EXTERNAL GUIDE

HOW TO ACTIVATE AND DECLARE MEDICAL SCHEME CONTRIBUTIONS AND INSURANCE PAYMENTS IT3(F) VIA eFILING

SARS
At Your Service

REVISION HISTORY TABLE

Date	Version	Description
30-11-2020	1	Updated to include eFiling Redesign

TABLE OF CONTENTS

1 PURPOSE

- The purpose of this guide is to describe how to activate and declare medical scheme contribution and insurance payments on eFiling. The guide further describes the requirements for a successful submission. The guide is structured as follows:
    - How to activate medical scheme contribution and insurance payments on eFiling
    - How to submit medical scheme contribution and insurance payments data
    - How to declare medical scheme contribution and insurance payments on eFiling
- This guide in its design, development, implementation and review phases is guided and underpinned by the SARS Strategic Plan 2020/21 - 2024/25 and the applicable legislation. Should any aspect of this guide be in conflict with the applicable legislation the legislation will take precedence.

2 INTRODUCTION

- Third Parties include financial institutions such as banks, medical schemes, and fund administrators to name a few. These parties are by legislation required to submit financial and demographical data periodically to SARS. The data which is submitted must be detailed as per SARS external Business Requirement Specification (BRS) for a particular third party data tax type.
- Medical Scheme Contributions and Insurance payments form part of the third party data tax types for submission to SARS. Third party entities are to report on medical scheme contributions made by employers and employees towards a medical scheme as well as on benefits not covered such as interest and refunds. Insurance payment third party data submissions, on the other hand, report on member and other demographics and contributions made by members towards insurance.
- The third party data platform was developed within SARS for the submitting of third party data and subsequent returns. Recently SARS has been embarking on a modernisation process to simplify tax processes in line with best international practice. As part of this process, SARS has further expanded the third party data modernisation initiative by standardising the submission of all third party data. This results in the process of submitting third party data files and declaration in being identical for all third party data tax types.
- This guide will demonstrate the necessary requirements for a successful submission of the IT3(F) by describing how to submit, activate and declare the IT3(F) medical scheme contributions and insurance payments.

3 REQUIREMENTS FOR A SUCCESSFUL THIRD PARTY DATA SUBMISSION

- In order for an entity to submit third party data for any tax type successfully, there are required processes that the user must follow. This section will highlight those processes and unpack what is required within each process. Furthermore this section will direct the user to whom he/she should contact when there are problems experienced.

Figure 1: Process to note for a successful submission of third party data

3.1 REGISTRATION

- Registration must take place for the use of eFiling. The organisation must register its entity either at an organisation or a tax practitioner profile level. Once your organisation is registered, safe guard your login and password for the future use of eFiling.

- On how to register on eFiling, refer to the following external guide:
  - GEN-ELEC-18-G01 - How to register manage users and change password on eFiling - External Guide

This process is done once and does not have to be repeated for every submission.

3.2 ENROLLMENT

- Once registered the organisation must register and enrol their selected representatives of the organisation. To manage 3rd party data submissions, the organisation must have the following three types of representatives allocated in the enrolment and submission of 3rd party data to SARS:
  - **Business Administrator** – This user is the same as the current eFiling full administrator. The role of this user is to enrol the legal entity/organisation that will be submitting data to SARS and the Technical Administrator. The taxpayer is not required to allocate new eFiling administrators for the purposes of 3rd party data submissions if one already exists.

- ▫ **Technical Administrator** – The role of this user is to request the security certificate and to enrol technical users. If the taxpayer decides to change the Technical Administrator, a new Technical Administrator must be added before the existing one can be removed. There must always be at least one Technical Administrator for each enrolled organisation.

- ▫ **Technical User** – The role of this user is to submit the data files to SARS via the Direct Data Flow channel. An organisation can have multiple Technical Administrators and Technical Users in order to allocate work according to the organisation's requirements. The technical user must be a different person from the technical administrator.

- To enrol for the use of HTTP or Connect Direct refer to the following external guides available on the SARS website:

  - ▫ GEN-ENR-01-G01 - Guide for Submission of Third Party Data using the Connect Direct Channel - External Guide
  - ▫ GEN-ENR-01-G02 - Guide for Submission of Third Party Data Using the HTTPS Channel - External Guide

Important to note: Once enrollment of the organisation is completed, the person who enrolled the organisation becomes the Business Administrator. This implies that he/she (the Business Administrator) cannot be enrolled as a Technical Administrator or a Technical User.

This process is done once and does not have to be repeated for every submission.

3.3 ACTIVATION

- Activation process involves the creation of a desired third party tax type on eFiling so that a return/declaration of the desired tax type may be submitted.

- The activation process might take 48 hours for the desired tax type to be activated on eFiling, the user should note the status of the activation to know whether the activation process has been resolved. When the **Status** statement has not changed and no communication has been received from SARS, kindly contact the SARS Contact Centre for further assistance.

- On how to activate a third party tax type refer to section 4 on this guide

This process must be done for every new tax type return / declaration that will be submitted via eFiling.

3.4 SUBMISSION

- Submission involves routing the completed third party data file via HTTP or Connect Direct to the SARS third party data unit. Some of the third party data such as the IT3 (b, c, e, s) may be submitted via eFiling. However this should be when the certificates to be submitted are less than 20. If the certificates are to be submitted are more than 20, the third party data must be submitted via the HTTP or Connect Direct. Note that all IT3(f) data submissions must be submitted via Connect Direct or HTTP.

- Always refer to the SARS website for the external BRS which details how to prepare the third party data types file for submission.

- On how to submit third party data, refer to section 5 on this guide.

- There will be messages that SARS will send the user notifying him/her whether the submission was successful or not. For any errors or messages that you have encountered which noted that the submission was not successful, kindly communicate to SARS the technical challenges experienced on the following email address:

    - Bus_Sys_CDSupport@sars.gov.za

3.5 DECLARATION

- Declaring involves the verification of the submitted third party data tax type. This implies that the user is required to validate whether the submitted third party data is correct by determining whether the prepopulated data on the form is in fact the data submitted. There are various third party data forms, which will depend on what third party data tax type the user wishes to declare.

- Refer to section 6.1 of this guide on how to declare the IT3(f)

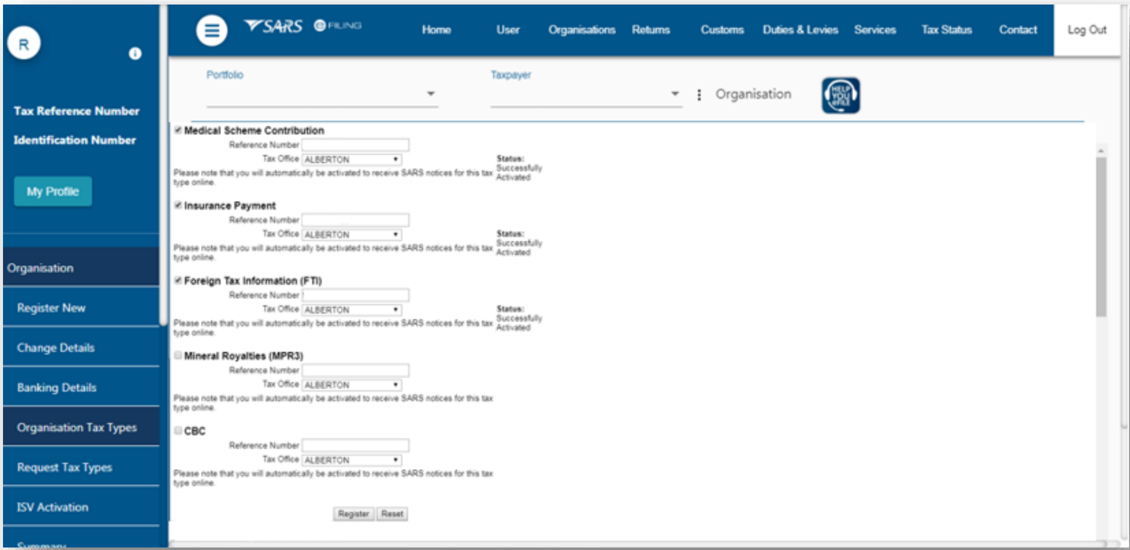
The user must only declare once the data has been successfully submitted.

