

**REFERENCE GUIDE**

**RECONCILIATION AND IRP 5 / IT 3(a)**

**CERTIFICATES FOR COMPUTERISED**

**EMPLOYERS**

**2009 TAX YEAR**

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## 1 PURPOSE

- The purpose of this guide is to assist employers in understanding their obligation relating to the completion and submission of annual reconciliation (EMP 501) and the issuing and submission of IRP 5 / IT 3(a) certificates.

## 2 SCOPE

- The target audience is computerised employers who have access to a personal computer and use the software application provided by SARS to –
  - issue the IRP5 / IT3(a) Employees Tax Certificates to their employees,
  - complete the annual EMP 501 Employer Reconciliation Declaration, and
  - submit the IRP5 / IT3(a) Employees Tax Certificates issued to employees together with the completed EMP 501 Employer Reconciliation Declaration to SARS .
- This guide prescribes the rules which relates to the completion of the electronic EMP 501 reconciliation and electronic IRP 5 / IT 3(a) certificates.
- The software application User Manual contains detail instructions relating to the use of the software and can be read in conjunction with this guide to understand the detail requirements regarding the issuing of IRP5 / IT3(a) Employees Tax Certificates, the completion of the annual EMP 501 Employer Reconciliation Declaration and the submission thereof to SARS.
- Prescribed manual IRP 5 / IT 3(a) certificate formats are excluded.
- Requirements in respect of the 2010 tax year are excluded unless specifically specified.

## 3 REFERENCES

### 3.1 LEGISLATION

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	<b>Fourth Schedule to the Income Tax Act No. 58 of 1962:</b> Paragraphs 13, 14 and 30 <b>Income tax Act No. 58 of 1962:</b> Section 69(1)(a)
Other Legislation:	None
International Instruments:	None

### 3.2 CROSS REFERENCES

DOCUMENT #	DOCUMENT TITLE	APPLICABILITY
AS-PAYE-15	Reference guide: Reconciliations and IRP 5 / IT 3(a) certificates for manual employers	Paragraphs 6 to 9

## 4 DEFINITIONS AND ACRONYMS

<b>4<sup>th</sup> Schedule</b>	Fourth Schedule to the Income Tax Act
<b>Alternate period</b>	A period, whether of 12 months or not, commencing on the day following the last day of the preceding alternate period in relation to the employer and ending on a date falling not more than 14 days before or after the last day of February
<b>Approved electronic medium</b>	For purposes of submitting electronic data information to SARS: <ul style="list-style-type: none"> <li>CD;</li> <li>USB memory devices; and</li> </ul>

	<ul style="list-style-type: none"> <li>E-mail attachment – XML data file attached to an e-mail send electronically to the dedicated SARS address</li> </ul>
<b>Assessment year</b>	The tax year during which the income reflected on the IRP 5 / IT 3(a) certificate has accrued to the employee.
<b>CD</b>	Compact disc
<b>Commissioner</b>	The Commissioner for the South African Revenue Service
<b>Computerised employer</b>	Employer using the software application provided by SARS for completing EMP 501 reconciliation and IRP 5 / IT 3(a) certificates electronically
<b>CSV file</b>	Comma-delimited file with a code structure as prescribed by SARS for the creation of electronic certificate information
<b>Electronic certificate</b>	IRP 5 / IT 3(a) certificates created by a payroll package in the format as prescribed by SARS or created by the software application provided by SARS to the employer
<b>Electronic data information</b>	Data file created by the software application provided by SARS which consists of the EMP 501 reconciliation data and the IRP 5 / IT 3(a) certificate data
<b>e-mail</b>	Electronic mail
<b>Excl</b>	For the purpose of income codes, means that the specific income is not taxable for employees' tax and is also not taxable on assessment
<b>Income</b>	For the purpose of income codes, the word income does not refer to definition in the Income Tax Act
<b>IT</b>	For the purpose of income codes, means that the specific income is not subject to the deduction of employees' tax but is taxable on assessment
<b>Manual certificate</b>	IRP 5 / IT 3(a) employees' tax certificate pre-printed and issued by SARS on the request of an employer
<b>Manual employer</b>	Employer completing EMP 501 and IRP 5 / IT 3(a) certificates manually and do not create the relevant information with a PC which has the SARS software package installed
<b>PAYE</b>	For the purpose of income codes, means that the specific income is subject to the deduction of employees' tax
<b>PC</b>	Personal computer
<b>RAF</b>	Retirement annuity fund
<b>Revised EMP 501</b>	An EMP 501 reconciliation completed after the previous completed EMP 501 reconciliation has been rejected by SARS
<b>SARS</b>	South African Revenue Service
<b>Tax year</b>	Starting on 1 March of each year and ending on 28 February the next year
<b>Transaction Year</b>	The tax year during which the employer deducted and paid employees' tax in respect of remuneration paid or payable to an employee. This could include employees' tax on remuneration which under certain circumstances accrued during a previous tax year.
<b>XML data file</b>	Data file created by the software application provided by SARS to an employer

## 5 BACKGROUND

- The 4<sup>th</sup> Schedule to the Income Tax Act place the following obligations on an employer:
  - To render an EMP 501 reconciliation to SARS annually within the prescribed period.
  - To furnish employees to whom remuneration is paid or has become payable with an IRP 5 / IT 3(a) certificate within the prescribed period.
  - To submit all IRP 5 / IT 3(a) certificates issued in respect of the **tax year** to which the EMP 501 reconciliation relates to SARS within the prescribed period.
  - To issue a duplicate IRP 5 / IT 3(a) certificate on request of an employee or former employee.
  - To account for cancelled IRP 5 / IT 3(a) certificates as and when required by the Commissioner.
- The employer must balance the total of **all** monthly PAYE liabilities **in the transaction year** with the total amount of employees' tax deducted from all employees and disclosed **the relevant amounts** on IRP5 / IT 3(a) certificates before the EMP 501 reconciliation may be submitted to SARS for processing purposes.

- **Prescribed submission method:** The electronic data information (which consist of the EMP 501 reconciliation data and the IRP 5 / IT 3(a) certificate data) must be submitted within the relevant prescribed periods to SARS via –
  - 
  - eFiling – Uploaded with the relevant eFiling functionality; or
  - approved electronic medium – On an approved electronic medium together with a printed EMP 501 reconciliation which is duly signed.
- **Prescribed periods**
  - The **IRP 5 / IT 3(a)** certificates must be issued and delivered to employees to whom remuneration is paid or become payable within:
    - 60 days after the end of the tax year or alternate period;
    - 14 days after an employee has left the employer's service;
    - 7 days after the employer has ceased to be an employer; or
    - a further period as the Commissioner under special circumstances may approve.
  - The **electronic data information** must be submitted in the prescribed submission method within:
    - 60 days after the end of the tax year or alternate period;
    - 14 days after the date on which the employer has ceased to carry on business or other undertaking in respect of which an employer has paid or becomes liable to pay remuneration to any employee; or
    - such longer time as the Commissioner may approve.

## 6 GOVERNING LEGISLATION

- Paragraph 13(1) of the 4<sup>th</sup> Schedule prescribes that:
  - Every employer who during any tax year deducts or withholds any amount by way of employees' tax from his / her employee or former employee shall within the prescribed period deliver to each such employee an IRP 5 / IT 3(a) certificate in such form as the Commissioner may prescribe.
  - An IRP 5 / IT 3(a) certificate shall show the total remuneration of the employee or former employee and the amounts of employees' tax deducted or withheld by the employer from such remuneration during the tax year, excluding any amount of remuneration or employees' tax included in any other IRP 5 / IT 3(a) certificate issued by such employer unless such IRP 5 / IT 3(a) certificate is surrendered to the employer by such employee and has been cancelled by such employer.
- Paragraph 13(1B) of the 4<sup>th</sup> Schedule prescribes that where an employer has in relation to his / her employee opted the use of an alternate period, any remuneration which is paid or become payable to the employee by the employer during such alternate period shall be deemed to have been paid or to have become payable to the employee during the tax year ending on the last day of February of the calendar year in which such alternate period ended.
- Paragraph 13(2) of the 4<sup>th</sup> Schedule prescribes the period when the IRP 5 / IT 3(a) certificate must be issued to every employee or former employee of the employer.
- Paragraph 13(5) of the 4<sup>th</sup> Schedule states that it shall be the duty of the employee or former employee who has not received an IRP 5 / IT 3(a) certificate within the prescribed period to apply to the employer for such IRP 5 / IT 3(a) certificate.
- Paragraph 13(7) of the 4<sup>th</sup> Schedule states that it shall be sufficient compliance with regards to the delivery of an IRP 5 / IT 3(a) certificate to an employee or former employee, where such delivery cannot conveniently be effected by personal delivery, IRP 5 / IT 3(a) certificate cannot be delivered, if such IRP 5 / IT 3(a) certificate is sent by registered post.
- Paragraph 13(8) of the 4<sup>th</sup> Schedule prescribes that an employer may at the request of the employee or former employee issue a duplicate IRP 5 / IT 3(a) certificate but such duplicate shall disclose full details of the original IRP 5 / IT 3(a) certificate.

- Paragraph 13(10) of the 4<sup>th</sup> Schedule prescribes that any cancelled IRP 5 / IT 3(a) certificate shall not be destroyed by the employer concerned but shall be retained by him / her until the Commissioner requires it to be surrendered to him / her.
- Paragraph 13(11) of the 4<sup>th</sup> Schedule prescribes that every employer shall account to the Commissioner for cancelled certificates as and when required by the Commissioner.
- Paragraph 14(3) of the 4<sup>th</sup> Schedule prescribes that the employer must render an EMP 501 reconciliation and IRP 5 / IT 3(a) certificates to SARS in such form as the Commissioner may prescribe.
- Paragraph 30(1)(i) of the 4<sup>th</sup> Schedule prescribes that any employer who fails or neglects to maintain any record as required or to retain such record for a period of 5 years from the date of the last entry therein or to furnish to the Commissioner any declaration as required, shall be guilty of an offence.
- Section 69(1)(a) prescribes that every employer shall furnish to the Commissioner in such form as he / she may prescribe a return showing the details of the employee employed by him / her including remuneration paid by the employer to such employee.

