



South African Revenue Service

SOUTH AFRICAN PAYROLL ASSOCIATION CONFERENCE

5 - 6 AUGUST 2015

Agenda

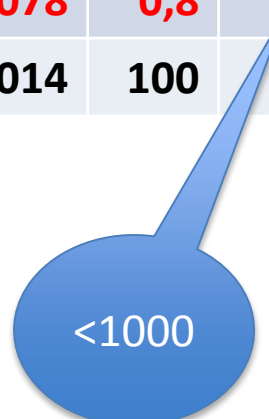
- Feb 2015 Recon Submissions
- ETI Errors:
 - EMP201 errors
 - EMP501 errors
 - Finding on investigation of ETI claims
- ETI Refund Claims
- Overpayment of Remuneration
- Cancelling and replacing IRP5/IT3(a)'s
- Under and Over deduction of PAYE
- Severance Benefits
- Retirement Fund Reform Changes
- 2016 Interim Recon (201508) – September/October 2015
- Questions

Feb 2015 Recon Submissions

	31 /05/2015	31/07/2015	Additional
EMP501 (ER's)	249 906	275 014	25 108
IRP5/IT3(a)	17,1 m	18,0 m	0,9 m
Due To/By ER's	R 643,1 m	R 2 146,5 m	R 1 503,4 m
Total EMP501	259 695	296 812	37 117
Re-Submissions	9 789	21 798	12 009
Total IRP5/IT3(a)	18,2 m	20,1 m	1,9 m
Re-Submissions	1,1 m	1,9 m	0,8 m

Feb 2015 Recon Submissions

Submission Channel	Recons	%	IRP5/IT3(a)	%
E@syFile via eFiling	252 066	91,6	17,078 m	94,89
E@syFile Disk	1 461	0,5	0,858 m	4,76
eFiling	19 409	7,1	0,061 m	0,34
Total Electronic	272 936	99,2	17,997 m	99,99
Manual	2 078	0,8	0,001 m	0,01
TOTAL	275 014	100	17,998 m	100



<1000

ETI Errors

- EMP201
 - Revised declarations for previous months to claim ETI
 - ETI Calculated not Utilised to reduce PAYE payable
 - ETI Brought Forward \neq ETI Carry Forward for previous month
- EMP501
 - **ETI Refund claimed without utilisation where utilisation possible**
 - “ETI not Utilised” claimed in later month’s Brought Forward amount
- Findings on investigation of ETI claims [IRP5/IT3(a) detail]
 - Employee employed before 1 Oct 2013
 - Employee fall outside age restriction
 - Employee remuneration \geq R 6 000 per month
 - Employee paid less than minimum wage/R 2 000 (where no min wage)

Please submit the original return and retain a copy for your records.

LOOK & FEEL Project - Aug Release / V2014.08.02



Monthly Employer Declaration

EMP201

Employer Details

TAXPR01

Trading or Other Name

PAYE Ref No. SDL Ref No. UIF Ref No.

Contact Details

First Name

Surname

Position held at Business

Bus Tel No. Fax No. Cell No.

Email

Payment Details

Penalty of 10% is payable on late payments. Interest must be calculated on a daily basis at the applicable prescribed rate. To view the table of rates, go to www.sars.gov.za

Payroll Tax Calculation		ETI Calculation		Total Payable	
PAYE Liability	R <input type="text"/>	ETI Brought Forward	R <input type="text"/>	PAYE Payable	R <input type="text"/>
SDL Liability	R <input type="text"/>	ETI Calculated	R <input type="text"/>	SDL Payable	R <input type="text"/>
UIF Liability	R <input type="text"/>	ETI Utilised	R <input type="text"/>	UIF Payable	R <input type="text"/>
Payroll Liability	R <input type="text"/>	ETI Carry Forward	R <input type="text"/>	Penalty & Interest	R <input type="text"/>
Payment Reference No.	<input type="text"/>	Payment Period (CCYYMM)	<input type="text"/>	Total Payable	R <input type="text"/>

Employment Tax Incentive (ETI)

Do you declare that the legal entity claiming the Employment Tax Incentive on this return does not have any outstanding returns or, and debt with SARS? Y N

Voluntary Disclosure Programme

Is this declaration made in respect of a VDP agreement with SARS? Y N VDP Application No.

Tax Practitioner Details (if applicable)

Registration No. Tel No.

Declaration

I declare that
• The information given on this form is complete and correct

Date (CCYYMMDD)

For enquiries go to www.sars.gov.za or call 0800 00 SARS (7277)

XXXXXXXXXXXX
XXXXXXXXXXXX

Please ensure you sign over the two lines of "X"s above

Ba2bcb873a1e6997741eaf01111
Ba2bcb873a1e6997741eaf01111

EMP201 L XX FV V2011.XX.XX SV XXXX CT XX NO XXXXXXXXXXXX



b91c9121-0a17-4b26-a09d-d5980eb532db 001/001

FOR PERSONAL RECORDS ONLY,
NOT FOR SUBMISSION TO SARS.