- If the entity requires to revise a submitted declaration, the correct data should be resubmitted via the submission channels and once successfully submitted, the entity may view and file the revised declaration on eFiling via the MIT02 return.

Note: No changes may be done on the MIT02 form, the entity may only request submitted data and if correct, they may file the revised declaration.

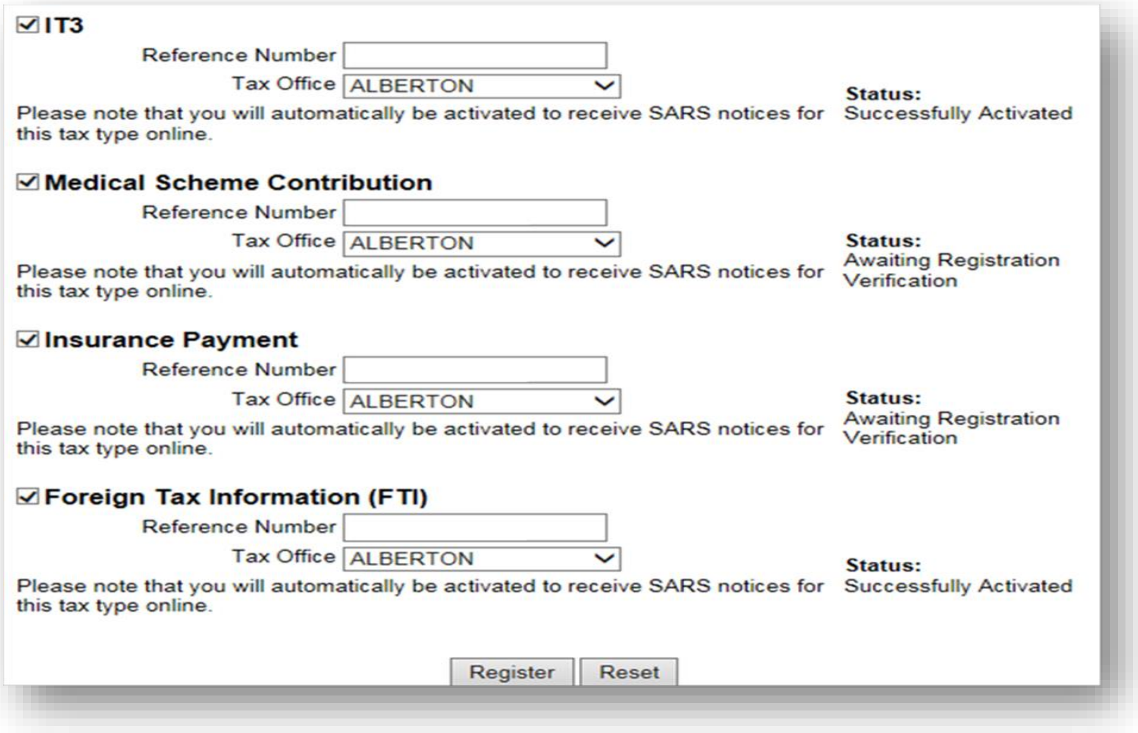
4 ACTIVATION AND ACCESS RIGHTS FOR THE SUBMISSION OF THIRD PARTY DATA

- To submit and declare third party data, the user must activate the desired tax type that he/she wishes to declare. The activation process creates a platform on your profile to submit and declare any third party data. This activation is available for the following portfolios on eFiling:
  - Tax practitioners
  - Organisation
- To activate third party data, proceed as follows:
  - Click on **Organisations** displayed on the main menu
  - Click on **Organisation** displayed on the left menu
  - Click on **Organisation Tax Type**
  - The following screen will be displayed

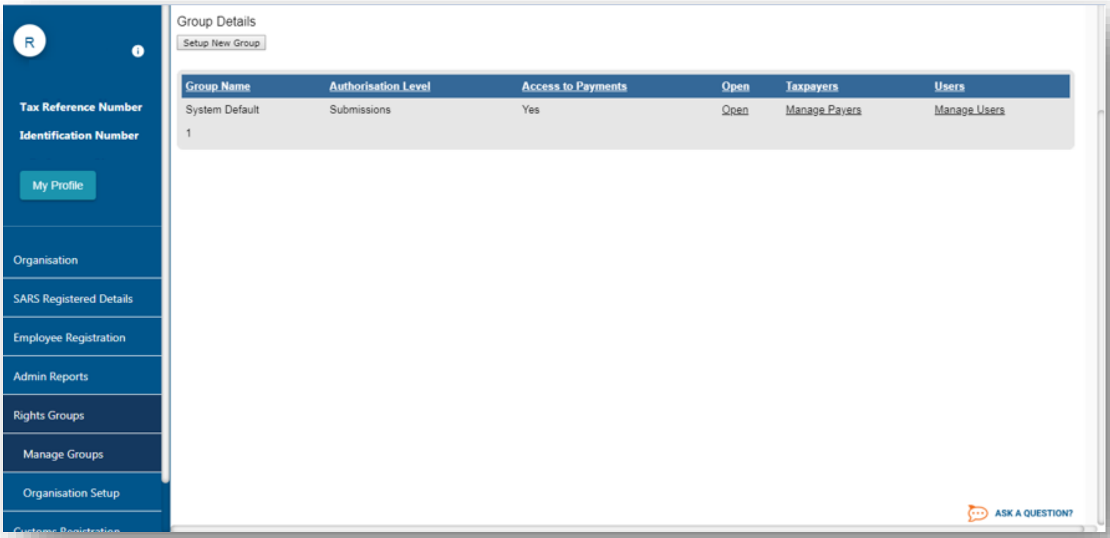


- Select the appropriate third party tax type
  - E.g. select **Medical Scheme Contribution** and **Insurance Payment**
- Fill in the organisation's **Reference Number** and the **Tax Office** the organisation was registered at.
- Once the appropriate tax type/s has been selected, click on the **Register** button

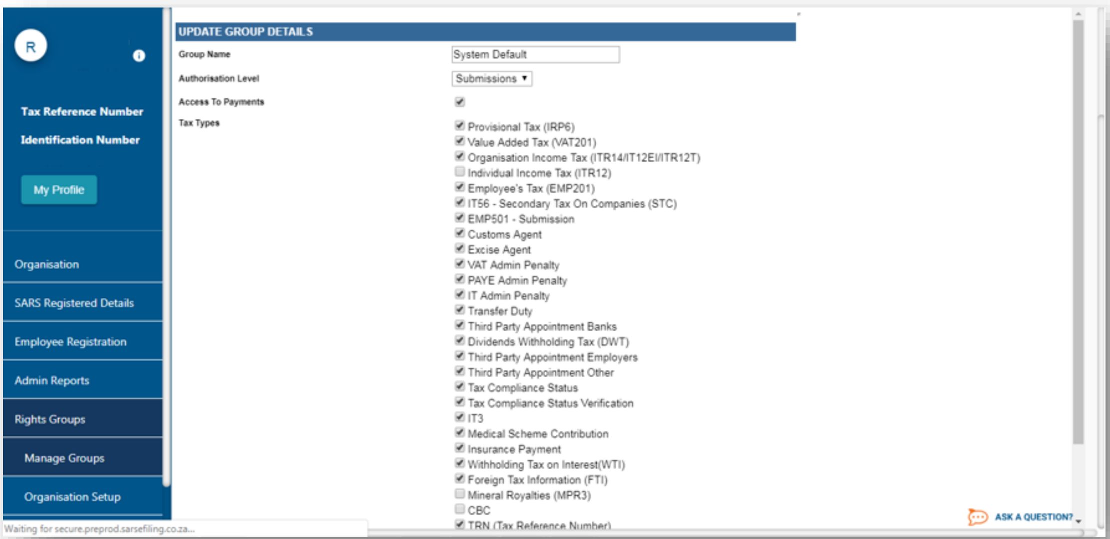
Note that only an Income Tax Reference Number may be used for activation.