## 7 IRP 5 / IT 3(A) CERTIFICATES

### 7.1 ISSUING OF IRP 5 / IT 3(a) CERTIFICATES

- IRP 5 / IT 3(a) certificates to be issued to employees of computerised employers are created by the software application provided by SARS.
- An IRP 5 / IT 3(a) certificate may only be printed and issued to the employee once –
  - the relevant CSV file is successfully validated by the software application according to the applicable validation rules and / or
  - any manual certificate information has been successfully captured and saved in the software application and
  - the electronic data information (XML data file) has been created by the software application and submitted to SARS.
- A re-print of the certificate issued by the employer must be done by utilising the relevant print functionality on the software application for purposes of issuing a duplicate certificate on request of an employee or former employee.
- The electronic data information must be retained for a period of 5 years.
- Cancelled IRP 5 / IT 3(a) certificates
  - A certificate must be cancelled if any information thereon is incorrect.
  - The employer must notify SARS of the cancellation by completing an EMP 601 form (refer to the Completion of the EMP 601 in this guide). This is only done if the EMP 501 reconciliation for the relevant tax year has already been submitted to SARS.
  - The approved electronic medium containing the information of the electronic certificate which replaces the cancelled certificate must be submitted together with the manual EMP 601 form.

### 7.2 LIST OF INCOME AND DEDUCTION CODES FOR THE ISSUING OF IRP 5/IT 3(a)

#### 7.2.1 NORMAL INCOME CODES

Code	Description	Explanation
3601 (3651)	Income (PAYE)	An amount which is paid or payable to an employee for services rendered, for example: <ul style="list-style-type: none"> <li>• Salaries;</li> </ul>

Code	Description	Explanation
		<ul style="list-style-type: none"> <li>Wages;</li> <li>Backdated wages / salaries (accrued in the assessment year of the certificate);</li> <li>Remuneration paid to migrant / seasonal worker;</li> <li>Remuneration paid to full time scholars or students; etc.</li> </ul> <p>Director's remuneration must be reflected under code 3615.</p> <p><b>Code 3651 MUST only be used for foreign service income.</b></p>
3602 (3652)	Income (Excl)	<p>Any non-taxable income excluding non-taxable allowances and fringe benefits. For example, this code accommodates all payments of a capital nature.</p> <p><b>Code 3652 MUST only be used for foreign service income.</b></p>
3603 (3653)	Pension (PAYE)	<p>Any pension paid on a regular basis as well as backdated pension payments (accrued in the assessment year of the certificate)</p> <p><b>Code 3653 MUST only be used for foreign service income.</b></p>
3604 (3654)	Pension (Excl)	<p>Any pension paid on a regular basis that is not taxable, for example war pensions, etc.</p> <p><b>Code 3654 MUST only be used for foreign service income.</b></p>
3605 (3655)	Annual payment (PAYE)	<p>An amount which is defined as an annual payment, for example:</p> <ul style="list-style-type: none"> <li>Annual bonus;</li> <li>Incentive bonus;</li> <li>Leave pay (on resignation / encashment);</li> <li>Merit awards;</li> <li>Bonus / incentive amount paid to an employee to retain his / her service for a specific period; etc.</li> </ul> <p><b>Code 3655 MUST only be used for foreign service income.</b></p>
3606 (3656)	Commission (PAYE)	<p>An amount derived mainly in the form of commission based on sales or turnover attributable to the employee.</p> <p><b>Code 3656 MUST only be used for foreign service income.</b></p>
3607 (3657)	Overtime (PAYE)	<p>An amount paid as overtime for rendering services. The tax on such payments is calculated as on income taxable.</p> <p><b>Code 3657 MUST only be used for foreign service income.</b></p>
3608 (3658)	Arbitration award (PAYE)	<p>The taxable portion of a settlement agreement between an employer and an employee as ordered by Court. Also including all awards allocated via a settlement out of Court or settlement in respect of Labour disputes.</p> <p><b>Code 3658 MUST only be used for foreign service income.</b></p>
3609 (3659)	Arbitration award (Excl)	<p>The non-taxable portion of a settlement agreement between an employer and an employee as ordered by Court. Also including all awards allocated via a settlement out of Court or settlement in respect of Labour disputes.</p> <p><b>Code 3659 MUST only be used for foreign service income.</b></p>

Code	Description	Explanation
3610 (3660)	Annuity from a RAF (PAYE)	A monthly annuity paid by a RAF to any person.  <b>Code 3660 MUST only be used for foreign service income.</b>
3611 (3661)	Purchased annuity (PAYE)	The taxable portion of interest received on an annuity purchased from an Annuity Fund.  <b>Code 3661 MUST only be used for foreign service income.</b>
3612 (3662)	Purchased annuity (Excl)	The non-taxable portion (capital interest) received on an annuity purchased from an Annuity Fund.  <b>Code 3662 MUST only be used for foreign service income.</b>
3613 (3663)	Restraint of trade (PAYE)	Restraint of trade income paid to an employee.  <b>Code 3663 MUST only be used for foreign service income.</b>
3614 (3664)	Other retirement lump sums (PAYE)	A retirement lump sum payment paid by a fund according to Section 1(eA) of the Act.  <b>Code 3664 MUST only be used for foreign service income.</b>
3615 (3665)	Director's remuneration (PAYE)	Remuneration paid to a director of a private company / member of a close corporation.  <b>Code 3665 MUST only be used for foreign service income.</b>
3616 (3666)	Independent contractors (PAYE)	Remuneration paid to an independent contractor.  <b>Code 3666 MUST only be used for foreign service income.</b>
3617	Labour Brokers (PAYE / IT)	Remuneration paid to a labour broker - irrespective if the labour broker is in possession of an exemption certificate (IRP 30) or not.

## 7.2.2 ALLOWANCE CODES

Code	Description	Explanation
3701 (3751)	Travel allowance (PAYE)	An allowance or advance paid to an employee in respect of travelling expenses for business purposes – including fixed travel allowances, petrol-, garage- and maintenance cards.  <b>Code 3751 MUST only be used for foreign service income.</b>
3702 (3752)	Reimbursive travel allowance (IT)	A reimbursement for business kilometres exceeding 8 000 kilometres per tax year or at a rate exceeding the prescribed rate per kilometre or the employee receives any other form of compensation for travel.  <b>Code 3752 MUST only be used for foreign service income.</b>
3703 (3753)	Reimbursive travel allowance (Excl)	A reimbursement for business kilometres not exceeding 8 000 kilometres per tax year and at a rate which does not exceed the prescribed rate per kilometre <b>and no other form of compensation for travel exists.</b>  <b>Code 3753 MUST only be used for foreign service income.</b>
3704 (3754)	Subsistence allowance – local travel (IT)	An allowance paid for expenses in respect of meals and / or incidental costs for local travel, which exceeds the deemed amounts.  <b>Code 3754 MUST only be used for foreign service income.</b>
3705 (3755)	Subsistence allowance – local travel (Excl)	An allowance paid for expenses in respect of meals and / or incidental costs for local travel, which does not exceeds the deemed amounts.  <b>Code 3755 MUST only be used for foreign service income.</b>
3706 (3756)	Entertainment allowance (PAYE)	<b>Invalid</b> with effect from 1 March 2002 and may not be reflected on an employees' tax certificate.
3707	Share options	Any amount in terms of a qualifying equity share disposed or gain made

Code	Description	Explanation
(3757)	exercised (PAYE)	under a share scheme operated for the benefit of employees. <b>Code 3757 MUST only be used for foreign service income.</b>
3708 (3758)	Public office allowance (PAYE)	An allowance granted to a holder of a public office to enable him / her to defray expenditure incurred in connection with such office. <b>Code 3758 MUST only be used for foreign service income.</b>
3709 (3759)	Uniform allowance (Excl)	An allowance for a special uniform which is clearly distinguishable from ordinary clothes. <b>Code 3759 MUST only be used for foreign service income.</b>
3710 (3760)	Tool allowance (PAYE)	An allowance for the acquisition of tools for business use. <b>Code 3760 MUST only be used for foreign service income.</b>
3711 (3761)	Computer allowance (PAYE)	An allowance for the acquisition or use of a computer <b>for business purposes.</b> <b>Code 3761 MUST only be used for foreign service income.</b>
3712 (3762)	Telephone/cell phone allowance (PAYE)	An allowance for expenses incurred in the use of a telephone / cell phone for business purposes. <b>Code 3762 MUST only be used for foreign service income.</b>
3713 (3763)	Other allowances (PAYE)	All other allowances, which do not comply with any of the descriptions listed <b>for specific</b> allowances. <b>Code 3763 MUST only be used for foreign service income.</b>
3714 (3764)	Other allowances (Excl)	All other non-taxable allowances which do not comply with any of the descriptions listed <b>for specific</b> allowances. <b>Code 3764 MUST only be used for foreign service income.</b>
3715 (3765)	Subsistence allowance – foreign travel (IT)	An allowance paid for expenses in respect of meals and / or incidental costs for foreign travel, which exceeds the deemed amounts. <b>Code 3765 MUST only be used for foreign service income.</b>
3716 (3766)	Subsistence allowance – foreign travel (Excl)	An allowance paid for expenses in respect of meals and / or incidental costs for foreign travel, which does not exceed the deemed amounts. <b>Code 3766 MUST only be used for foreign service income.</b>
3717 (3767)	Broad-based employee share plan (PAYE)	An amount received / accrued from the disposal of any qualifying equity share or any right of interest in a qualifying equity share in terms of certain conditions. <b>Code 3767 MUST only be used for foreign service income.</b>
3718 (3768)	Vesting of equity instruments (PAYE)	Any gain in respect of the vesting of any equity instrument. <b>Code 3768 MUST only be used for foreign service income.</b>

### 7.2.3 FRINGE BENEFIT CODES

Code	Description	Explanation
3801	Acquisition of asset (PAYE)	Acquisition of an asset at less than the actual value and / or insurance policies ceded.
3802 (3852)	Use of motor vehicle (PAYE)	Right of use of a motor vehicle. <b>Code 3852 MUST only be used for foreign service income.</b>
3803 (3853)	Use of asset (PAYE)	Right of use of an asset (other than a motor vehicle). <b>Code 3853 MUST only be used for foreign service income.</b>

