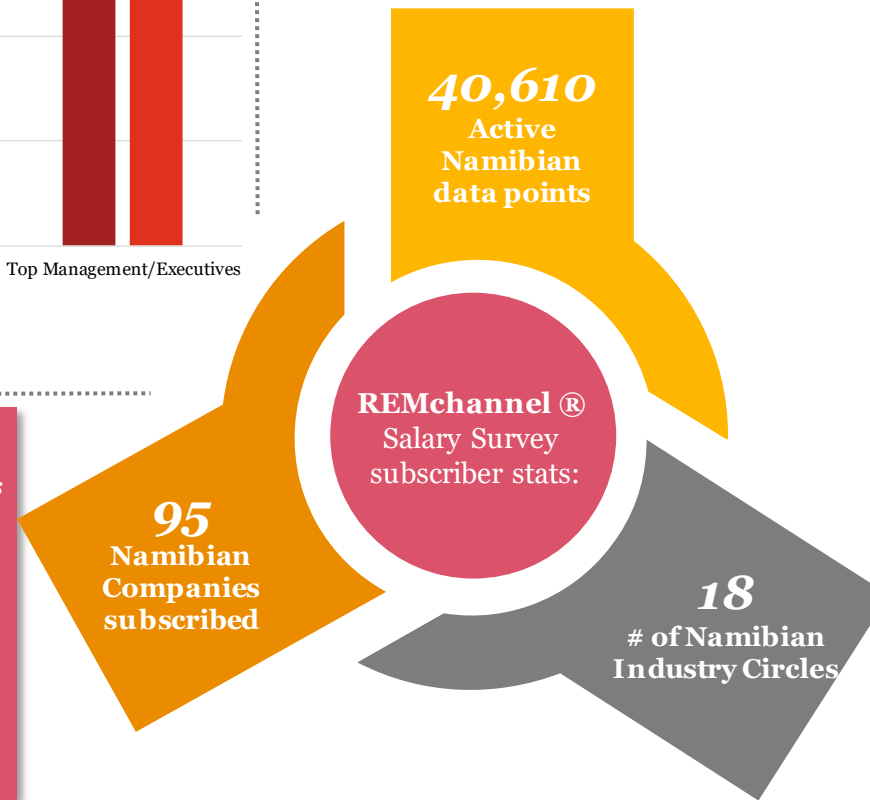
For more info contact [Leandi van der Westhuizen](#) or [click here](#) to visit our website and please join our survey today!

REMchannel® Market Trends Podcast

We are pleased to present to you our broadcast / video of the Remuneration Trend Analysis for the Namibia Public Sector as at February 2019.

The following topics are covered in the podcast based on our REMchannel data:

- Findings on remuneration package composition for the Public Sector
- Reported pay adjustment for the past 12 months and expected pay adjustment
- Remuneration trends for the sector and how the sector compares to other industries and our neighboring countries.
- The broadcast is shared on YouTube, please follow the link below: <https://youtu.be/-B3Z2yjuBcs>



Organisation design in the 21st Century

by Juanita Kavandara, Senior Associate in People & Organisation consulting

Organisations in the 21st Century are made to operate in ever changing environments, the world is undergoing rapid technological, globalisation and climatic changes. Such changes in the environment calls for organisations to change and adapt to the changing times by redesigning their organisations and how they work.

Organisation design in perspective

Organisation design involves the integration of people, process, structure, and technology to facilitate the implementation of strategy. Organisation design is much more than the traditional lines and boxes. Organisations today must redefine the type of skills and capabilities, the processes, relationships and interaction being made, the type and levels of decisions being made as well as the technologies and systems being used to execute strategy.

Symptoms of organisational design inefficiencies

A poorly designed organisation depicts a lack of coordination, lack of role clarity, non-accountability, poor flow of information, slow decision-making, poor process as well as poor morale among employees.