- Once the **Register** button is selected, the initial **Status** statement besides the third party data tax type selected, will read as **Awaiting Registration Verification**. This status will change after 48 hours, once activation verification has been completed. The **Status** statement will display **Successfully Activated** once activated.
- When the **Status** statement has not changed and no communication has been received from SARS, kindly contact the SARS Contact Centre for further assistance.
- For access of third party data returns, the user must obtain access rights by proceeding as follows:
  - Click on **Organisations**
  - Click on **Rights Groups**



- Click on the **Open** hyperlink
- Click on the appropriate third party tax type
    - E.g. Select **Medical Scheme Contribution** and **Insurance Payment**



- Once you have selected the appropriate tax type, click on **Update**

5 SUBMISSION OF DATA

- Submission of third party data is when an organisation has detailed the appropriate third party data submission file as per external BRS and wants to route the file to the SARS third party data unit.

- This section will illustrate how to submit third party data.

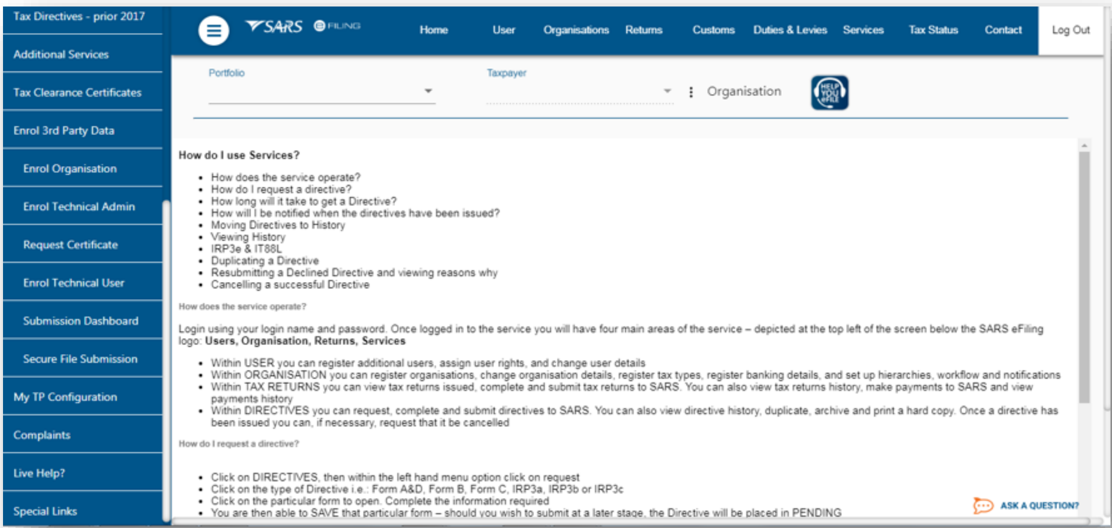
Note that the organisation must prepare the submission file as per SARS external BRS on third party data. The following external BRS must be utilized to prepare the file for submission:

Table 1: External BRS available for IT3(f)

Third party tax type	SARS external Business Requirement Specification (BRS)
Medical Scheme Contributions	BRS: SARS External BRS - Medical Scheme Contributions (MSC) v1.0.3
Insurance Payments	BRS: SARS External BRS - Insurance Payments (INS) v1.0.3

- Once the organisation has enrolled a representative for submission purposes, proceed as follows:

  - Click on **Services**
  - Click on **Enrol 3rd Party Data**
  - Select **Secure File Submission**



- The user will be redirected to the secure site where data may be uploaded.

- Kindly refer to the following submission guides:

  - GEN-ENR-01-G01 - Guide for Submission of Third Party Data using the Connect Direct Channel - External Guide
  - GEN-ENR-01-G02 - Guide for Submission of Third Party Data Using the HTTPS Channel - External Guide

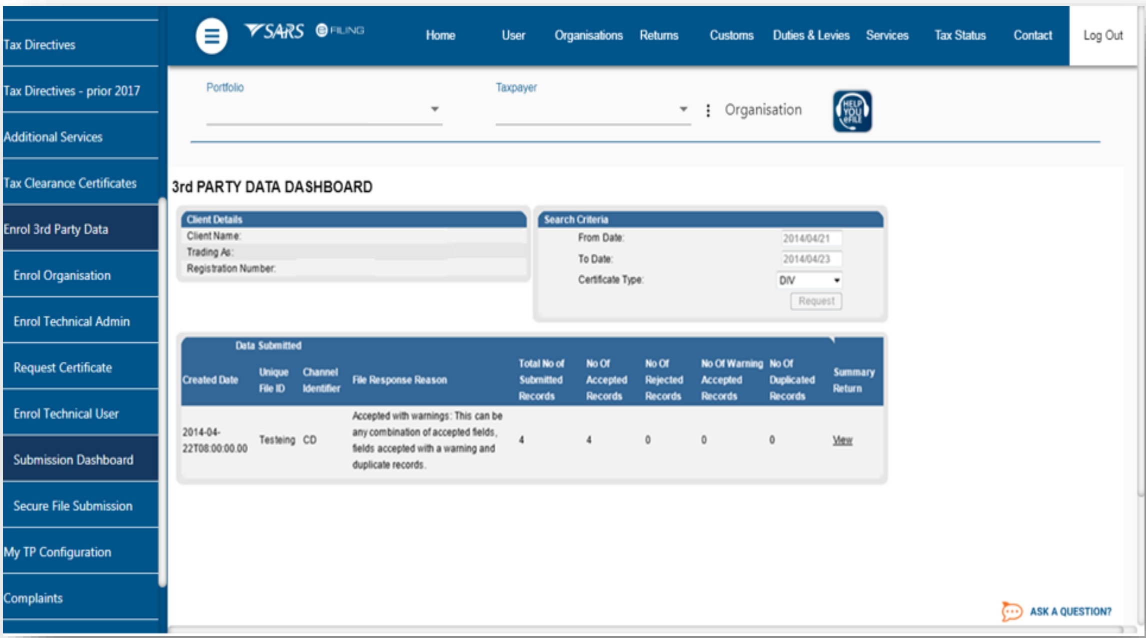
- Any technical queries or challenges experienced during submission, kindly revert them to the following email address:

  - Bus_Sys_CDSupport@sars.gov.za

5.1 VIEW THE STATUS OF THE SUBMITTED DATA

- Once the data has been submitted, the user may view the status of the submitted third party data via the dashboard report. To do so, proceed as follows:

  - Login
  - Click on **Services**
  - Click on **Enroll 3rd Party Data**
  - Click on **Submission Dashboard**
  - Select the appropriate data product from the dropdown list
  - The dashboard will present the following screen:



Note that the following codes that could appear on the 3rd party data dashboard and their interpretation.

Table 2: Code status of the submitted third party data

Status Code	Status Description
013	File pre-validation in progress
014	File validation in progress
015	File processing complete and response sent

- Any technical related queries on the submission process, send them to the following email address:
  - Bus_Sys_CDSupport@sars.gov.za

6 THIRD PARTY DATA

- Third party data is functionality on eFiling applicable for third party data submissions, declaration and viewing of the dashboard. Since this guide is applicable for IT3(f), we will unpack how to use this functionality in declaring, submitting and viewing the status of submission for medical scheme contributions and insurance payments IT3(f).