Code	Description	Explanation
3804 (3854)	Meals, etc (PAYE)	Meals, refreshments and meal and refreshment vouchers.  <b>Code 3854 MUST only be used for foreign service income.</b>
3805 (3855)	Accommodation (PAYE)	Free or cheap accommodation or holiday accommodation.  <b>Code 3855 MUST only be used for foreign service income.</b>
3806 (3856)	Services (PAYE)	Free or cheap services.  <b>Code 3856 MUST only be used for foreign service income.</b>
3807 (3857)	Loans or subsidy (PAYE)	Low interest or interest free loans and subsidy.  <b>Code 3857 MUST only be used for foreign service income.</b>
3808 (3858)	Employee's debt (PAYE)	Payment of an employee's debt or release an employee from an obligation to pay a debt.  <b>Code 3858 MUST only be used for foreign service income.</b>
3809 (3859)	Bursaries or scholarships (PAYE)	Bursaries and scholarships.  <b>Code 3859 MUST only be used for foreign service income.</b>
3810 (3860)	Medical aid contributions (PAYE)	Medical aid contributions paid on behalf of an employee.  <b>Code 3860 MUST only be used for foreign service income.</b>
3813 (3863)	Medical services costs (PAYE)	Medical costs incurred on behalf of an employee in respect of medical, dental and similar services, hospital and / or nursing services or medicine.  <b>Code 3863 MUST only be used for foreign service income.</b>

#### 7.2.4 LUMP SUM CODES

Code	Description	Explanation
3901 (3951)	Gratuities (PAYE)	Gratuities (retirement / retrenchment).  <b>Code 3951 MUST only be used for foreign service income.</b>
3902 (3952)	Pension / RAF (PAYE)	Pension fund / RAF lump sum (resignation, transfer, surplus apportionment, etc.).  <b>Code 3952 MUST only be used for foreign service income.</b>
3903 (3953)	Pension / RAF (PAYE)	Pension fund / RAF lump sum on retirement or death before 1 October 2007.  <b>Code 3953 MUST only be used for foreign service income.</b>
3904 (3954)	Provident (PAYE)	Provident fund lump sum (resignation, transfer, surplus apportionment, etc.).  <b>Code 3954 MUST only be used for foreign service income.</b>
3905 (3955)	Provident (PAYE)	Provident fund lump sum on retirement or death before 1 October 2007.  <b>Code 3955 MUST only be used for foreign service income.</b>
3906 (3956)	Special Remuneration (PAYE)	Special remuneration (e.g. proto-teams).  <b>Code 3956 MUST only be used for foreign service income.</b>
3907 (3957)	Other lump sums (PAYE)	Other lump sums (e.g. backdated salaries extended over previous tax years, not approved funds).  <b>Code 3957 MUST only be used for foreign service income.</b>
3908	Surplus apportionments (Excl)	Surplus apportionments on or after 1 January 2006. <b>Only valid from 2007 year of assessment.</b>
3909	Unclaimed benefits	Unclaimed benefits paid by a fund. <b>Only valid from 2008 year of assessment.</b>

Code	Description	Explanation
	(PAYE)	
3915	Retirement lump sum benefits (PAYE)	Retirement fund (pension / RAF / provident fund) lump sum benefits on retirement or death on or after 1 October 2007.

### 7.2.5 GROSS REMUNERATION CODES

Code	Description
3695	Gross taxable annual payments (annual payments and backdated salary for previous years)
3696	Gross non-taxable income (amounts under codes 3602, 3604, 3609, 3612, 3703, 3705, 3709, 3714, 3716, 3652, 3654, 3659, 3662, 3753, 3755, 3759, 3764, 3766 and 3908).
3697	Gross retirement funding employment income
3698	Gross non-retirement funding employment income
3699	Gross remuneration (amounts under codes 3697 and 3698)

### 7.2.6 DEDUCTION CODES

Code	Description
4001	Employee's current pension fund contributions
4002	Employee's arrear pension fund contributions
4003	Employee's current provident fund contributions
4004	Employee's arrear provident fund contributions
4005	Employee's medical aid contributions
4006	Employee's current <b>RAF</b> contributions
4007	Employee's arrear (re-instated) <b>RAF</b> contributions
4018	Premiums paid by employee for loss of income policies
4024	Medical service costs deemed to be paid by the employee in respect of himself / herself, <b>dependant</b> , spouse or child
4025	Medical contribution paid by employee allowed as a deduction for employees' tax purposes
4026	Employee's arrear pension fund contributions – Non-statutory forces (NSF)
4472	Employer's pension fund contributions
4473	Employer's provident fund contributions
4474	Employer's medical aid contributions in respect of active employees
4485	Medical services costs deemed to be paid by the employee in respect of other relatives Medical services costs deemed to be paid by the employee in respect of other relatives ( <b>not dependants</b> )
4486	Capped amount determined by the employer in terms of Section 18(2)(c)(i)
4487	No value benefits in respect of medical services provided or incurred by the employer
4493	Employer's medical aid contributions in respect of retired employees <b>to whom the "no value" provisions in the 7<sup>th</sup> Schedule apply</b>

### 7.2.7 EMPLOYEES' TAX DEDUCTION AND REASON CODES

Code	Description
4101	SITE (Standard Income Tax on Employees)
4102	PAYE (Pay-As-You-Earn)
4103	Total employees' tax
4115	Tax on retirement lump sum benefits
4150	01 or 1= Invalid from 1 March 2002
	02 or 2= <b>Annual Equivalent of remuneration is less than the tax threshold</b>
	03 or 3= Independent contractor
	04 or 4= Non taxable earnings (including nil directives)
	05 or 5= Exempt foreign employment income
	06 or 6= Directors remuneration – income determined in the following tax year (only valid from 1 March 2002)
	07 or 7 = Labour Broker with valid IRP 30 (only valid from 1 March 2004)

## 7.3 CSV FILES CREATED BY AN EMPLOYER

### 7.3.1 BACKGROUND OF CSV FILES

- During the 1999 tax year, SARS implemented a prescribed electronic data file layout (comma-delimited file layout) with a code structure for the creation of an electronic IRP 5 and IT 3(a) certificate information file for submission to SARS.
- These CSV files containing the electronic certificate information in the prescribed format were mainly created by payroll software package used by employers.
- SARS will accept CSV files from Employers that contain multiple certificate ranges; however, only one Employer per CSV file will be accepted.
- The software application to be provided by SARS to computerised employers make provision for the uploading of the CSV files in order to create the new approved electronic encrypted data file (XML file) to be submitted to SARS.
- This software application —
  - validates the CSV file data according to the relevant validation rules applicable for the creation of CSV files; and
  - provides the employer with a report indicating the successful uploading of the CSV file or the errors if the relevant validations are not passed.

### 7.3.2 SPECIFICATIONS FOR CREATING A CSV FILE

- The electronic CSV file must be created in:
  - ASCII format where it is created by non-mainframe systems; or
  - EBCDIC format where it is created by mainframe systems.
- The file must consist of the following record types:
  - File header record containing codes 1010 to 1130;
  - Employer header record containing codes 2010 to 2090;
  - Employee's certificate records containing codes 3010 to 4493;
  - Employer trailer record containing codes 6010 to 6030; and
  - File trailer record containing code 7010.
- Each field on all of the above mentioned record types must be preceded by the appropriate four digit numeric code to identify the field.
- The above record types, except for the File header and File trailer record, may be repeated as many times as required (i.e records in respect of more than one employer combined with any number of employees per employer).
- The employee's certificate records must follow the relevant employer header record in certificate number sequential order.
- The first code of each record (1010, 2010, 3010, 6010 and 7010) must not be preceded by a comma and the last code of each record (9999) must not be followed by a comma.
- Each record on the file must have a 9999 code as the last field on the record in order to standardise the end of the record indicator for files created on different platforms (e.g. PC's, Unix systems, mainframes, etc.).
- Each record must start in a new line (previous record must be followed by a Carriage Return Line Feed Character).

- All numeric fields with decimal values (i.e. rands and cents) must have the decimal fraction specified with a point and not a comma and all fields with no decimal value must not have a decimal point specified.
- Non-numeric fields must always be enclosed in double quotes (e.g. "abcde...").
- Empty fields must be indicated by consecutive commas (i.e. ,,) or the code and its associated value must not be included in the record if the fields do not have a value except for the following exceptions —
  - The clearance number and the deduction amount (applicable to certain deductions) must be linked to the same deduction code (i.e., the clearance number does not have its own code and must appear between the code and the amount).
  - If the relevant fund does not have a clearance number, then an empty field (,,) must be inserted between the relevant code and the amount.
  - The retirement funding employment indicator and the income amount must be linked to the same income code (i.e., this indicator does not have its own code and must appear between the code and the amount).
- Commas may only be used in non-numeric fields as commas are used as delimiters in the electronic file layout.
- Information must not exceed the specified length of a field.
- Zeros are not allowed in mandatory fields and will be deemed to be invalid.
- Where more than 13 income codes are present on a single tax certificate, the following rules must be applied —
  - If the same code is repeated on the certificate, combine the values and reflect the total value under the relevant code;
  - Combine the values for code 3602, 3604, 3609 and 3612 and reflect the total value under code 3602;
  - Combine the value of code 3706, 3710, 3711, 3712 and 3713 and reflect the total value under code 3713;
  - Combine the values of code 3601, 3605 and 3607 and reflect the total value under code 3601;
  - As a final option codes 3705 and 3716 may be ignored if there is still more than 13 income codes present.
- Where more than 7 deduction codes are present on a single tax certificate, the following rules must be applied —
  - Combine the values of all 4006 codes and reflect the total under a single 4006 code and indicate the clearance number as 18204000000;
  - Combine the values of all 4007 codes and reflect the total value under a single 4007 code and indicate the clearance number as 18204000000;
  - Ignore codes 4472 and 4473 if there are still more than 7 codes present;
  - Ignore codes 4487 and 4485 if there are still more than 7 codes present;
  - Ignore codes 4003 and 4004 if there are still more than 7 codes present;
  - Ignore code 4486 if there are still more than 7 codes present;

