



Brought to you by:

PASTEL

P A Y R O L L



EMPLOYER FILING SEASON 2009/2010 GUIDELINE FOR ALL SA BUSINESSES

How to ensure that your PAYE, SDL and UIF Reconciliations are completed successfully before 31 May 2010

Tick if action is completed

[Tasks in 2009]

- Step 1** All you need to know about the upcoming Employer Filing Season [Page 2]
- Step 2** Collect and capture required SARS information [Page 3]

[Tasks in 2010]

- Step 3** Complete year end procedures [Page 5]
- Step 4** Install SARS e@syFile [Page5]
- Step 5** Complete PAYE, SDL and UIF reconciliation [Page5]



NOTE TO ALL SA BUSINESSES

20% exclusive discount off Pastel Payroll software [Page 6]

[Tasks in 2009]

Step 1 – All you need to know about the upcoming Employer Filing Season

- Take note of the following requirements for the submission of tax certificates and Employer Reconciliations for PAYE, SDL and UIF, with effect from the 2009/2010 year of assessment:
 - NEW** ○ Tax certificates submitted to SARS must be in the format as required from 2009/2010.
 - NEW** ○ The electronic tax certificates imported into SARS e@syFile must include an Employer Trade Classification code (not mandatory).
 - NEW** ○ Employer and Employee Addresses must be submitted using the following format:
 - Unit Number
 - Complex Name
 - Street Number
 - Street/Farm Name
 - Suburb/District
 - City/Town
 - Postal Code
 - NEW** ○ Tax certificate numbers must be 30 characters long and must consist of the following components:
 - Employer's PAYE Reference Number
 - Tax Year
 - Unique combination of 16 characters
 - NEW** ○ Nature of Person codes have been amended:
 - Code M – Foreign Employment Income (no longer in use)
 - Code K – Personal Service Trust (no longer in use)
 - Code H – Personal Service Company (renamed to Personal Service Provider to include Personal Service Trusts)
 - Code N – Pensioner (new code)
 - NEW** ○ Passport Country of Issue must be supplied if a Passport Number is entered for an employee.
 - NEW** ○ Income Tax Reference Numbers are required for each employee (not mandatory). * Please refer to page 3 for a full explanation
 - NEW** ○ Contact Telephone Numbers are required for each employee (not mandatory).
 - NEW** ○ Business and Residential Address details are mandatory for each employee (not mandatory).
 - Employee Bank Account details are required for employees not paid in cash.
 - NEW** ○ Tax certificates will be limited to two pages:
 - Page 1 – Employer and Employee Demographic information
 - Page 2 – Employee Financial Information. Limited to 13 Income and 7 Deduction Source Codes.
 - NEW** ○ Total UIF and SDL contributions must be included on each employee tax certificate.

NOTICE: SARS e@syFile will validate that all required information is included in each employee's tax certificate before your submission will be accepted. SARS e@syFile will display warning messages if certain fields are not completed and error messages for the other fields. If a warning message is displayed for a field, SARS will accept the file for the 2010 submission. If an error message is displayed it means that the field is mandatory and the employer must complete the field as per the defined format specified in the specifications sheet. This will assist in guiding employers with SARS' requirements on how to complete their reconciliations.

Attend our 2-hour Info Session to uncover the possible pitfalls and latest requirements for the 2010 Tax Season.

For more information, visit www.pastelpayroll.co.za or contact us on:

Tel: +27 11 304 4270

E-mail: training@pastelpayroll.co.za



Step 2 – Collect and capture required SARS information

- Collect as much information as possible from your employees before the Employer Filing Season 2009/2010 commences on 1 April 2010.
- Ensure that, where possible, you have captured the following information for all your employees before submitting tax certificates for 2009/2010:
 - Employee Surname and First Two Names
 - Employee ID Number
 - Employee Passport Number and Country where the passport was issued.
 - Employee Date of Birth
 - Employee Income Tax Reference Number*
 - Employee Contact Telephone Number – Home, Business, Fax or Cell
 - Employee Residential Address
 - Employee Bank Account details



NOTE TO ALL SA BUSINESSES

Without an automated Payroll solution, collecting and capturing the required information can lead to unnecessary headaches. An automated Payroll solution ensures that you save plenty of time collecting and capturing the required SARS information. In addition, you will have peace of mind that all your deductions and calculations comply with the 6 major Payroll Acts in South Africa.

To make your job that much simpler, Pastel Payroll has included a new Quick Edit Mode in our latest release that enables you to easily collate the information required by SARS for the 2009/2010 IRP5/IT3(a) tax certificates.

It is imperative that you collect the information from your employees as soon as possible.

* **MUST READ:** Explanation of the Income Tax reference number legislation

- IRP5/IT3(a) certificates for the 2009/2010 tax year must contain an Income Tax Reference Number value.
- Employees earning above R60 000 per annum are required by legislation to register for an IT Reference Number. These employees can go to their local SARS office to obtain an IT reference Number by completing the IT77 form with the required supporting documentation.
IMPORTANT NOTE: Employees earning below R60 000 per annum are NOT required by legislation to register for an IT Reference Number. The SARS offices are only registering employees that earn above R60 000 per Annum presently.
- During your April/May 2009/2010 submission these employees will be registered by SARS for IT reference numbers. This means that Employers do not have to get their employees that earn under R60 000 per annum to register with SARS before the end of Tax Year 2010 but the information that is submitted to SARS via e@syFile will be used to generate IT reference numbers.