EXAMPLE

At Your Service

late payments. Interest must be calculated on a daily basis at the applicable prescribed rate.

ETI Calculation										
<input type="checkbox"/>	ETI Brought Forward	R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	PAYE Payable
<input type="checkbox"/>	ETI Calculated	R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	SDL Payable
<input type="checkbox"/>	ETI Utilised	R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	UIF Payable
<input type="checkbox"/>	ETI Carry Forward	R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Penalty & Interest
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Total
Payment Period (CCYYMM)										

Declaration									
I declare that I do not have any outstanding returns or, and debt									
Y <input type="checkbox"/>					N <input type="checkbox"/>				

ETI Refund Claims

- **ETI Refund claim = “ETI not Utilised” on EMP501**
- Update Bank Account detail
- EMP201 Compliance requirements
 - **Employer may not utilised ETI if not compliant on last day of month**
 - Compliant = No outstanding returns and debt for all taxes!
- EMP501 Compliance Requirements
 - ETI refund will not be paid if employer not compliant
 - Employer has until end of next recon period to become compliant
 - ETI Refund **forfeited** if still non-compliant at end of such next recon period!

Overpayment of Remuneration

- If in same year rectify on EMP 201, IRP5 and EMP501
- If in earlier year- Issue letter to employee - Do not revise your PAYE declarations
- Amount is deductible in ITR12 in terms of Section 11nA of the ITA – **amount refunded**

Cancelling and replacing of IRP5/IT3(a)'s

- Incorrect IRP5/IT3(a)'s can be **amended** from 2010
 - **Replacement** not necessary
 - Amend **EMP501** if Tax Credits, UIF or SDL contributions are amended
 - **Re-submit** revised documents to SARS
 - Provide amended IRP5/IT3(a) to employee(s)
- Employee (taxpayer) to resubmit ITR12 or if not possible, submit NOO with amended ITRP5/IT3(a) detail

Under or Over deduction of PAYE

- Under deductions (< than what should be withheld)
 - To be corrected & shortfall paid to SARS for relevant month(s) – penalty and interest
 - If IRP5/IT3(a) correct, SARS may absolve employer to pay shortfall if SARS is satisfied that –
 - failure to deduct correct PAYE not due to intent to postpone or evade obligation, and
 - collection of tax by SARS from taxpayer is possible.
- Over deductions by Employer (> than what should be withheld)
 - May be refunded by employer , provided IRP5 & EMP501 correct (in Year)
 - When over-deduction is realised
 - Revised declaration (EMP201, EMP501 & IRP5)

Severance Benefit

- **Any lump sum from an employer to a person iro the termination of person's employment, if person -**
 - is 55 years or older
 - became permanently incapable to be employed due to sickness, etc.
 - or services terminated due to reduction of personnel or employer ceased trading
- Severance Benefit excludes **Leave Pay, Bonus or Notice Pay**
- Severance Benefit directive application may not include leave pay, bonus or notice pay – Reason for Directive different!
- IRP5/IT3(a) income source codes also different!
 - Severance Benefit = 3901
 - Leave Pay & Bonus = 3605
 - Notice Pay = 3601
- IRP5/IT3(a) to be issued within **14 days**

Retirement Fund Reform Changes

- **Effective date (ito current legislation) = 1 March 2016**
- Employer contributions becomes a taxable fringe benefit Par12D, Seventh Schedule calculations
 - Differentiated calc where employee benefits from a fund consists –
 - solely of **define contribution components**, and
 - components **other** than only **define contribution components**
- Taxable benefit becomes **deemed employee contributions**
- Deduction (limited to new max) = actual + deemed employee contributions

Retirement Fund Reform Changes

- IRP5/IT3(a) source codes
 - New Employer contribution codes (4472, 4473 & 4475)
 - New Fringe Benefits codes (\pm 5 to 7 in 38__ range, no's not fixed yet)
 - Revised descriptions for certain existing codes (4001, 4003 & 4006)
 - Dis-continuation of certain existing codes (4002 & 4007)
- New maximum deduction for contributions to a retirement fund
 - Total deduction limited to LESSER of -
 - R 350 000, or
 - 27.5% of the HIGHER of
 - Remuneration, or
 - Taxable Income before retirement fund contributions
- Correct Fringe Benefit calc important - affect c/o amounts for Annuity exemptions (s10C), future s11(k) & Lump Sum deductions

2016 Interim Recon (201508)

- **September / October 2015**
- Changes (BRS)
 - Appendix E Address Structure
 - Appendix F Country Code
 - Certain source code descriptions (clarity)
- No e@syFile changes
- No form (EMP501) changes

QUESTIONS?