### 7.3.3 EXAMPLE OF THE LAYOUT OF A CSV DATA FILE

1010,"Creator of file",1020,7980700010,1030,"Creator Joe Block",1040,"(011) 422 4000",1050,"(011) 422 4001",1060,"299 Bronkhorst st",1070,"Nieu Muckleneuk",1100,0119,1110,20080516,1120,0002,1130,"Live",9999  
 2010,"Employer one",2020,7010700010,2030,2008,2040,"PO Box 10",2050,"Johannesburg",2080,2000,9999  
 3010,"01000001",3020,"A",3030,"King",3040,"George",3050,"G",3060,6710115150081,3080,19671011,3110,"PO Box 11",3120,"Johannesburg",3150,"2000",3170,20070301,3180,20070930,3200,12.0000,3210,7.0000,3601,"Y",145833,3605,,20833,3607,,26251,3701,,17500,3705,,8426,3712,,3500,3805,,24210,3810,,200,3695,20833,3696,8426,3697,145833,3698,92494,3699,238327,4001,,11666,4005,24500,4006,,2800,4474,,8180,4486,,7980,4101,2625.00,4102,76251.22,4103,78876.22,9999  
 3010,"01000001",3020,"A",3030,"Queenie",3040,"Elizabeth",3050,"E",3060,6805180197083,3080,19680518,3110,"PO Box 12",3120,"Johannesburg",3150,"2000",3170,20070301,3180,20080228,3200,12.0000,3210,12.0000, 3601,,80000,3605,,4000,3695,4000,3698,84000,3699,84000,,4101,4500.00,4102,1025.16,4103,5525.16,9999  
 6010,3,6020,241000,6030,1232594.76,9999  
 2010,"Employer two",2020,7010700020,2030,2008,2040,"Po Box 20",2050,"Johannesburg",2080,2000,9999  
 3010,"02000010",3020,"A",3030,"Prince",3040,"Will",3050,"W",3060,6404200103084,3080,19640420,3110,"Po Box 21",3120,"Pretoria",3150,"0001",3170,20070301,3180,20070930,3200,365.0000,3210,214.0000,3601,"Y",60000,3697,60000,3699,60000,4101,5112.55,4102,8629.53,4103,13742.08,9999  
 3010,"02000011",3020,"A",3030,"Princess",3040,"Mary Anne",3050,"MA",3060,6205290455082,3080,19620529,3110,"PO Box 22",3120,"Pretoria",3150,"0001",3170,20070301,3180,20070930,3200,12.0000,3210,7.0000,3601,"N",20000,3605,,2000,3695,2000,3698,22000,3699,22000,4101,1533.70,4103,1533.70,9999  
 6010,3,6020,178892,6030,278551.56,9999  
 7010, 9, 9999

### 7.3.4 VALIDATION RULES APPLICABLE WHEN CREATING A CSV FILE

Field name	Explanation and validation rules	Code
Creator name	<ul style="list-style-type: none"> <li>A70 – Name of employer / institution creating the electronic file.</li> <li>Mandatory field.</li> <li>First code of record and not to be preceded by any other character (e.g. space, comma, etc.).</li> </ul>	1010
Creator reference number	<ul style="list-style-type: none"> <li>N10 – Reference number of creator of the file (e.g. 798-number or PAYE reference number).</li> <li>Mandatory field.</li> <li>Must consist of 10 numeric characters.</li> <li>Must be a valid PAYE / creator reference number (apply modulus 10 test).</li> </ul>	1020
Contact person's name	<ul style="list-style-type: none"> <li>A30 – Name of contact person in case of rejections / queries.</li> <li>Mandatory field.</li> </ul>	1030
Contact number	<ul style="list-style-type: none"> <li>A16 – Telephone number of the contact person.</li> <li>Mandatory field.</li> </ul>	1040
Alternative contact number	<ul style="list-style-type: none"> <li>A16 – Alternative telephone number of the contact person.</li> <li>Optional field.</li> </ul>	1050
Contact address line 1	<ul style="list-style-type: none"> <li>A35 – 1<sup>st</sup> address line of the creator / employer.</li> </ul>	1060

Field name	Explanation and validation rules	Code
	<ul style="list-style-type: none"> <li>Mandatory field.</li> </ul>	
Contact address line 2	<ul style="list-style-type: none"> <li>A35 – 2<sup>nd</sup> address line of the creator / employer.</li> <li>Optional field.</li> </ul>	1070
Contact address line 3	<ul style="list-style-type: none"> <li>A35 – 3<sup>rd</sup> address line of the creator / employer.</li> <li>Optional field.</li> </ul>	1080
Contact address line 4	<ul style="list-style-type: none"> <li>A35 – 4<sup>th</sup> address line of the creator / employer.</li> <li>Optional field.</li> </ul>	1090
Contact postal code	<ul style="list-style-type: none"> <li>N4 – Postal code of the address indicated in address lines of this record.</li> <li>Mandatory field.</li> <li>Must consist of 4 numeric characters.</li> <li>Must be a valid RSA postal code.</li> <li>Postal code must be specified separately and not included in the address lines.</li> </ul>	1100
Creation date	<ul style="list-style-type: none"> <li>N8 – Date on which the electronic file was created.</li> <li>Mandatory field.</li> <li>Must consist of 8 numeric characters.</li> <li>Format: CCYYMMDD.</li> <li>Must be a valid date and cannot be greater than the current date.</li> </ul>	1110
Generation number	<ul style="list-style-type: none"> <li>N4 – Number of the electronic file generated.</li> <li>Mandatory field.</li> <li>Must start at 1 and run up to 9999 or start at 1 for each tax year.</li> <li>LIVE submission: must not be a duplicate number in relation to a previously submitted medium for the same tax year.</li> </ul>	1120
TEST / LIVE indicator	<ul style="list-style-type: none"> <li>A4 – TEST or LIVE submission indicator.</li> <li>Mandatory field.</li> <li>Must consist of 4 characters.</li> <li>Value may only be TEST or LIVE.</li> </ul>	1130
Employer name / trading name	<ul style="list-style-type: none"> <li>A70 – Name or trading name of employer issuing the certificate.</li> <li>Mandatory field.</li> <li>First code of record of the electronic file and not to be preceded by any other character (e.g. space, comma, etc.).</li> </ul>	2010
Employer reference number	<ul style="list-style-type: none"> <li>N10 – The reference number of the employer.</li> <li>This is the PAYE number under which employees' tax deducted is paid to SARS (number starts with a 7 or if the employer is only registered for IT 3(a) purposes, the IT 3 reference number must be</li> </ul>	2020

Field name	Explanation and validation rules	Code
	<p>used (number starting with 0, 1, 2, 3 or 9).</p> <ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Must consist of 10 numeric characters.</li> <li>Rejected if it is an IRP 5 and the reference number is not a valid PAYE reference number.</li> <li>Must be a valid PAYE or IT 3 reference number (apply modulus 10 test).</li> </ul>	
Tax year	<ul style="list-style-type: none"> <li>N4 – Tax year for which the certificate is being issued.</li> <li>Mandatory field.</li> <li>Must consist of 4 numeric characters.</li> <li>Format: CCYY.</li> <li>Year cannot be greater than current year plus one or less than current year less 10 (limited to 1999 for electronic files).</li> <li>Only valid from the 1999 tax year.</li> </ul>	2030
Employer address line 1	<ul style="list-style-type: none"> <li>A35 – 1<sup>st</sup> address line of the employer.</li> <li>Mandatory field.</li> </ul>	2040
Employer address line 2	<ul style="list-style-type: none"> <li>A35 – 2<sup>nd</sup> address line of the employer.</li> <li>Optional field.</li> </ul>	2050
Employer address line 3	<ul style="list-style-type: none"> <li>A35 – 3<sup>rd</sup> address line of the employer.</li> <li>Optional field.</li> </ul>	2060
Employer address line 4	<ul style="list-style-type: none"> <li>A35 – 4<sup>th</sup> address line of the employer.</li> <li>Optional field.</li> </ul>	2070
Employer postal code	<ul style="list-style-type: none"> <li>N4 – Postal code of the address indicated in address lines of this record.</li> <li>Mandatory field.</li> <li>Must consist of 4 numeric characters.</li> <li>Must be a valid RSA postal code.</li> <li>Postal code must be specified separately and not included in the address line.</li> </ul>	2080
Diplomatic indemnity	<ul style="list-style-type: none"> <li>A1 – Indicator if employer enjoys diplomatic indemnity.</li> <li>Optional field.</li> <li>Must consist of 1 character.</li> <li>Value may only be Y, J or N (empty field will default to N).</li> </ul>	2090
IRP 5 or IT 3(a) number	<ul style="list-style-type: none"> <li>A8 – unique number of the certificate.</li> <li>First code of record of the electronic file and not to be preceded by any other character (e.g. space, comma, etc.).</li> </ul>	3010

Field name	Explanation and validation rules	Code
	<ul style="list-style-type: none"> <li>• Mandatory field.</li> <li>• Must consist of 8 characters.</li> <li>• Allocation of electronic certificate numbers :               <ul style="list-style-type: none"> <li>▫ An employer must allocate his / her own unique certificate numbers (only numeric characters are allowed) according to the following rules —                   <ul style="list-style-type: none"> <li>○ Number must be a sequential number series that starts with 00000001 (or the first number of the range) at the beginning of each new tax year.</li> <li>○ Number must be unique per tax year in conjunction with the employer reference number (code 2020) and the tax year (code 2030) and may, therefore, not be duplicated within any tax year.</li> <li>○ Number must be supplied with leading zeros and must be specified in double quotes.</li> <li>○ Where the employer runs multiple payrolls, the allocation of certificate numbers between the separate payrolls must be synchronised to prevent duplicate numbers being allocated. Difference ranges may be used for each payroll, for example —                       <ul style="list-style-type: none"> <li>▪ First payroll may start at range number 00000001;</li> <li>▪ Second payroll may start at range number 02000001;</li> <li>▪ Third payroll may start at range number 04000001; etc.</li> </ul> </li> </ul> </li> </ul> </li> </ul>	
Nature of person	<ul style="list-style-type: none"> <li>• A1 – Nature of the employee.</li> <li>• Mandatory field.</li> <li>• Must consist of 1 character.</li> <li>• Must be a valid value, such as —               <ul style="list-style-type: none"> <li>▫ A = Individual with an identity- or passport number;</li> <li>▫ B = Individual without an identity- or passport number;</li> <li>▫ C = Director of a private company / member of a close corporation;</li> <li>▫ D = Trust;</li> <li>▫ E = Company / cc;</li> <li>▫ F = Partnership;</li> <li>▫ G = Corporation;</li> <li>▫ H = Employment company / personal service company or cc;</li> <li>▫ K = Employment trust / personal service trust; or</li> <li>▫ M = Foreign service income (may only be used with foreign income codes).</li> </ul> </li> </ul>	3020
Employee surname or trading name	<ul style="list-style-type: none"> <li>• A120 – Surname of the employee (if individual) or trading name of the trust, company / cc, partnership or corporation.</li> <li>• Mandatory field.</li> </ul>	3030
First two names	<ul style="list-style-type: none"> <li>• A90 – First two names of the employee (if individual).</li> <li>• Mandatory field if nature is A, B or C.</li> </ul>	3040