How Pastel Payroll software can make your job so much simpler!

Quick Edit Mode: Our Quick Edit Mode enables rapid edit/capture of required employee details.

Extract out of Pastel Payroll software: The arrows indicate the required information for the PAYE, SDL & UIF Reconciliation.



Country of Issue

Edit Employee Masterfile

Basic Details
 Code: 001 Title: Mr Profile: 1000
 Surname: Brown Security Group:
 Name: John Status: New
 Nickname:
 Personal Payment Tax
 Details Addresses Contacts

Details
 Start Date: 01/03/2002
 Date of Birth: 02/04/1974
 Identification Number:
 Passport Number: 625212456587
 Country of Issue: ZAF
 Gender: Male
 Marital Status: Married
 Dependents: 2

Employee Picture

Address details in the format required by SARS

Edit Employee Masterfile

Basic Details
 Code: 001 Title: Mr Profile: 1000
 Surname: Brown Security Group:
 Name: John Status: New
 Nickname:
 Personal Payment Tax
 Details Addresses Contacts

Residential Address
 Unit Number: 60
 Complex: Sunrock Village
 Street Number:
 Street/Name of Farm: Second Avenue
 Suburb/District: Benmore
 City/Town: Johannesburg Postal Code: 2196

Postal Address
 Same as Residential
 PO Box 123
 Benmore
 Johannesburg Postal Code: 2145

Employee Tax Numbers and up to 3 Tax Directives

Edit Employee Masterfile

Basic Details
 Code: 001 Title: Mr Profile: 1000
 Surname: Brown Security Group:
 Name: John Status: New
 Nickname:
 Personal Payment Tax

Details Certificate
 Tax Status: Single
 Tax Method: Average
 Directive Value: 0.00
 Tax Directive No. 1: 112243
 Tax Directive No. 2:
 Tax Directive No. 3:
 Tax Dependents: 0
 Company Car Value: 240000.00
 2nd Company Vehicle:
 Voluntary Additional Tax:
 Type of Employment: Permanent
 Age At Year End: 35

Certificate
 Tax Number: 0001339050
 Tax Office: Johannesburg
 Tax Certificate Issued:
 Tax Certificate No.:
 Prev. Certificate No.:
 Company/CC/Trust No.:
 IT3(a) Reason Code:
 Nature of Person: Individual with ID/Passport
 Foreign Income Employee:

[Tax Totals]

[Tasks in 2010]

Step 3 – Complete Year End Procedures

- Add the whole year's payslips together per employee and group all the source codes together.
- Recalculate the PAYE, UIF and SDL values for all employees on the annual income amounts. The annual calculations must correspond with the monthly amounts added together (From Point 1.).
- Recalculate the PAYE, UIF and SDL values per employee per month for the whole year. These amounts should correspond with the monthly EMP201's and payments that were made to SARS.
- Add all the values on the monthly EMP201's together as well as all the monthly payment amounts that were made to SARS. The calculated amounts should correspond with the total tax on all IRP5's and the EMP501. If any differences are picked up, it should be shown on the EMP501 Reconciliation and paid over to SARS.
- Capture all the reconciled information manually in SARS e@syFile, including each employee's information and tax certificate values and submit to SARS.

Step 4 – Install SARS e@syFile

- Download and install the latest version of SARS e@syFile from www.sars.gov.za
- The upgrade will be available to download from 1 April 2010.

Step 5 – Complete PAYE, SDL and UIF Reconciliation

- Capture all employee and tax certificate information on e@syFile. These include:
 - Personal Information
 - Contact Numbers and Addresses
 - Bank Account Details
 - Employment Details
 - Certificate Information
 - Source Codes and Amounts – You have to specify the correct source codes for all transactions that were used on all employees' payslips and consolidate source codes where necessary. Enter the correct amounts per source code.
- Consolidate the EMP201 and the monthly SARS payments on the EMP501 Reconciliation. These amounts should balance with the tax certificate totals.
- Submit your tax certificates and Reconciliation Declaration using SARS e@syFile before 31 May 2010 to prevent unnecessary penalties.



NOTE TO ALL SA BUSINESSES

When you use an automated Payroll solution such as Pastel Payroll, you only need to capture your employees' information and their payslips. During the year end procedures, the electronic tax certificates are generated automatically in the IRP5.10 file. You can import this file directly into SARS e@syFile and use the EMP501 Reconciliation Report to complete the PAYE, SDL and UIF Reconciliations.

[Additional Support]

Practical Info Session

Attend our 2-hour Info Session to uncover the possible pitfalls and latest requirements for the 2010 Tax Season. For more information, visit www.pastelpayroll.co.za or contact us on:

Tel: +27 11 304 4270

E-mail: training@pastelpayroll.co.za

Book a Pastel Payroll Demo

To book a software Demo, please contact us on:

Tel: +27 11 304 4100

E-mail: sales@pastelpayroll.co.za



NOTE TO ALL SA BUSINESSES

20% exclusive discount off Pastel Payroll software

'QUOTE ME' FORM

If you would like to take advantage of this special offer, please complete the details and fax it back to us on +27 11 304 4221.

Name and surname: _____ Company Name: _____

Telephone Number: _____ Fax Number: _____

E-mail Address: _____ Number of employees: _____