- Note that there are more functions available on eFiling for the submission of third party data however they are exclusively for IT3(b,c,e, s). For more information on how to activate, submit and declare third party data, refer to the following external guide:

  - GEN-ENR-01-G03 – How to activate submit and declare IT3 third party data via eFiling – External

6.1 SUBMIT NEW RETURN

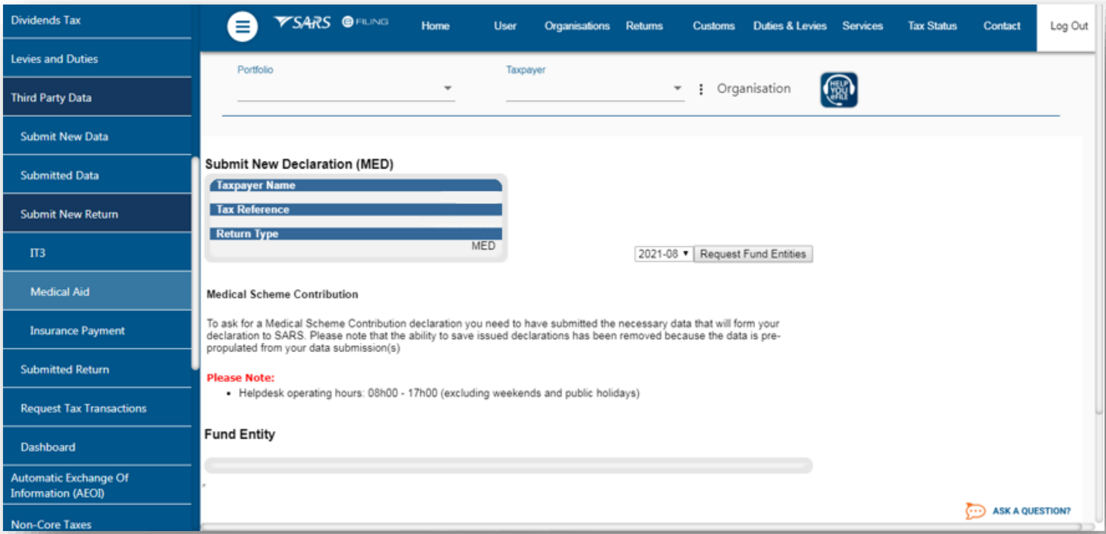
- This button is applicable when the user wants to declare their organisation submission of third party data tax type via eFiling. The form that must be completed will be based on the third party data you wish to declare. For medical scheme contributions and insurance payments, the applicable form is the MIT02.

6.1.1 MEDICAL SCHEME CONTRIBUTION DECLARATION SUBMISSION

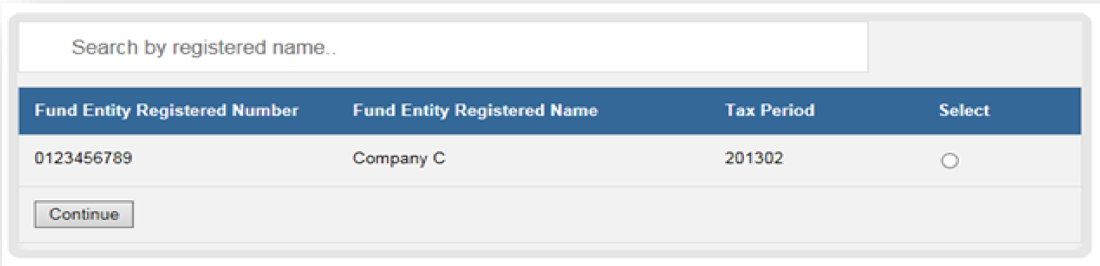
- For the declaration of Medical scheme contributions, proceed as follows:

  - Click on **Returns** on the main menu
  - Click on **Third Party Data** on the left menu
  - Click on **Submit New Return**

- The following screen will be displayed

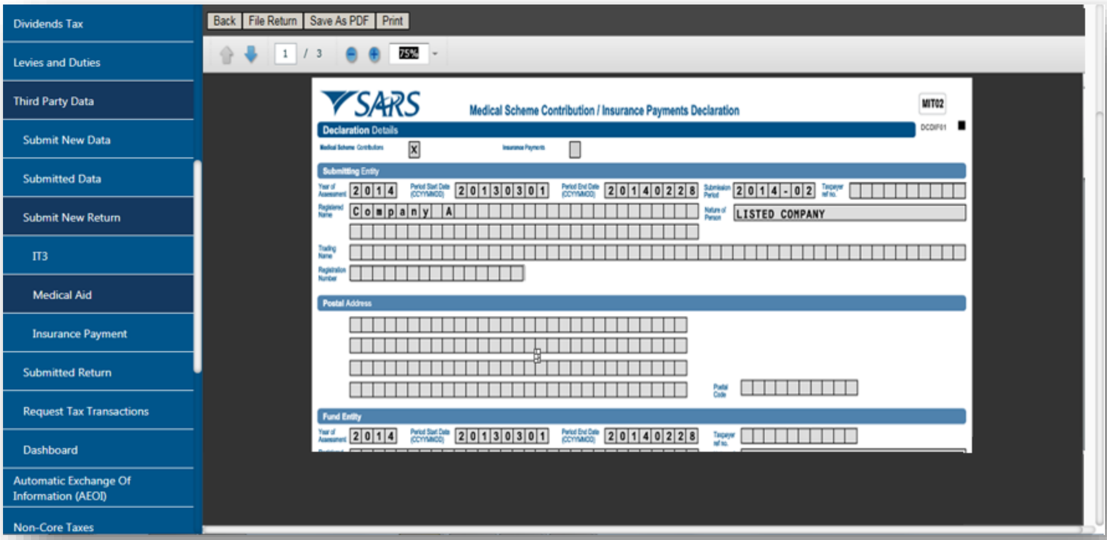


- Select the appropriate year and month from the drop down option.
- Click on the **Request Fund Entities** button.
- The list of funds will be displayed:

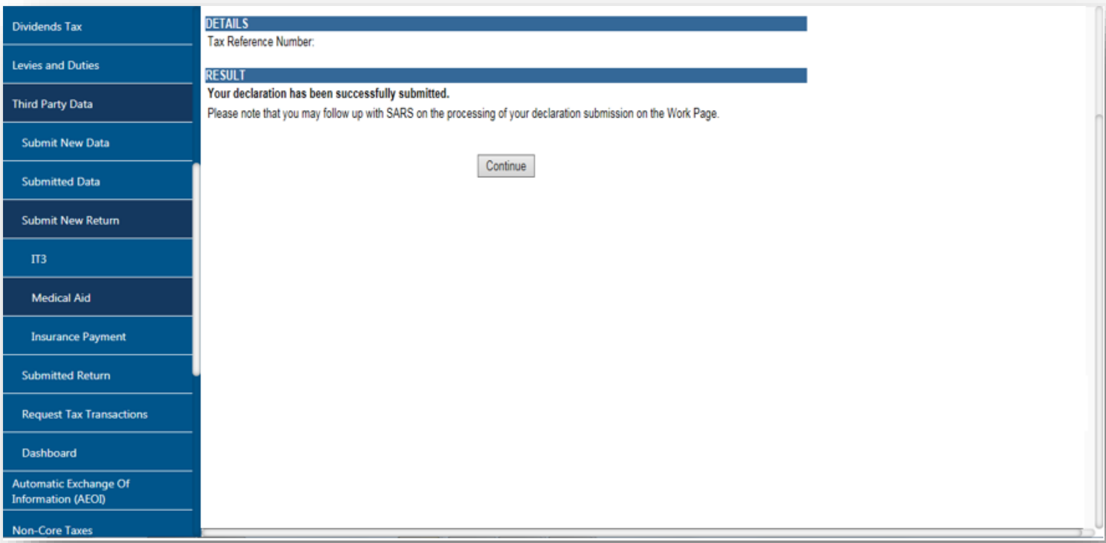


- Select the appropriate fund from the list by clicking on the radio button besides the appropriate fund entity.
- Once all the desired fund entities have been selected, click on the button **Continue**.