Field name	Explanation and validation rules	Code
	<ul style="list-style-type: none"> <li>Mandatory field if nature is M and the initials, identity number or passport number field is completed.</li> <li>Not to be completed with any other natures.</li> </ul>	
Initials	<ul style="list-style-type: none"> <li>A90 – Initials of the employee (if individual).</li> <li>Mandatory field if nature is A, B or C.</li> <li>Mandatory field if nature is M and the first two names field is completed.</li> <li>Not to be completed with any other natures.</li> </ul>	3050
Identity number	<ul style="list-style-type: none"> <li>N13 – RSA identity number of the employee (if individual).</li> <li>Mandatory field if nature is A or C and no passport number (code 3070) is available.</li> <li>Must consist of 13 numeric characters.</li> <li>Not to be completed with nature B, D, E, F, G, H and K (accepted for nature M).</li> <li>Must correlate with the date of birth (code 3080).</li> <li>Must be a valid RSA ID-number (other numbers must be indicated in the passport number field).</li> </ul>	3060
Passport number	<ul style="list-style-type: none"> <li>A13 – Passport number or other number of the employee (if individual).</li> <li>Mandatory field if nature is A or C and no identity number (code 3060) is available.</li> <li>Not to be completed with nature B, D, E, F, G, H and K (accepted for nature M).</li> <li>Number will be accepted as specified.</li> </ul>	3070
Date of birth	<ul style="list-style-type: none"> <li>N8 – Date of birth of the employee (if individual).</li> <li>Mandatory field if nature is A, B or C.</li> <li>Mandatory field if nature is M and first two names field (code 3040) is completed.</li> <li>Must consist of 8 numeric characters.</li> <li>Format: CCYYMMDD.</li> <li>Must correlate with the identity number (if any).</li> <li>Date cannot be greater than current date.</li> </ul>	3080
Company / cc / Trust number	<ul style="list-style-type: none"> <li>A16 – Company / cc / trust number allocated by the Registrar of Companies for companies, close corporations or trust.</li> <li>Mandatory field if nature is D, E, H or K.</li> <li>Mandatory if nature is M and the first two names field is NOT completed.</li> </ul>	3090

Field name	Explanation and validation rules	Code
	<ul style="list-style-type: none"> <li>Not to be completed with any other nature.</li> <li>Number will be accepted as specified.</li> </ul>	
Income tax reference number	<ul style="list-style-type: none"> <li>N10 – Income tax reference number of employee.</li> <li>Optional field but must be a valid reference number if supplied.</li> <li>Must consist of 10 numeric characters.</li> <li>Number must start with 0, 1, 2, 3 or 9.</li> </ul>	3100
Employee address line 1	<ul style="list-style-type: none"> <li>A35 – 1<sup>st</sup> address line of the employee (residential address or postal address).</li> <li>Mandatory field.</li> </ul>	3110
Employee address line 2	<ul style="list-style-type: none"> <li>A35 – 2<sup>nd</sup> address line of the employee.</li> <li>Optional field.</li> </ul>	3120
Employee address line 3	<ul style="list-style-type: none"> <li>A35 – 3<sup>rd</sup> address line of the employee.</li> <li>Optional field.</li> </ul>	3130
Employee address line 4	<ul style="list-style-type: none"> <li>A35 – 4<sup>th</sup> address line of the employee.</li> <li>Optional field.</li> </ul>	3140
Employee postal code	<ul style="list-style-type: none"> <li>A20 – Postal code of the address indicated in address lines of this record.</li> <li>Mandatory field.</li> <li>Must consist of a minimum of 4 digits.</li> <li>0000 will be accepted if specified.</li> <li>Postal code must be specified separately and not included in the address lines</li> </ul>	3150
Employee number	<ul style="list-style-type: none"> <li>A25 – Unique number allocated by employer to identify his / her employees (e.g. payroll number).</li> <li>Mandatory if nature is B, F or G.</li> <li>Mandatory if nature is M and the identity number, passport number or company number field is NOT completed.</li> </ul>	3160
Period employed from	<ul style="list-style-type: none"> <li>N8 – First date of the employees' tax period. Normally first day of tax year (1 March) or the date of employment if the employee was not employed on 1 March.</li> <li>Mandatory field.</li> <li>Must consist of 8 numeric characters.</li> <li>Format: CCYYMMDD.</li> <li>Must be a valid date and cannot be greater than the current date.</li> <li>Cannot be greater than the value for "period employed to".</li> </ul>	3170
Period employed to	<ul style="list-style-type: none"> <li>N8 – Last date of the employees' tax period. Normally last day of tax year (28/29 February) or the date of termination if the employee was</li> </ul>	3180

Field name	Explanation and validation rules	Code
	<p>no longer employed on 28/29 February.</p> <ul style="list-style-type: none"> <li>• Mandatory field.</li> <li>• Must consist of 8 numeric characters.</li> <li>• Format: CCYYMMDD.</li> <li>• Must be a valid date and cannot be greater than the current date plus 30 days.</li> <li>• Cannot be less than the value for "period employed from".</li> </ul>	
Voluntary over-deduction	<ul style="list-style-type: none"> <li>• A1 – Indication if a voluntary over-deduction of employees' tax was done.</li> <li>• Optional field.</li> <li>• Must consist of 1 character.</li> <li>• Value may only be Y, J or N (empty field will default to N).</li> <li>• Not to be completed when code 4150 has been completed with a value.</li> </ul>	3190
Pay periods in tax year	<ul style="list-style-type: none"> <li>• N3.4 – Number of equal pay periods the employer divided his / her tax year into and is normally determined according to intervals the employees are remunerated, for example — <ul style="list-style-type: none"> <li>▫ 52 for weekly paid employees;</li> <li>▫ 26 for fortnightly paid employees;</li> <li>▫ 12 for monthly paid employees; or</li> <li>▫ 365 for daily paid employees.</li> </ul> </li> <li>• Mandatory field if IRP 5 certificate.</li> <li>• Must have a decimal point (4 digits after the decimal point must be specified even if the decimal value is zero).</li> <li>• Cannot be less than the value for pay periods worked.</li> </ul>	3200
Pay periods worked	<ul style="list-style-type: none"> <li>• N3.4 – Number of equal pay periods the employee has worked in the tax year (pay periods worked which are shorter than a full pay period must be indicated as a decimal fraction of such pay period).</li> <li>• Mandatory field if IRP 5 certificate.</li> <li>• Must have a decimal point (4 digits after the decimal point must be specified even if the decimal value is zero).</li> <li>• Cannot be greater than the value for pay periods in tax year.</li> </ul>	3210
Fixed rate income	<ul style="list-style-type: none"> <li>• A1 – Indicator that the employee was not in standard employment and the income is subject to the 25% tax deduction.</li> <li>• Mandatory field if the income is for non-standard employment.</li> <li>• Value may only be Y, J or N (empty field will default to N).</li> <li>• Not to be completed when code 4150 has been completed with a value.</li> </ul>	3220

Field name	Explanation and validation rules	Code
Directive number	<ul style="list-style-type: none"> <li>A13 – Number of directive (only the directive number must be indicated and not the percentage).</li> <li>Mandatory field if code 3901, 3902, 3903, 3904, 3905, 3909 or 3915 is completed with a value.</li> <li>Only one directive per certificate is acceptable.</li> <li>Will be accepted as specified.</li> </ul>	3230
Income	<ul style="list-style-type: none"> <li>N15 – Description of income must be specified as per the list of codes allocated to each source but must not be included in the electronic file.</li> <li>Mandatory field if amount is specified.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>No negative amounts are allowed and will be rejected if specified.</li> <li>Code 3613 / 3663 is only applicable from transaction and assessment year 2001.</li> <li>Code 3614 / 3664 is only applicable from transaction and assessment year 2002.</li> <li>Code 3615 / 3665 is only applicable from transaction and assessment year 2003.</li> <li>Code 3615 / 3665 may be entered with a nil value. Format: code,,amount,code,RF ind,amount.</li> <li>Code 3616 / 3666 and 3617 is only applicable from transaction and assessment year 2004.</li> <li>Code 3715 / 3768, 3716 / 3766, 3717 / 3767 and 3718 / 3768 is only applicable from transaction and assessment year 2005. Format: code,,amount,code,RF ind,amount.</li> <li>The value of code 3813 / 3863 must be equal to the sum total of the value of codes 4024 and 4485.</li> <li>Code 3813 / 3863 is only applicable from transaction and assessment year 2007.Format: code,,amount,code,RF ind,amount</li> <li>The amount specified for code 3810 must be less than the amount specified for code 4474.</li> <li>CODE 4474 AND 3810 NOT ALLOWED IF CODE 4493 IS SPECIFIED.</li> <li>Code 3908 is only applicable from the transaction year &amp; year of assessment 2006.</li> <li>Code 3909 and 3915 is only applicable from transaction and assessment year 2008.</li> </ul>	3601 - 3617 3651 - 3667 3701 - 3718 3751 - 3768 3801 - 3810 3851 - 3860 3813 & 3863 3901 - 3909 3951 – 3959 3915

Field name	Explanation and validation rules	Code
	<ul style="list-style-type: none"> <li>• If code 4115 completed, code 3915 mandatory.</li> <li>• Format: code,,amount,code,RF ind,amount.</li> <li>• The total of all income amounts MUST be equal to the sum of code 3696 and 3699.</li> <li>• Retirement funding employment indicator — Indicator to indicate the income as retirement funding (where the income source is used to determine the contributions to a pension- or provident fund):               <ul style="list-style-type: none"> <li>▫ A1;</li> <li>▫ Mandatory field;</li> <li>▫ Must be inserted between the income code and amount; and</li> <li>▫ Value may only be Y, J, N or empty field.</li> </ul> </li> </ul>	
Gross remuneration – Gross annual payments	<ul style="list-style-type: none"> <li>• N15 – This is the sum total of all income amounts which are deemed to be annual payments.</li> <li>• Mandatory field if amount is specified.</li> <li>• Mandatory field if amount is specified under code 3605 and / or 3655.</li> <li>• Cannot be less than the total value of code 3605 and 3655.</li> <li>• Cannot be greater than the value for code 3699.</li> <li>• No negative amounts are allowed and will be rejected if specified.</li> <li>• Cents must be omitted (decimal in amount is invalid).</li> <li>• Code can only be used once per certificate.</li> <li>• This is only a control total and is NOT excluded from codes 3697 and 3698.</li> <li>• Format: code,amount</li> </ul>	3695
Gross Remuneration – Gross non-taxable income	<ul style="list-style-type: none"> <li>• N15 – This is the sum total of all income amounts indicated as non-taxable.</li> <li>• Mandatory field if amount is specified.</li> <li>• Mandatory field if amount is specified under code 3602 / 3652, 3604 / 3654, 3609 / 3659, 3612 / 3662, 3703 / 3753, 3705 / 3755, 3709 / 3759, 3714 / 3764, 3716 / 3766 and 3908 and value must be equal to the sum total of all amounts indicated under these specified codes.</li> <li>• Mandatory field if amount is specified under code 3652, 3654, 3659, 3662, 3753, 3755, 3759, 3764 and 3766 and value must be equal to the sum total of all amounts indicated under these specified codes. These codes are the equivalent codes used for foreign employment income purposes.</li> <li>• No negative amounts are allowed and will be rejected if specified.</li> </ul>	3696

