

- Enhancements to the Tax Certificate Cancellation Declaration (EMP601) process on e@syFile Employer™.
- Implementation of exception processes to manage scenarios where current processes cannot be utilised.
- Enhancements to the Revised Declaration Function.

- **Payroll Tax (PAYE, SDL and UIF) compliance**

To avoid penalties being levied, make sure that you submit your declaration by no later than 31 October 2018.

- **Channels for submissions**

- **Manual** – complete the relevant tax certificates (50 certificates) and an EMP501 return on the specified forms on eFiling and submit to SARS or visit a SARS Branch for assistance.
- **Electronic** – generate a tax certificate file from the payroll system, and import this file into e@syFile™ Employer. Within e@syFile™ Employer, capture additional manual certificates, cancel certificates, capture EMP501 details, and submit to SARS via the eFiling online channel.
- **eFiling** – If the employer has 50 or less IRP5/IT3(a) certificates, a tax certificate file can be generated from the payroll system, and this file can be imported into eFiling. Any amendments to, cancellation of, or capturing of certificates can be done on eFiling, as long as the total number of certificates does not exceed 50.

UPDATED e@syFile™ EMPLOYER

e@syFile™ is designed to help taxpayers (who are employers or payroll administrators) working with SARS to quickly, easily and conveniently manage their tax affairs.

An updated version of e@syFile™ Employer is now available. Please note the following enhancements:

- New source codes on the IRP5 to cater for the legislative changes.
- Update to the SEZ codes for ETI purposes and related age validation rules.
- Certificate cancellation process amendments.

Note: current information must always be backed-up on your computer prior to installing the latest version, as the installation may delete your current information. Any beta test version downloaded must be uninstalled prior to installing the latest version of e@syFile™. To avoid rework, ensure that the import file is aligned to the requirements in the latest BRS prior to importing the file.

DISCLAIMER

The information contained in this leaflet is intended as guidance only and is not considered to be a legal reference, nor is it a binding ruling. The information does not take the place of legislation and readers who are in doubt regarding any aspect of the information displayed in the leaflet should refer to the relevant legislation, or seek a formal opinion from a suitably qualified individual.

For more information you may –

- Visit the SARS website www.sars.gov.za;
- Visit your nearest SARS branch;
- Contact your registered tax practitioner;
- Contact the SARS National Contact Centre –
 - o If calling locally, on 0800 00 SARS (7277); or
 - o If calling from abroad, on +27 11 602 2093 (only between 8am and 4pm South African time).

PRACTITIONER CONNECT

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Inside

The Employer Interim Reconciliation
UPDATED e@syFile™ EMPLOYER

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EMPLOYER INTERIM RECONCILIATION

17 SEPTEMBER TO 31 OCTOBER 2018

Submit your Employer Reconciliation Declaration (EMP501) and Employee Income Tax Certificates [IRP5/IT3(a)s] for the six month period 1 March to 31 August 2018



The interim IRP5/IT3(a)s must not be issued to an employee, unless it is a final certificate (where the employee has left the service of the employer or the employer ceased to be an employer on or before 31 August 2018).

We would like to inform you of the changes that have been implemented for this filing period:

- **Employment Tax Incentive (ETI) Legislative amendment effective from 1 August 2018**

The age limit applicable to employees qualifying for Employment Tax Incentive (ETI) claims does not apply to employers operating within a Special Economic Zone (SEZ). From 1 August 2018, an eligible employer operating from a fixed place of business that falls within a SEZ can claim the Employment Tax Incentive (ETI) for **employees younger than 18 and older than 29 years of age**, if these employees render services to the eligible employer mainly within that SEZ.

Designated SEZs are as follows:

- Coega
 - Dube Trade Port
 - East London
 - Maluthi-A-Phofung
 - Saldanha Bay
 - Richards Bay
- **Enhancements to Monthly Employer Declaration - EMP201**
 - The Employment Tax Incentive brought forward amount will be pre-populated.
 - Employers can refresh their EMP201 data once non-compliance has been resolved and then claim their Employment Tax Incentive (ETI) for the month.

- **New Income Source Codes for Section 10(1)(qA) 3829/3879, 3830/3880, 3831/3881 and 3832/3882**

These source codes pertain to an increase in threshold, for the exemption of employer provided bursaries to learners with disabilities:

- 3829/3879 – Taxable Bursaries or Scholarships to a disabled person – Basic Education (PAYE).
 - 3830/3880 – Non-Taxable Bursaries or Scholarships to a disabled person – Basic Education (Excl).
 - 3831/3881 – Taxable Bursaries or Scholarships to a disabled person – Further Education (PAYE).
 - 3832/3882 – Non-Taxable Bursaries or Scholarships to a disabled person – Further Education (Excl).
- **New Source Codes 3723/3773**

New source code 3723/3773 - Dividends not exempt i.t.o. par (kk) of the proviso to s 10(1)(k)(i) (PAYE).
 - **New Source Codes 3722/3772**

New source code 3722/3772 - Reimbursive travel allowance (PAYE), where the reimbursement rate exceeds the prescribed rate for the portion that exceeds the prescribed rate, multiplied by the actual business kilometres.

- **Paragraph 1, Par (cA) and new Par (cC) of the Fourth Schedule: Definition of remuneration**

The explanation of the following codes was amended:

- 3702/3752 – Reimbursive travel allowance (IT), where the reimbursement rate exceeds the prescribed rate of the portion that does not exceed the prescribed rate, multiplied by the actual business kilometres.
- 3703/3753 – Reimbursive travel allowance (Excl), where the reimbursement rate does not exceed the prescribed rate.

- **New source code for the Transfer of a Retirement benefit**

New source code 3924 pertaining to the "Transfer on Retirement (PAYE)", on or after the normal retirement age, as defined in the rules of the fund, but before the retirement date has been added.

- **Improved management of the employer reconciliation submissions**

The Employer Reconciliation Declaration (EMP501) pre-populating request and balancing process were enhanced, and a new functionality to stop the EMP501 reconciliation introduced, where the liabilities were changed in excess of a predefined threshold for manual verification.

- **Other enhancements to improve taxpayer compliance:**