- This will display the **MIT02** return



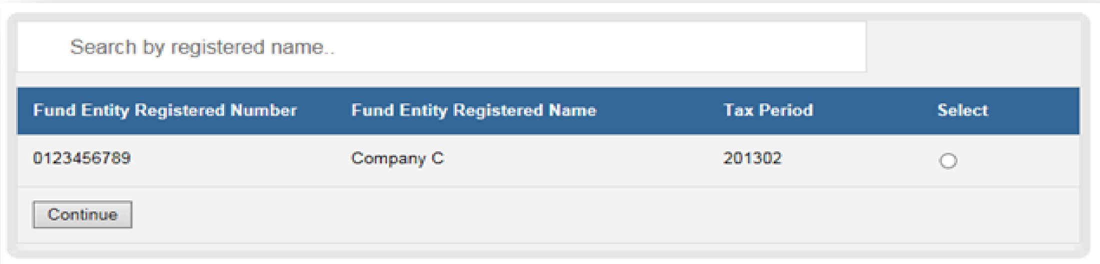
- Once the above screen is displayed, validate the populated MIT02 form.
- Once done, click on the **File Return** button to file the return.



6.1.2 INSURANCE PAYMENTS DECLARATION

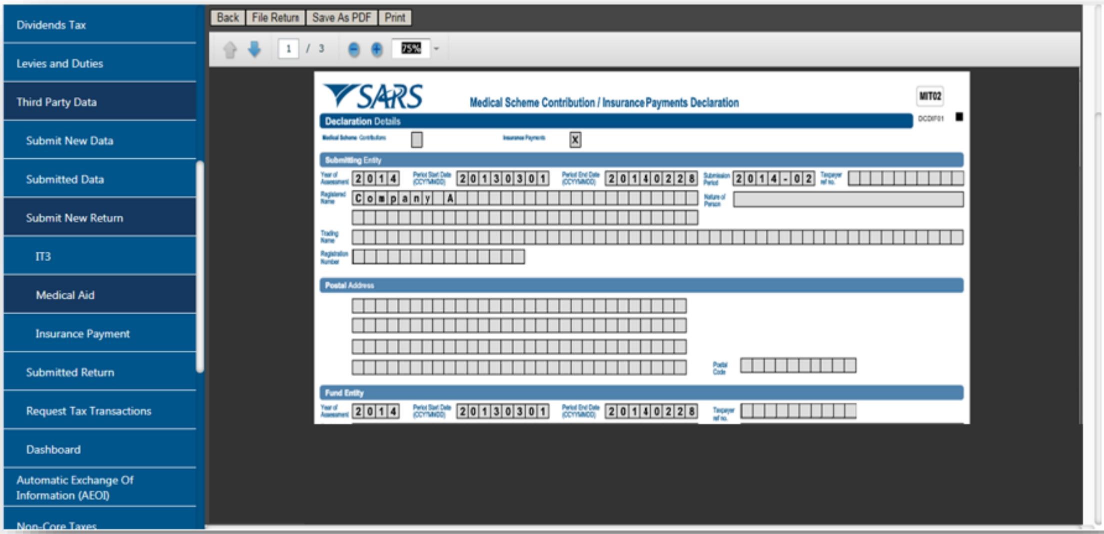
- For the declaration of insurance payments, proceed as follows:
    - Click on **Returns** on the main menu
    - Click on **Third Party Data** on the left menu
    - Click on **Submit New Return**
    - Click on **Medical Aid**
    - The following screen will be displayed

- Select the appropriate year and month from the drop down option
- Click on **Request Fund Entities**
- The list of funds screen will be displayed

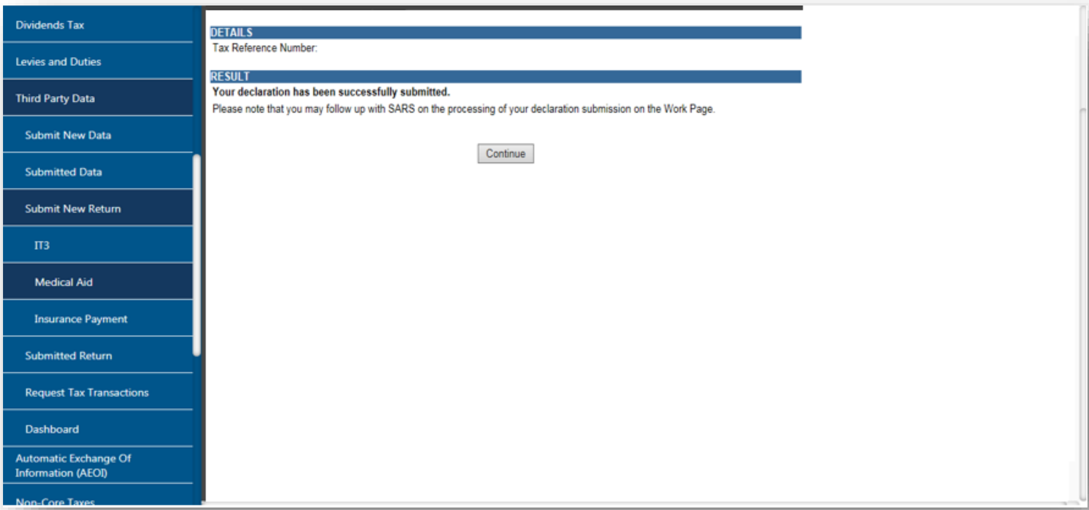


Fund Entity Registered Number	Fund Entity Registered Name	Tax Period	Select
0123456789	Company C	201302	

- Select the appropriate fund from the list by clicking on the radio button besides the appropriate fund.
- Once all have been selected, click on the button **Continue**
- This will display the **MIT02** return

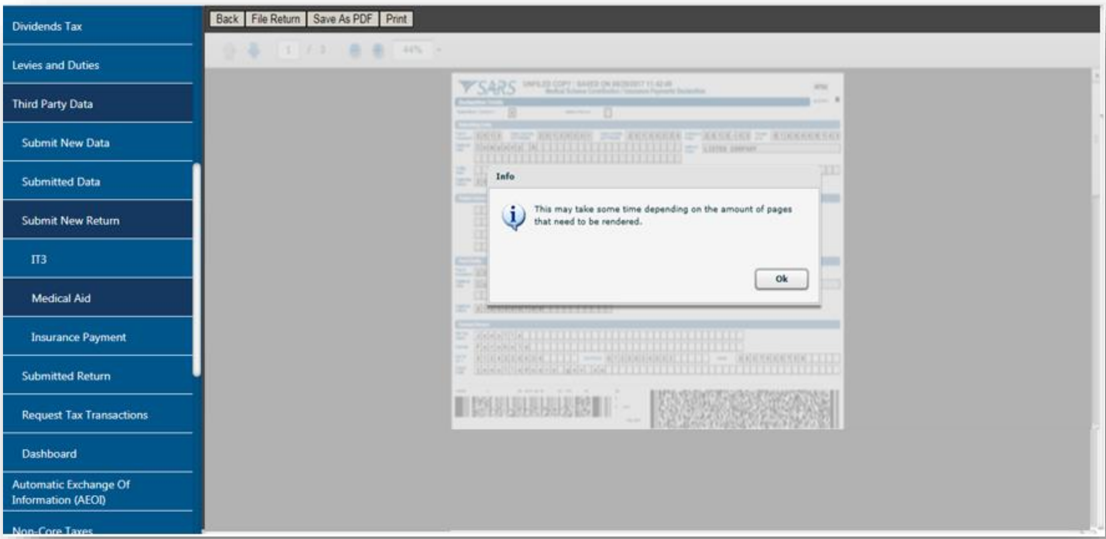


- Once the above screen is displayed, validate the populated MIT02 form.
- Once done, click on the **File Return** button to file the return.