Field name	Explanation and validation rules	Code
	<ul style="list-style-type: none"> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>Code can only be used once per certificate.</li> <li>The amounts indicated under this code must be excluded from codes 3697 and 3698.</li> <li><b>Format: code, amount</b></li> </ul>	
Gross Remuneration – Gross retirement funding income	<ul style="list-style-type: none"> <li>N15 – This is the sum total of all retirement funding income amounts.</li> <li>Mandatory field if amount is specified and if any income source is indicated as retirement funding income or if there is no gross non-retirement funding income amount.</li> <li>No negative amounts are allowed and will be rejected if specified.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>Code can only be used once per certificate.</li> <li><b>Where any income codes other than the codes defined for code 3696 has been specified, 3697 or 3698 mandatory.</b></li> <li><b>3697 + 3698 cannot be greater than the amount specified for code 3699.</b></li> <li><b>Format: code, amount</b></li> </ul>	3697
Gross Remuneration – Gross non-retirement funding income	<ul style="list-style-type: none"> <li>N15 – This is the sum total of all non-retirement funding income amounts.</li> <li>Mandatory field if amount is specified and if any income source is indicated as non-retirement funding income or if there is no gross retirement funding income amount.</li> <li>Cannot be greater than value for code 3699.</li> <li>No negative amounts are allowed and will be rejected if specified.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>Code can only be used once per certificate.</li> <li><b>Where any other income codes other than the codes defined for code 3696 has been specified, 3697 or 3698 mandatory.</b></li> <li><b>Codes 3697 + 3698 cannot be greater than the amount specified for code 3699.</b></li> <li><b>Format: code, amount</b></li> </ul>	3698
Gross Remuneration – Gross remuneration	<ul style="list-style-type: none"> <li>N15 – This is the sum total of the amounts indicated under gross retirement funding income and gross non-retirement funding income.</li> <li>Mandatory field.</li> <li>The sum total of the amounts under codes 3697 and 3698.</li> <li>Amount must be equal to all the income source amounts (excluding</li> </ul>	3699

Field name	Explanation and validation rules	Code
	<p>the specified codes for gross non-taxable income).</p> <ul style="list-style-type: none"> <li>• No negative amounts are allowed and will be rejected if specified.</li> <li>• Cents must be omitted (decimals in amount is invalid).</li> <li>• Code can only be used once per certificate.</li> <li>• The sum total of amounts indicated under code 3699 and code 3696 must be equal to all income amounts indicated under the "income sources" on the certificate.</li> <li>• Non-taxable income, salary sacrifices and employer's contributions are not part of gross remuneration.</li> <li>• 3697 + 3698 cannot be greater than the amount specified under 3699.</li> <li>• Format: code, amount</li> </ul>	
<p>Deductions – Pension and Provident Fund Contributions</p>	<ul style="list-style-type: none"> <li>• N15 – Description of deduction must be specified as per the list of codes allocated to each deduction source but must not be included in the electronic file.</li> <li>• Mandatory field if amount is specified.</li> <li>• Cents must be omitted (decimal in amount is invalid).</li> <li>• No negative amounts are allowed and will be rejected if specified.</li> <li>• Format: <ul style="list-style-type: none"> <li>▫ 1999 accept only code,amount</li> <li>▫ 2000 accept - <ul style="list-style-type: none"> <li>○ code,amount;</li> <li>○ code,,amount; or</li> <li>○ code,clearance number,amount</li> </ul> </li> <li>▫ From 2001 accept – <ul style="list-style-type: none"> <li>○ Code,,amount</li> <li>○ code,,amount; or</li> <li>○ code,clearance number,amount</li> </ul> </li> </ul> </li> <li>• Principles <b>that applied to the clearance number:</b> Where the rules of the fund : <ul style="list-style-type: none"> <li>▫ provide for a fixed percentage of the total package to be taken into account for purposes of calculating the contributions, the indicator must be left blank. The total amount in respect of retirement funding employment income must however be specified under the gross totals.</li> <li>▫ refer to specific income sources to be taken into account in full for the purposes of calculating the contributions, each such source must be indicated with a Y / J.</li> <li>▫ provide for different percentages to be applied to various income sources, each such source must be divided into two portions, namely — <ul style="list-style-type: none"> <li>○ one reflecting the amount which represents retirement funding employment income with a Y / J; and</li> <li>○ the other reflecting the amount which represents non-</li> </ul> </li> </ul> </li> </ul>	<p>4001 - 4004</p>

Field name	Explanation and validation rules	Code
	retirement funding employment income with a N or empty field.	
Deductions – Medical aid contributions	<ul style="list-style-type: none"> <li>• N15 – Description of deduction must be specified as per the list of codes allocated to each deduction source but must not be included in the electronic file.</li> <li>• Mandatory field if amount is specified.</li> <li>• Cents must be omitted (decimal in amount is invalid).</li> <li>• No negative amounts are allowed and will be rejected if specified.</li> <li>• From 2007 mandatory if amount specified for code 3810 or 4025.</li> <li>• Format: code,amount</li> </ul>	4005
Deductions – Retirement annuity fund contributions	<ul style="list-style-type: none"> <li>• N15 – Description of deduction must be specified as per the list of codes allocated to each deduction source but must not be included in the electronic file.</li> <li>• Mandatory field if amount is specified.</li> <li>• Cents must be omitted (decimal in amount is invalid).</li> <li>• No negative amounts are allowed and will be rejected if specified.</li> <li>• Format:               <ul style="list-style-type: none"> <li>▫ 1999 accept only code,amount</li> <li>▫ 2000 accept -                   <ul style="list-style-type: none"> <li>○ code,amount;</li> <li>○ code,,amount; or</li> <li>○ code,clearance number,amount</li> </ul> </li> <li>▫ From 2001 accept –                   <ul style="list-style-type: none"> <li>○ Code,,amount</li> <li>○ code,,amount; or</li> <li>○ code,clearance number,amount</li> </ul> </li> </ul> </li> <li>• Principles <b>that applied to the clearance number:</b> Where the rules of the fund :               <ul style="list-style-type: none"> <li>▫ provide for a fixed percentage of the total package to be taken into account for purposes of calculating the contributions, the indicator must be left blank. The total amount in respect of retirement funding employment income must however be specified under the gross totals.</li> <li>▫ refer to specific income sources to be taken into account in full for the purposes of calculating the contributions, each such source must be indicated with a Y / J.</li> <li>▫ provide for different percentages to be applied to various income sources, each such source must be divided into two portions, namely —                   <ul style="list-style-type: none"> <li>○ one reflecting the amount which represents retirement funding employment income with a Y / J; and</li> <li>○ the other reflecting the amount which represents non-retirement funding employment income with a N or empty field.</li> </ul> </li> </ul> </li> </ul>	4006 & 4007
Deduction – Income	<ul style="list-style-type: none"> <li>• N15 – Description of deduction must be specified as per the list of codes allocated to each deduction source but must not be included in</li> </ul>	4018

Field name	Explanation and validation rules	Code
Protection Policy Premium	<p>the electronic file.</p> <ul style="list-style-type: none"> <li>Mandatory field if amount is specified.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>No negative amounts are allowed and will be rejected if specified.</li> <li>Format: code,,amount.</li> <li>Only applicable from transaction year 2006.</li> </ul>	
Deduction – Deemed Medical Costs	<ul style="list-style-type: none"> <li>N15 – Description of deduction must be specified as per the list of codes allocated to each deduction source but must not be included in the electronic file.</li> <li>Mandatory field if amount is specified.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>No negative amounts are allowed and will be rejected if specified.</li> <li>Format: code,,amount.</li> <li>Only applicable from transaction year 2007.</li> </ul>	4024
Deduction – Medical Contributions allowed	<ul style="list-style-type: none"> <li>N15 – Description of deduction must be specified as per the list of codes allocated to each deduction source but must not be included in the electronic file.</li> <li>Mandatory field if amount is specified.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>No negative amounts are allowed and will be rejected if specified.</li> <li>Only applicable from transaction and assessment year 2007.</li> <li>Value cannot be greater than the value of code 4005 or 4486, except where the employee is 65 year or older.</li> <li>Format: code,,amount</li> </ul>	4025
Deduction – Arrear pension fund contributions i.r.o non-statutory forces	<ul style="list-style-type: none"> <li>N15 – Description of deduction must be specified as per the list of codes allocated to each deduction source but must not be included in the electronic file.</li> <li>Mandatory field if amount is specified.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>No negative amounts are allowed and will be rejected if specified.</li> <li>Only applicable from transaction and assessment year 2007.</li> <li>Format: <ul style="list-style-type: none"> <li>code,,amount; or</li> <li>code,clearance number,amount</li> </ul> </li> </ul>	4026

Field name	Explanation and validation rules	Code
	<ul style="list-style-type: none"> <li>• Principles <b>that applied to the clearance number:</b> Where the rules of the fund :               <ul style="list-style-type: none"> <li>▫ provide for a fixed percentage of the total package to be taken into account for purposes of calculating the contributions, the indicator must be left blank. The total amount in respect of retirement funding employment income must however be specified under the gross totals.</li> <li>▫ refer to specific income sources to be taken into account in full for the purposes of calculating the contributions, each such source must be indicated with a Y / J.</li> <li>▫ provide for different percentages to be applied to various income sources, each such source must be divided into two portions, namely —                   <ul style="list-style-type: none"> <li>○ one reflecting the amount which represents retirement funding employment income with a Y / J; and</li> </ul> </li> </ul> </li> <li>• the other reflecting the amount which represents non-retirement funding employment income with a N or empty field.</li> </ul>	
Employees' tax deductions	<ul style="list-style-type: none"> <li>• N12.2 – Indicates the employees' tax deducted by the employer.</li> <li>• Mandatory field if amount is specified.</li> <li>• Decimal digits are mandatory even if the value is zero.</li> <li>• Must be decimal point (comma invalid).</li> <li>• No negative amounts are allowed and will be rejected if specified.</li> <li>• Not to be specified when code 4150 has a value.</li> <li>• Certificate.</li> <li>• Code 4102 is mandatory if voluntary over-deduction and fixed rate income fields contain a Y / J.</li> <li>• <b>Code 4103 is mandatory if code 4101 and / or 4102 is specified.</b></li> <li>• Code 4103 must be equal to the sum total of code 4101 and code 4102.</li> <li>• Code 4115 is only valid for tax years later than 2007.</li> <li>• <b>Code 4115 is mandatory if value specified for code 3915 and reason for non-deduction (4150) has not been completed.</b></li> <li>• Code 4115 may only be used when code 3915 is indicated with a value.</li> <li>• <b>Code 4115 may be completed if code 4101, 4102 and/or 4103 specified.</b></li> <li>• <b>Format: code,amount.</b></li> </ul>	4101 4102 4103 4115
Reason code for IT 3(a)	<ul style="list-style-type: none"> <li>• N2 – Reason code for the non-deducting of employees' tax.</li> <li>• Mandatory field if IT 3(a) certificate.</li> </ul>	4150

