

Contracting Types



Contracting allows individuals to select their preferred choice of contract structure i.e. Fixed Term Contract Employee or Independent Contractor/Supplier. This is a deeply personal choice based on an individual's personal circumstances and choice of many factors. We are able to offer our Contractors a range of choices in how they contract with us and some of these options are listed below.

This will allow you to make an informed decision as to which choice would suit you best going forward.

Option 1: Fixed Term Contract

With this choice, you can choose to be regarded as a "Standard Employee" in terms of the BCoEA (Basic Conditions of Employment Act) which means that your earnings are taxed as per the SARS "tax tables" applicable during that particular pay run. Any additional claims allowable under the tax Act can be made by you at the time of your annual SARS tax submission. You will be issued with an IRP5 as required by the tax legislation and you will be able to make claims for valid expenses through the SARS efilling system or via your tax specialist.

If you are paying your own medical aid and / or Retirement Annuity, we will include these on your earnings and deductions sections of your payslip and IRP5. SARS typically requests documentary evidence of membership of medical or retirement funds. Including these in your monthly remuneration calculation typically results in a tax benefit monthly. This is usually the simplest option to choose since you are taxed "upfront," and you typically have less work to do at the assessment period at tax year end.

Sample Expense Claims Allowance

Should you choose Option 1 above, we can allocate a portion of your earnings to a claims allowance. Once you have submitted claims, they will be tax deductible and you will receive a monthly tax benefit as well as be able to have the claims tables opened up in your SARS submissions so you can claim back from SARS.

Salary of R12 000.00 per month	
Basic:	R10 000.00
Allowance:	R2 000.00
CTC:	R12 000.00

- The R1 500.00 will be a tax deductible, the remaining R500.00 will be taxed as per normal PAYE
- If you are paying your own medical aid and / or Retirement Annuity, we can show these values on your payslip (you will need to provide proof that you are paying these benefits on SARS submissions) but these values will also result in a tax benefit monthly



Option 2: Independent Contractor/Supplier

With this choice, you will confirm your status as an “Independent Contractor/Supplier” in accordance with relevant legislation.

All allowable expense claims under the tax Act is then made by you at the time of your annual SARS tax submission. You will be issued with the relevant documentation as required by the tax legislation and you will be able to make claims for valid expenses through the SARS eFiling system or via your tax specialist. As part of this choice, you are required to invoice us as Independent Contractor/Supplier.

Where an invoice is required, we are able to guide you on the correct invoicing format to assist you. Typically in this instance the invoice is for your full applicable total service fee and you will be paid the full invoice amount without any deductions. Independent Contractor/Supplier items such as “Leave Pay” for example, do not apply. You will sign the relevant Independent Contractor/Supplier contract.

This option has distinct benefits and may make the extra admin from your side worthwhile.

Our team will do our best to answer any questions you may have regarding the above options. For queries email us on **hello@jordansa.co.za**

As a service to our Contractors/Suppliers we always try to find the best work solution that will suit your personal contracting style while remaining compliant.

Important pointers:

- We do not charge you a fee to be on our payroll
- We have a range of benefits
- We visit sites as often as we can. Currently it's 1 site per week but we are growing our team
- We have a WhatsApp group to share information on an open platform
- We offer 3 payroll dates (Green Day; 25th; month end) and offer 3 payroll options (Straight; Claims; Independent Contractor/Supplier)
- We work on PaySpace and submit IRP5's