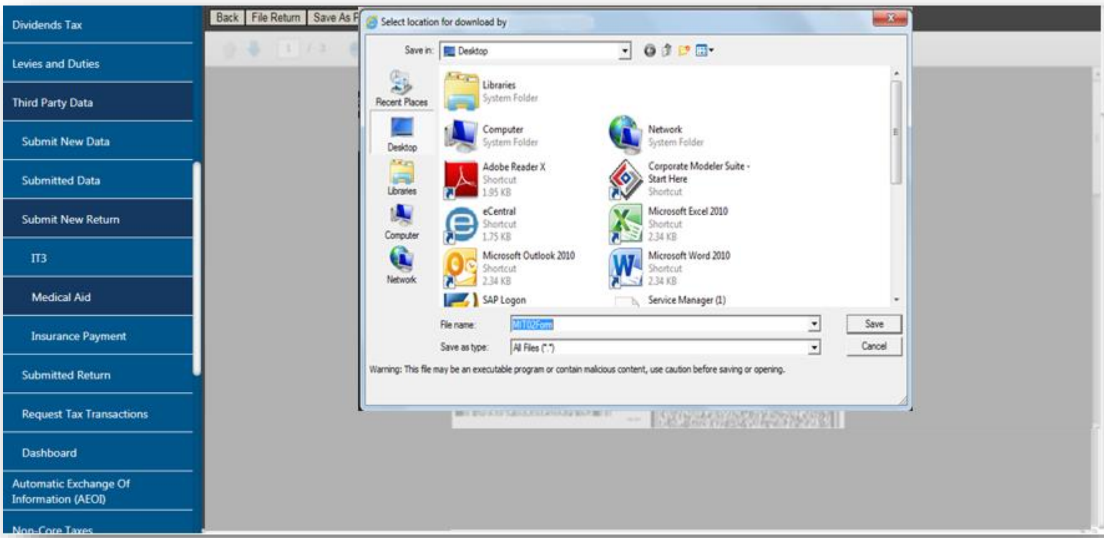


6.1.3 SAVE THE MIT02 RETURN

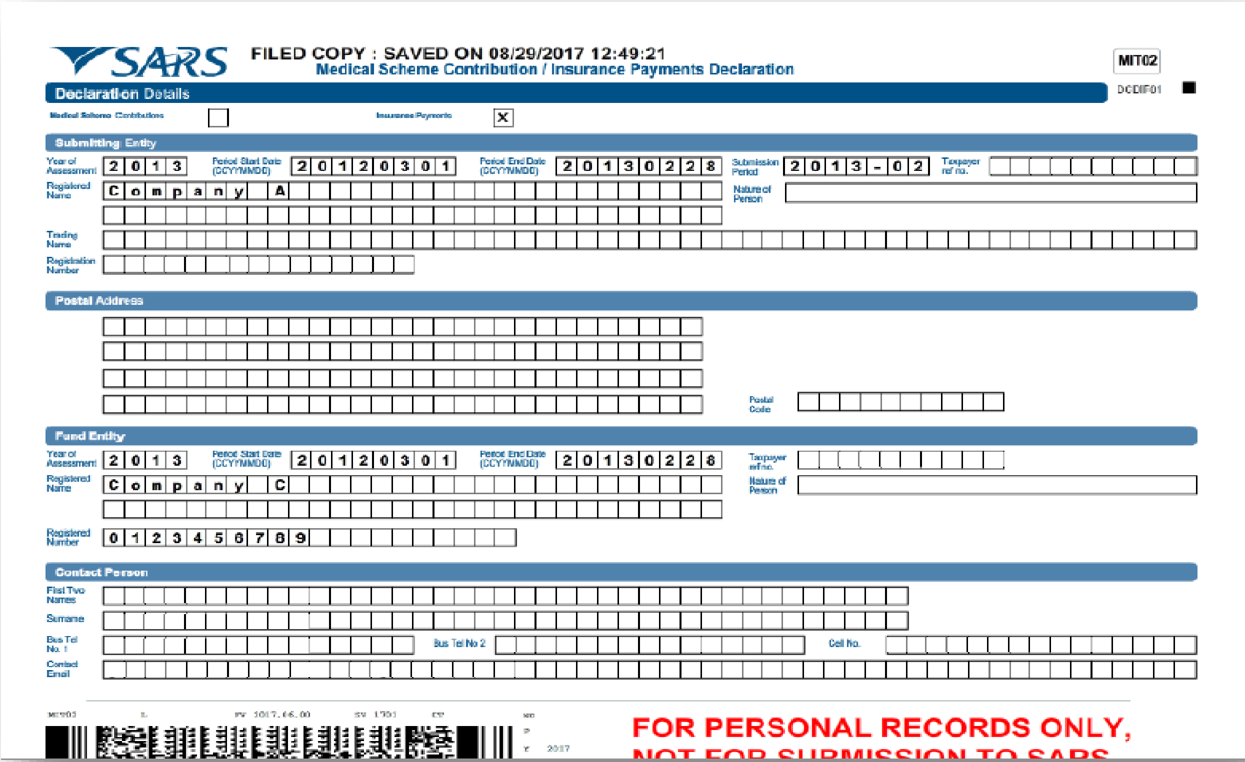
- To save the MIT02 return proceed as follows:
  - Click on the **Save as PDF** button displayed on the menu above the return.



  - Name the file name and save



  - Once saved the MIT02 form will appear as follows:



SARS FILED COPY : SAVED ON 08/29/2017 12:49:21
Medical Scheme Contribution / Insurance Payments Declaration
MIT02
Declaration Details
Medical Scheme Contributions
Insurance Payments X
Submitting Entity
Year of Assessment 2013
Period Start Date (CCYYMMDD) 20120301
Period End Date (CCYYMMDD) 20130228
Submission Period 2013-02
Taxpayer ref no.
Registered Name Company A
Nature of Person
Trading Name
Registration Number
Postal Address
Postal Code
Fund Entity
Year of Assessment 2013
Period Start Date (CCYYMMDD) 20120301
Period End Date (CCYYMMDD) 20130228
Taxpayer ref no.
Registered Name Company C
Nature of Person
Registered Number 0123456789
Contact Person
First Two Names
Surname
Bus Tel No. 1
Bus Tel No 2
Cell No.
Contact Email
FOR PERSONAL RECORDS ONLY,
NOT FOR SUBMISSION TO SARS

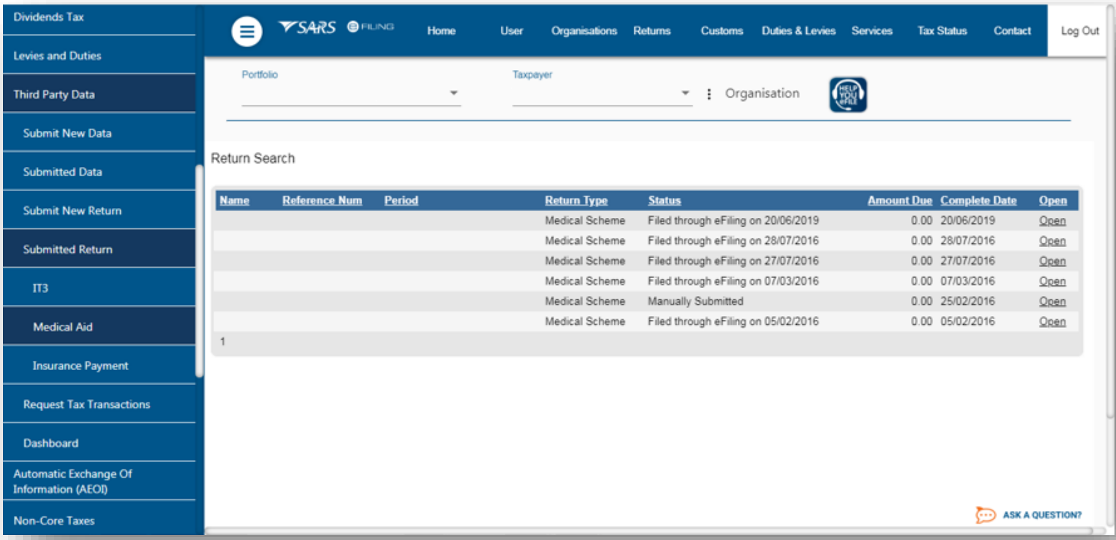
- Note that the return will indicate if it's the filed return or saved return. This form should only be used for record purpose only.