Field name	Explanation and validation rules	Code
	<ul style="list-style-type: none"> <li>Invalid if code 4101 and / or 4102 and / or 4103 and / or 4115 is completed.</li> <li>Code can only be used once per certificate.</li> <li>Value can only be -               <ul style="list-style-type: none"> <li>2 or 02 = Income less than the tax threshold.</li> <li>3 or 03 = Independent contractor.</li> <li>4 or 04 = Non-taxable earnings (also used for nil tax directives or labour brokers with an exemption certificate).</li> <li>5 or 05 = Exempt foreign service income (may only be used with nature M).</li> <li>6 or 06 = Directors remuneration – income determined in the following tax year.</li> <li>7 or 07 = Labour broker with a valid IRP 30 exemption certificate (only valid from 1 March 2004).</li> </ul> </li> <li>Value 1 or 01 is invalid with effect from the 2003 tax year.</li> <li>Value 6 or 06 only applicable from transaction and assessment year 2005.</li> <li>Format: code,,amount</li> </ul>	
Employer information code	<ul style="list-style-type: none"> <li>N15 – Total of the pension fund contribution paid by the employer for the employee.</li> <li>Mandatory field if amount is specified.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>No negative amounts are allowed and will be rejected if specified.</li> <li>Any one of these codes can only be used once per certificate.</li> <li>Codes 4472, 4473 and 4474 are only valid for tax years later than 2005.</li> <li>Code 4474 is mandatory if amount is specified for code 3810 / 3860. (3810 must be less than the amount of 4474).</li> <li>Code 4474, 3810 not allowed code 4493 is specified.</li> <li>Codes 4485, 4486 and 4487 are only valid for tax years later than 2006.</li> <li>Code 4486 is mandatory if amount is specified for code 4025.</li> <li>Format of the field is: code, , amount.</li> </ul>	4472 - 4474 4485 - 4487 4493
Employer total number records	<ul style="list-style-type: none"> <li>N15 – This is the sum of all records for the employer, excluding this record. The total must be equal to the total NUMBER of records for the specific employer (the records starting with codes 2010 and 3010 must be counted).</li> <li>Mandatory field.</li> <li>First code of record of the electronic file and not to be preceded by any other character (e.g. space, comma, etc.).</li> </ul>	6010

Field name	Explanation and validation rules	Code
Employer total code value	<ul style="list-style-type: none"> <li>N15 – This is the sum total of the VALUE of all CODES specified for the employer, excluding this record. This total must be equal to the total CODE VALUE of records for the specific employer (codes from 2010 to 2090 and from 3010 to 4493 plus all the 9999 codes in between must be added together).</li> <li>Mandatory field.</li> </ul>	6020
Employer total amount	<ul style="list-style-type: none"> <li>N12.2 – This is the sum total of the AMOUNTS specified for the employer, excluding this record. This total must be equal to the total AMOUNTS for the specific employer (amounts specified under codes 3601 to 4493 must be added together).</li> <li>Decimal digits are mandatory even if the value is zero.</li> <li>Mandatory field.</li> </ul>	6030
Creator total number records	<ul style="list-style-type: none"> <li>N15 – This is the sum of all records for the creator, excluding this record. The total must be equal to the total NUMBER of records for the specific creator (the records starting with codes 1010, 2010, 3010 and 6010 must be counted).</li> <li>Mandatory field.</li> <li>First code of record of the electronic file and not to be preceded by any other character (e.g. space, comma, etc.).</li> </ul>	7010
End of record	<ul style="list-style-type: none"> <li>N4 – Indicates the end of the record of each record in the file.</li> <li>Must be indicated as 9999.</li> <li>Last code of any specific electronic record and may not be followed by any other character (e.g. space, comma, etc.).</li> </ul>	9999

## 7.4 XML FILES CREATED BY THE SOFTWARE PROVIDED BY SARS

### 7.4.1 BACKGROUND ON THE CREATION OF XML DATA FILES

- The prescribed XML file is only created by the Software application provided by SARS to the employer when the electronic data information is created with the relevant functionality of the software.
- The XML file is an encrypted data file which does not compromise the security of the data.
- The XML file created by the software application contains the data in respect of the EMP 501 reconciliation as well as the IRP 5 / IT 3(a) certificates for a specific transaction year.
- The Software application will programmatically allocate certificate numbers to manual certificates captured by the employer by using the software.



Field name	Explanation	Validation rules
	the employees' tax deducted	<ul style="list-style-type: none"> <li>Numeric field.</li> <li>Must have 4 characters.</li> <li>Must be in the format CCYY (C=century, Y=year).</li> <li>Only valid from 2008.</li> <li>Cannot be smaller than the assessment year.</li> </ul>
Assessment year	The year of assessment to which the income relates	<ul style="list-style-type: none"> <li>This field will not be pre-populated by the software.</li> <li>Optional field.</li> <li>Numeric field.</li> <li>Must have 4 characters.</li> <li>Must be in the format CCYY (C=century, Y=year).</li> <li>Only valid from 2008.</li> <li>Cannot be greater than the current year plus one.</li> <li>Cannot be less than the current year less four.</li> </ul>
Trading or other name	Trading or other name of the employer issuing the IRP 5 / IT 3(a)	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Alphanumeric field.</li> <li>Not more than 70 characters may be used.</li> </ul>
Certificate No.	The unique number allocated for the specific IRP 5 / IT 3(a).	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Alphanumeric field.</li> <li>The format of this field is: <ul style="list-style-type: none"> <li>8 numeric characters as prescribed in the validation rules applicable to the certificate number when creating a CSV file; and</li> <li>S followed by 7 numeric characters (this number will be allocated by the software application provided by SARS when an employer capture manual certificate information on the software application).</li> <li>2 alphabetic and 6 numeric characters for old version certificates - this software generated number must be replaced in the relevant space with the old version certificate number where the certificate data is captured from an old version certificate.</li> </ul> </li> </ul>
Main income source code	The income source code of the employer.	<ul style="list-style-type: none"> <li>Optional field.</li> <li>Numeric field.</li> <li>Must have 4 characters if completed.</li> <li>Must be a valid source code according to the source code table.</li> </ul>
Surname	Surname of the employee (if	<ul style="list-style-type: none"> <li>Mandatory field.</li> </ul>

Field name	Explanation	Validation rules
	individual) or trading name of the trust, company, CC, partnership or corporation.	<ul style="list-style-type: none"> <li>Alphanumeric field.</li> <li>Not more than 35 characters may be used.</li> </ul>
Initials	Initials of the employee (if individual)	<ul style="list-style-type: none"> <li>Mandatory field if the employee is an individual.</li> <li>Alphanumeric field.</li> <li>Not more than 5 characters may be used.</li> </ul>
First two names	First two names of the employee (if individual)	<ul style="list-style-type: none"> <li>Mandatory field if the employee is an individual.</li> <li>Alphanumeric field.</li> <li>Not more than 35 characters may be used.</li> </ul>
Date of birth	Date of birth of the employee (if individual)	<ul style="list-style-type: none"> <li>Mandatory field if the employee is an individual.</li> <li>Numeric field.</li> <li>Must have 8 characters.</li> <li>Must be in the format CCYYMMDD (C=century, Y=year, M=month, D=day).</li> <li>Date cannot be greater than the current date.</li> </ul>
ID No.	Identity number of the employee (if individual)	<ul style="list-style-type: none"> <li>Mandatory field if the employee is an individual and no passport No. is completed.</li> <li>Numeric field.</li> <li>Must have 13 characters.</li> <li>Must be a valid RSA identity number.</li> </ul>
Passport No.	Passport number of the employee (if individual)	<ul style="list-style-type: none"> <li>Mandatory field if the employee is an individual and no ID No. is completed.</li> <li>Alphanumeric field.</li> <li>Not more than 13 characters may be used.</li> <li>Number will be accepted as specified.</li> </ul>
Income tax ref No.	Income tax reference number of the employee	<ul style="list-style-type: none"> <li>Optional field.</li> <li>Numeric field.</li> <li>Must have 10 characters.</li> <li>Must be a valid reference number allocated by SARS.</li> <li>Number must start with a 0, 1, 2, 3 or 9.</li> </ul>
R (rand value of income)	The rand value amount of the income according to the income code	<ul style="list-style-type: none"> <li>Mandatory field (at least one block must be completed with a value).</li> <li>Numeric field.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>No negative amounts are allowed.</li> </ul>

Field name	Explanation	Validation rules
		<ul style="list-style-type: none"> <li>• Must be right aligned.</li> <li>• The total of all amounts completed in these blocks must be equal to the sum of the totals completed against code 3696, 3697 and 3698.</li> </ul>
Code block next to R (rand value of income)	The income code relating to the relevant rand value completed in the block in front of this block	<ul style="list-style-type: none"> <li>• Mandatory field if a value is completed in the block before this block.</li> <li>• Numeric field.</li> <li>• Must be a valid income code.</li> </ul>
Non-taxable income	The sum total of all income amounts completed as non-taxable (code 3696)	<ul style="list-style-type: none"> <li>• Mandatory field if any value is completed against code 3602, 3604, 3609, 3612, 3703, 3705, 3709, 3714, 3716, 3652, 3654, 3659, 3662, 3753, 3755, 3759, 3764, 3766 or 3908.</li> <li>• Numeric field.</li> <li>• Cents must be omitted (decimal in amount is invalid).</li> <li>• No negative amounts are allowed.</li> <li>• Must be right aligned.</li> <li>• The amount completed against this code must be excluded from codes 3697 and 3698.</li> <li>• Cannot be greater than the sum of all non-taxable income amounts.</li> </ul>
Gross retirement funding income	The sum total of all retirement funding income amounts (code 3697)	<ul style="list-style-type: none"> <li>• Mandatory field if no value is completed against code 3696 or 3698.</li> <li>• Numeric field.</li> <li>• Cents must be omitted (decimal in amount is invalid).</li> <li>• No negative amounts are allowed.</li> <li>• Cannot be greater than the sum of all taxable income amounts.</li> <li>• Must be right aligned.</li> </ul>
Gross non-retirement funding income	The sum total of all non-retirement funding income amounts (code 3698)	<ul style="list-style-type: none"> <li>• Mandatory field if no value is completed against code 3696 or 3697.</li> <li>• Numeric field.</li> <li>• Cents must be omitted (decimal in amount is invalid)</li> <li>• No negative amounts are allowed.</li> <li>• Cannot be greater than the sum of all taxable income amounts.</li> <li>• Must be right aligned.</li> </ul>
R (rand value deductions /	The rand value amount of the deductions /	<ul style="list-style-type: none"> <li>• Optional field.</li> </ul>

