

Media Releases 2010

Filing period for Interim PAYE Reconciliation for Employers begins

Pretoria, 1 September 2010 – Today marks the beginning of the Interim process for Pay-As-You-Earn (PAYE) reconciliations for the country's employers, which is the first step in registering all employees in the formal sector for income tax, as announced earlier this year by the Minister of Finance Mr Pravin Gordhan, in the 2010 Budget.

The new Interim PAYE reconciliation process for employers from 1 September to the end of October will become an important part of the annual Tax Season.

Employers are required to submit two PAYE reconciliations of their payroll to SARS each year. The first submission by employers is an interim reconciliation for the period 1 March to 31 August, with a deadline of 29 October 2010.

The second submission is the annual final reconciliation for the full tax year for the period 1 March to the end February. The deadline for this submission by employers is 31 May 2011.

The interim reconciliation process is exactly the same as the annual reconciliation declaration except that the declaration and employee Income Tax certificates are in respect of six months only. Employers should note that interim tax certificates (IRP5s) should not be issued to employees as they are for SARS's administrative purposes only. Employees must still receive only the one tax certificate at the end of the final annual reconciliation.

Another important change is the mandatory requirement to furnish employee demographic information. The following employee information is required for the interim reconciliation:

- Initials, first two names and surname
- ID number or passport number and country of issue (where no SA ID is available)
- Date of birth
- E-mail address where available
- Business, cell, home telephone numbers and fax numbers where available
- Physical business, postal and residential address where available
- Directive numbers where available
- Bank account details of the employee

This information is critical in fulfilling SARS's long-term vision for a world-class tax administration system which relies on accurate information in order to ensure compliance by everyone.

It is also mandatory for employers to include Income Tax reference numbers for employees who are registered for income tax for the interim reconciliation. If an employee is not registered for Income Tax and hence does not have an Income Tax reference number, the information field should be left blank. SARS will automatically register the employee when processing the reconciliation submission.

Being registered, however, does not necessarily mean taxpayers will be required to submit returns. Employees who earn less than R120 000 (before tax) for a full year from one employer and have no car allowance, additional income or deductions that they want to claim for, do not need to submit a tax return to SARS.

In order to assist employers, payroll administrators and practitioners to meet these new obligations, SARS has released an updated and improved version of [e@syFile Employer](#).

The free software package, which is available for download from www.sarsefiling.co.za, interfaces with payroll systems allowing employers to import the information from their payroll systems and quickly and easily submit this electronically to SARS.

Instructions on how to make an electronic submission or a manual submission are available on www.sarsefiling.co.za.

2010 Tax Season update

SARS has to date received just under 1.5-million tax returns from taxpayers for Tax Season 2010. This is a 35% increase compared to the 1 099 782 returns received by the same time last year.

The number of returns submitted electronically thus far for Tax Season 2010 is 1.4 million – or over 98% of returns received..

SARS is very encouraged by the response from taxpayers to the call to file early and avoid the normal congestion that occurs as the various deadlines approach.

Detailed information, quick guides and FAQs on how to use eFiling to complete your Income Tax Return (ITR12), are available on the SARS website www.sars.gov.za. South Africans who wish to file their returns via eFiling, can do so by logging on to www.sarsefiling.co.za.

SARS would like to remind taxpayers that the deadline for postal submissions or those submitted via drop boxes at SARS branch offices (paper returns) for provisional and non-provisional taxpayers expired on 30 September 2010.

The deadline for electronic submissions via eFiling and SARS branch offices for non-provisional taxpayers is 26 November 2010.

The deadline for electronic submissions through SARS branches and eFiling for provisional taxpayers and trusts is 31 January 2011, which is the last working day of the month.

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