6.2 SUBMITTED RETURN

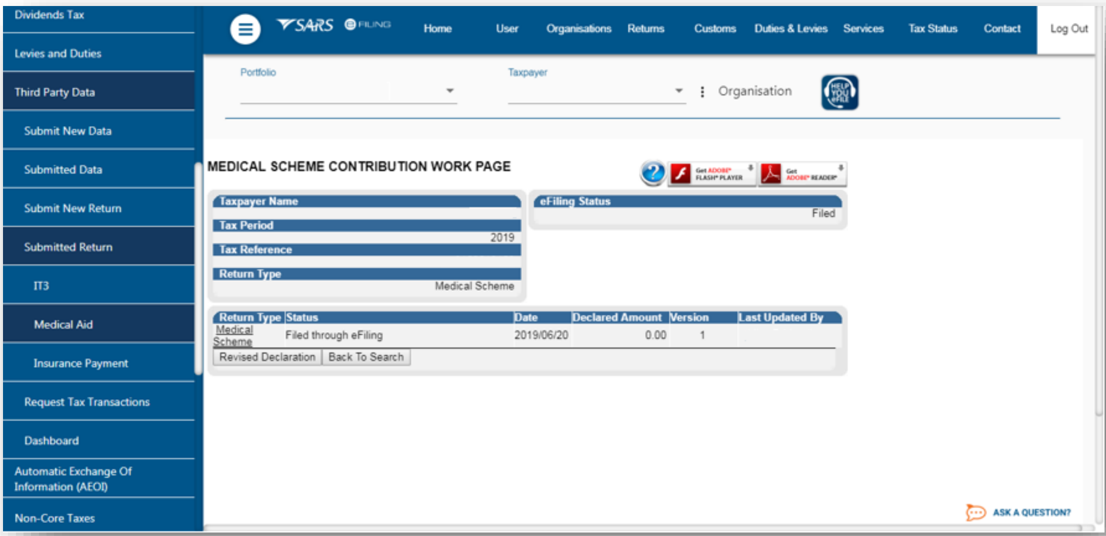
- This option is applicable if the user wants to view the history of all the third party data that has been submitted and declared to SARS.

6.2.1 MEDICAL SCHEME CONTRIBUTIONS

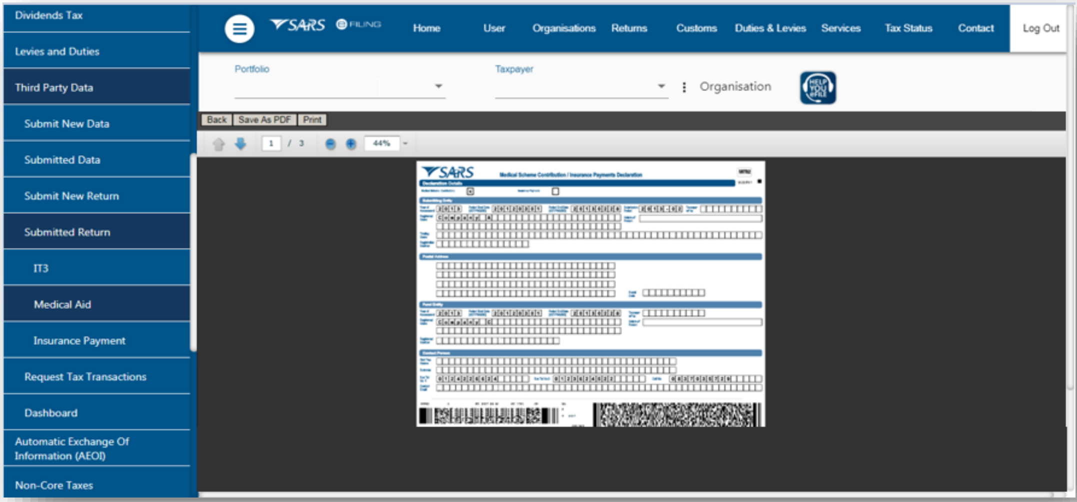
- To access previously submitted and declared medical scheme contributions, proceed as follows:
  - Click on the **Returns**
  - Click on **Third Party Data**
  - Click on **Submitted Return**
  - Click on **Medical Aid**
  - The following screen will be displayed



- Click on the **Open** hyperlink
- The **Medical Scheme Contribution Work Page** will be displayed



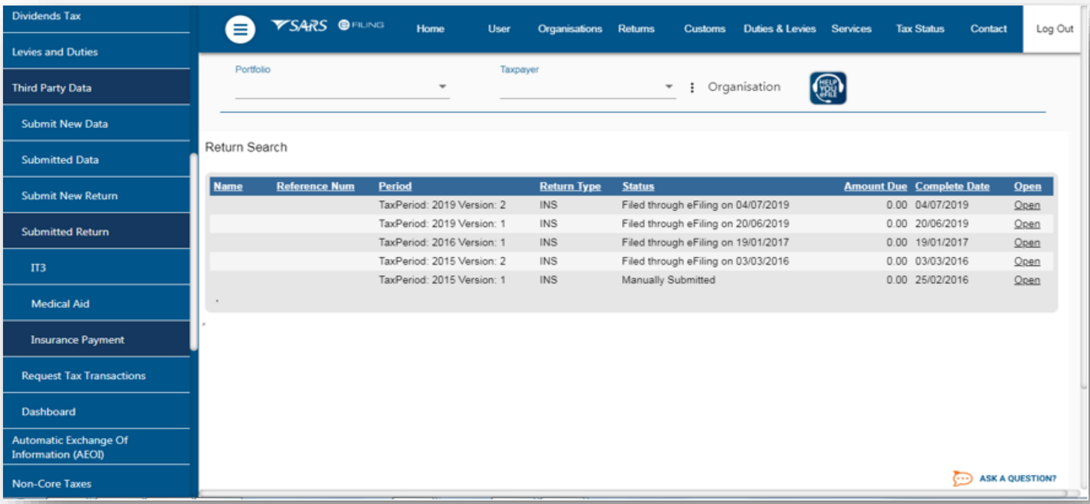
- Click on the hyperlink **Medical Scheme** to open up the filed return.



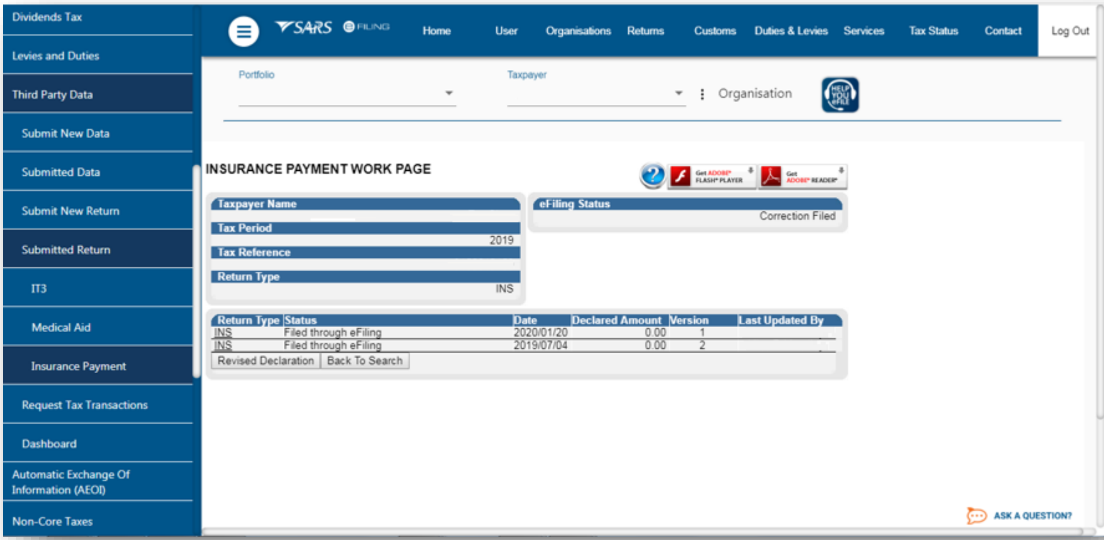
Note that the **Revised Declaration** button on the **Medical Scheme Contribution Work Page** will open up the MIT02 form which will include the revised data submitted by the entity.