Organisation design: How to do it right

Organisations are different, each organisation has its own strategy, priorities, objectives, initiatives and capabilities. The same is true for organisation design methodologies. Each design has its own strengths and weaknesses. Therefore, there is no one size fits all design for any company. Companies must choose a design that is suitable for its culture, environment, values as well as strategic initiatives. The chosen design must be supported throughout the company from the executive committee to the specific divisions. A successful organisation design should be aligned to strategic priorities, streamline processes, improve decision making and accountability.

Although organisations are different, here is a list of guiding principles to keep in mind when embarking on organisation design:

1. Organisational Purpose and Strategy

Redefine the purpose of the organisation by defining why the company exists, defining its customer base, defining its differentiating capabilities and how it aims to position itself to better serve its customers and stakeholders better. Understanding this will ensure a company is designed according to the strategy.

2. Leadership alignment

Leadership buy-in is an important element of organisation design. Organisation design is a top-down approach, therefore, leaders must know the reasons for designing the organisation, the impact as well as the benefit of redesigning the organisation. This will allow for consistent and convincing communication from the top, cascading down to the heads of divisions to individual team members.

3. Planning for Change and Communication

Organisation design brings about change, most of it being positive as opposed to the negative perception of restructuring and headcount reduction. Organisations must spread a consistent message of positive change through a thorough communication strategy to ensure everyone is well informed about the change that is about to take place within the company. Organisational design may change the reporting structures, the processes being followed and the type of work to be done. As such, mass communication from top leadership to the entire organisation may not be enough. Leaders of divisions must be empowered with the right information to share with their specific teams, this will allow for open, meaningful and personal conversations with teams thereby, alleviating fear and resistance.

4. Organisational Structures and Capabilities

Organisational structures depicts the levels of authority, decision making, reporting lines, hierarchy and span of controls within the organisation. Organisation design is not about setting up a new structure in one go, it is a phased approach to enable the company to transition smoothly from the past to the future structure. Structure design must follow after designing the right organisational design blueprint. Consider the capabilities, talent and skills required to implement the structural design. Review the span of control to ensure effectiveness, cohesion and accountability.

5. Risk Management

In an effort to tick a box, many organisations fail to identify and manage risks associated with implementing organisation design. Transitioning into the new design poses a number of risks that organisations must be cognisant of, such as interruptions to business continuity, employee resistance, a lack of proper engagement and communication as well as poor implementation. Companies can mitigate risks by identifying them early and monitoring them well after the design launch.

Benefits of effective organisation design

Effective organisational design ensures the following benefits:

- Alignment to company strategy
- Alignment of organisational structures
- Well defined reporting lines
- Reduced span of control
- Coordination, accountability and decision-making at the right levels
- Streamlined and aligned processes
- Cross functional collaboration and interaction
- Flow of information

Knowledge Share | Remuneration & Reward Workshop

21 May 2019

Target Audience:

HR generalists with little on no knowledge of reward management.
Newer remuneration practitioners who need a basic overview of reward management principles
HR professional seeking guidance on best market practice of reward management principles

Level of Workshop:

Basic to intermediate remuneration & reward management principles and applications
Informative workshop on best market practice of reward management principles.

Summary of Workshop Content

Understanding the total rewards concept and managing employee reward has become critical in organisations who wish to attract, motivate and retain the right employees in order to deliver business success.

HR professionals are expected to make decisions regarding employee rewards and this workshop will provide guidelines to the best market practice of designing attractive reward models in line with your organisations' reward philosophy and strategy.

Presenters



Aspect to be covered:

- The employment life-cycle
- Total reward management
- The employee value proposition (EVP)
- Remuneration philosophy & strategy
- Examples of different remuneration structures
- An overview on pay structures & guideline for positioning employees within the pay structure
- Theoretical principles of remuneration benchmarking and job matching
- Considerations when making offers and attracting employees
- Conducting the annual salary review
- The reward environment



PwC Business School, 344
Independence Avenue



08h30 – 12h00

Free of Charge – limited seats
available



Registrations close **15 May 2019**

Register with

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