6.2.2 INSURANCE PAYMENTS

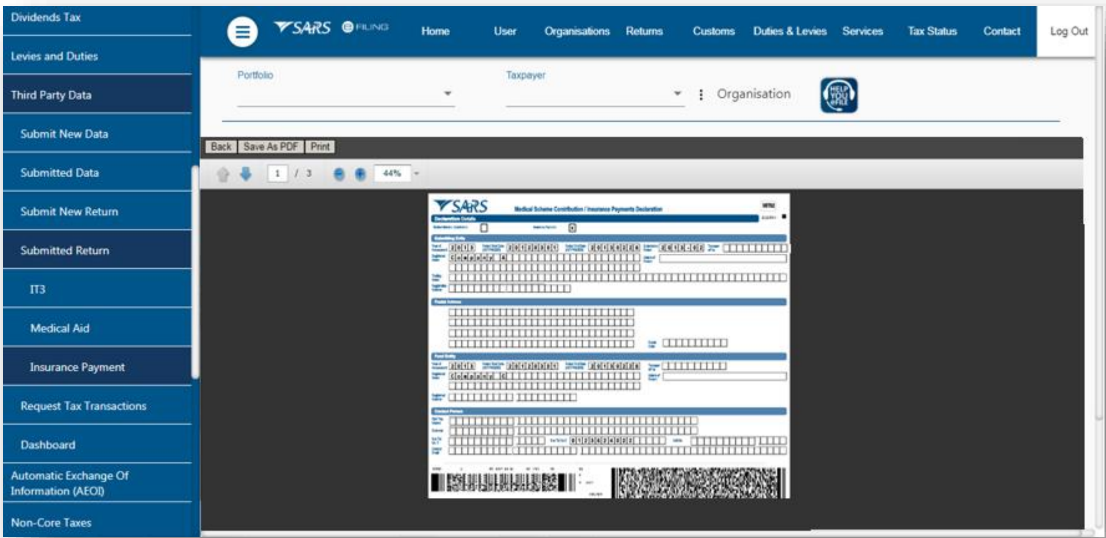
- To access the returns that have been submitted for insurance payments proceed as follows:
  - Click on the **Returns**
  - Click on **Third Party Data**
  - Click on **Submitted Return**
  - Click on **Medical Aid**
  - The following screen will be displayed



- Click on the open hyperlink
- The **Insurance Payment Work Page** will be displayed



- Click on the hyperlink **Insurance Payment** to open up the filed return.



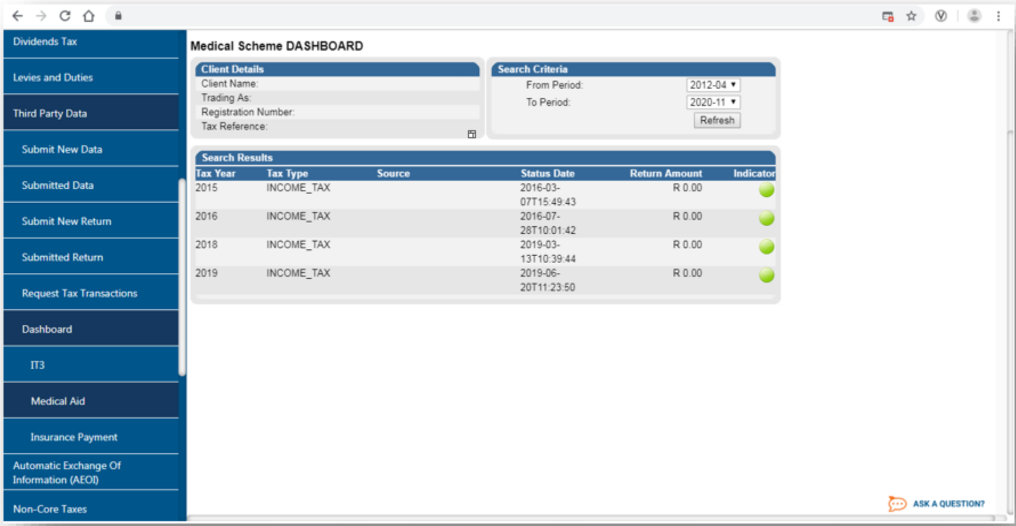
- Note that the **Revised Declaration** button on the **Insurance Payments Work Page** will open up the MIT02 form which will include the revised data submitted by the entity.

6.3 DASHBOARD

- The dashboard allows you to view the summary of all the submitted data.

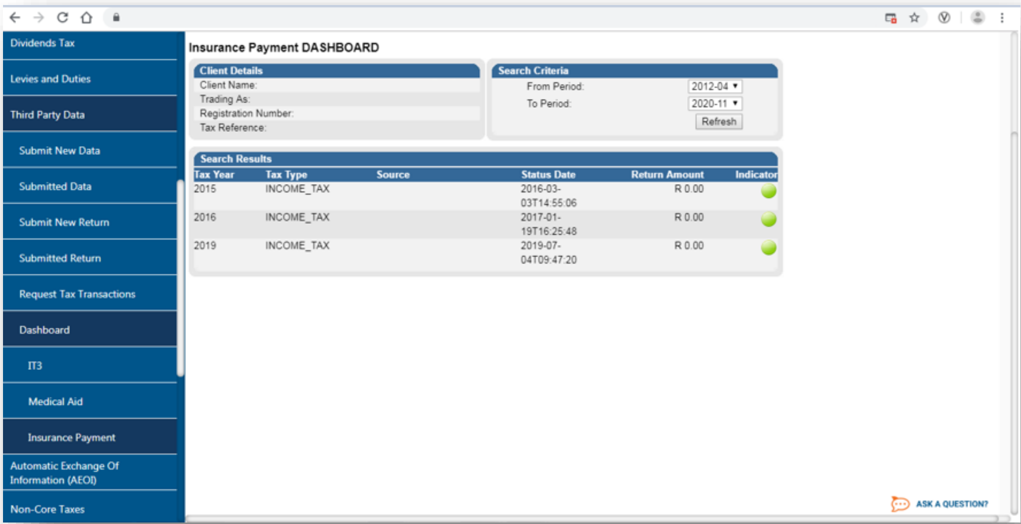
- To access the dashboard for Medical Scheme Contributions, proceed as follows:

    - Click on **Returns**
    - Click on **Dashboard**
    - Click on **Medical Aid**



- To access the dashboard for Insurance payments, proceed as follows:

    - Click on **Returns**
    - Click on **Dashboard**
    - Click on **Insurance Payment**



7 CROSS REFERENCES

DOCUMENT TITLE	APPLICABILITY
How to activate submit and declare third party data IT3 via eFiling	All
Guide for submission of third party data using the HTTPS channel	All
Guide for the submission of third party data using the connect direct channel	All
How to register manage users and change password on eFiling	All

8 DEFINITIONS AND ACRONYMS

Entity	Collective term informally used for the legal person that interacted with SARS. Formally these would be referred to as the "Legal Entities". Examples of an entity/ a legal entity includes: • Company (Pty Ltd) • Closed corporation • Trust • Individual
INS	Insurance Payments as it relates IT3(f)
MED	Medical Scheme Contribution as it relates to IT3(f)