Field name	Explanation	Validation rules
contributions)	contributions according to the deduction code	<ul style="list-style-type: none"> <li>Numeric field.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>No negative amounts are allowed.</li> <li>Must be right aligned.</li> <li>A value against code 4005 is mandatory if an amount is completed against code 4025.</li> <li>The value for code 4025 cannot be greater than the value for code 4005 or 4486 (except when the employee is 65 years or older).</li> </ul>
Code block next to R (rand value deductions / contributions)	The deduction code relating to the relevant rand value completed in the block in front of this block	<ul style="list-style-type: none"> <li>Mandatory field if a value is completed in the block before this block.</li> <li>Numeric field.</li> <li>Must be a valid deduction code.</li> <li>Code 4018, 4472, 4473 and 4474 is only valid for tax years later than 2005.</li> <li>Code 4024, 4025, 4026, 4485, 4486 and 4486 is only valid for tax years later than 2006.</li> <li>Code 4474 is mandatory if an amount is completed against code 3810 or 3860.</li> <li>Code 4486 is mandatory if an amount is completed against code 4025.</li> </ul>
Total deductions / contributions	The sum total of all values completed as deductions / contributions	<ul style="list-style-type: none"> <li>Mandatory field if a value is completed as a deduction / contribution.</li> <li>Numeric field.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>No negative amounts are allowed.</li> <li>Must be right aligned.</li> </ul>
Pay periods in year of assessment	Number of pay periods into which the employer divided his / her tax year - this is normally determined according to the intervals employees' are remunerated	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Numeric field.</li> <li>May not contain a decimal fraction (decimal in value is invalid).</li> <li>Must be right aligned.</li> <li>Cannot be less than the value completed in No. periods worked field.</li> <li>Any value between 1 and 380 is valid.</li> </ul>
Pay periods worked	Number of pay periods the employee has worked in the	<ul style="list-style-type: none"> <li>Mandatory field.</li> </ul>

Field name	Explanation	Validation rules
	tax year	<ul style="list-style-type: none"> <li>Numeric field.</li> <li>May not contain a decimal fraction (decimal in value is invalid).</li> <li>Must be right aligned.</li> <li>Cannot be greater than the value completed in Periods in year of assessment field.</li> <li>Any value between 1 and 380 is valid.</li> </ul>
4101-SITE	SITE amount withheld by the employer	<ul style="list-style-type: none"> <li>Mandatory field if no value is completed against code 4102, 4115 and reason for non-deduction of employees' tax.</li> <li>Numeric field.</li> <li>Cents must be omitted (decimal in amount is invalid). The employer must round off to the nearest full rand.</li> <li>No negative amounts are allowed.</li> <li>Must be right align.</li> </ul>
4102-PAYE	PAYE amount withheld by the employer	<ul style="list-style-type: none"> <li>Mandatory field if no value is completed against code 4101, 4115 and reason for non-deduction of employees' tax.</li> <li>Numeric field.</li> <li>Cents must be omitted (decimal in amount is invalid). The employer must round off to the nearest full rand.</li> <li>No negative amounts are allowed.</li> <li>Must be right aligned.</li> </ul>
4115-PAYE on lump sum benefit	PAYE amount withheld by the employer from the retirement lump sum benefit	<ul style="list-style-type: none"> <li>Mandatory field if no value is completed against code 4101, 4102 and reason for non-deduction of employees' tax.</li> <li>Numeric field.</li> <li>Fixed decimal (cents) must be used.</li> <li>No negative amounts are allowed.</li> <li>Must be right aligned.</li> </ul>
4101 + 4102 + 4115 =	Sum total of the values completed against code 4101, 4102 and 4115	<ul style="list-style-type: none"> <li>Mandatory field if a value is completed against code 4101, 4102 or 4115.</li> <li>Numeric field.</li> <li>Fixed decimal (cents) must be used.</li> <li>No negative amounts are allowed.</li> <li>Must be right aligned.</li> </ul>
Reason for non-deduction of employees' tax	The reason code why the employer has not deduct any employees' tax from the income	<ul style="list-style-type: none"> <li>Mandatory field if no value is completed against code 4101, 4102 and 4115.</li> <li>Numeric field.</li> </ul>

Field name	Explanation	Validation rules
		<ul style="list-style-type: none"> <li>• Fixed decimal (cents) must be used.</li> <li>• No negative amounts are allowed.</li> <li>• Must be a valid reason code (see par. 9.3.7).</li> <li>• Must be right aligned.</li> <li>• Reason code 7 or 07 is only valid for tax years later than 2004.</li> </ul>

## 8 EMP 501 RECONCILIATION

### 8.1 ISSUE AND SUBMISSION OF EMP 501 RECONCILIATION

- The software application will create the electronic data information for the EMP 501 reconciliation after all the relevant information has been captured on the software.
- The electronic data information must be retained for a period of 5 years.
- Employers who do not submit the XML data files via the relevant eFiling application, must include a printed EMP 501 which is duly dated and signed together with the XML data file on an approved electronic medium for submission to SARS.
- An EMP 501 reconciliation will not be accepted by SARS if a printed EMP 501 reconciliation, duly signed and dated is not submitted together with the approved electronic medium. This does not apply to employers submitting the electronic information data via eFiling.
- The EMP 501 reconciliation will be deemed to be outstanding if it is rejected for any reason by SARS.
- A revised EMP 501 reconciliation must be submitted if SARS has rejected the previous submitted EMP 501 reconciliation due to any reason, for example:
  - Printed and duly signed declaration not submitted with electronic medium;
  - all mandatory fields not completed (e.g. incomplete information); or
  - totals declared on the EMP 501 reconciliation do not balance with the total tax amounts of all IRP 5 / IT 3(a) certificates issued by the employer for the relevant transaction year.

## 8.2 EXAMPLE OF THE LAYOUT OF A PRINTED EMP 501 RECONCILIATION

SARS		Transaction Year (CCYY)	Employer Reconciliation Declaration				SDL Ref No.	EMP501
Trading Name								
Summary of Employer Liability Note: This reconciliation is intended to ensure that all tax deducted by employers has been declared and reconciled.	PAYE	SDL	UIF	Total Monthly Liability	Total Payments i.r.o. Liabilities (excl. Additional Tax, Interest and Penalties)			
	March							
	April							
	May							
	June							
	July							
	August							
	September							
	October							
	November							
	December							
	January							
	February							
<b>Annual Total</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>14</b>			
<b>Difference - Annual &amp; Certificate Values</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>				
<b>Total Value of Tax Certificates</b>	<b>9</b>	<b>10</b>	<b>11</b>					
Total Value of Electronic Tax Certificates	<b>12</b>							
Total Value of Manual Tax Certificates	<b>13</b>							
For enquiries go to www.sars.gov.za or call SARS Contact Centre on 0860 12 12 18				<b>Declared Liability</b>		<b>Due By / To You</b> (excl. Additional Tax, Interest and Penalties)		
Date (CCYYMMDD)				<b>15</b>		<b>16</b>		
Employer Signature				<b>DECLARATION</b>				
I certify that this reconciliation is correct and that all tax deducted or required to be deducted has been declared, all payments declared have been made and I am liable for payment of any difference due.								
PAYE:	SDL:	UIF:	Trading Name:					
Transaction Year:		Time Stamp:						
FormID:								
EMP501	v0.2.10	English						

## 8.3 VALIDATION RULES APPLICABLE TO AN EMP 501 RECONCILIATION WHEN CREATING AN XML FILE

- The relevant capture fields on the EMP 501 reconciliation will be validated according to the validation rules mentioned below.
- Certain fields will be pre-populated by the software application according to the information captured on the software.
- The footer particulars consist of the barcodes which will be built from the information captured for the EMP 501 reconciliation.

### 8.3.1 HEADER PARTICULARS

Field name	Explanation	Validation rules
Transaction year	The tax year during which the employer has paid over the employees' tax deducted	<ul style="list-style-type: none"> <li>• Mandatory field.</li> <li>• Numeric field.</li> <li>• Must have 4 characters.</li> <li>• Must be in the format CCYY (C=century, Y=year).</li> <li>• Only valid from 2008.</li> <li>• Cannot be earlier than the <b>current assessment year plus one year.</b></li> </ul>
PAYE ref no.	The reference number of the employer for employees' tax purposes	<ul style="list-style-type: none"> <li>• Mandatory field if the SDL and UIF reference number is not completed.</li> <li>• Numeric field.</li> <li>• Must have 10 characters.</li> <li>• Must be a valid number allocated by SARS.</li> <li>• Number must start with a 7.</li> <li>• <b>The last 9 characters of the number must be the same as the last 9 characters of the SDL or UIF reference number.</b></li> </ul>
SDL ref no.	The reference number of the employer for Skills Development purposes	<ul style="list-style-type: none"> <li>• Mandatory field if the PAYE or UIF reference number is not completed.</li> <li>• Numeric field.</li> <li>• Must have 10 characters.</li> <li>• Number must start with an L.</li> <li>• Must be a valid number allocated by SARS.</li> <li>• <b>The last 9 characters of the number must be the same as the last 9 characters of the SDL or UIF reference number.</b></li> </ul>
UIF ref no.	The reference number of the employer for Unemployment insurance contribution purposes	<ul style="list-style-type: none"> <li>• Mandatory field if the PAYE or SDL reference number is not completed.</li> <li>• Numeric field.</li> <li>• Must have 10 characters.</li> <li>• Number must start with a U.</li> <li>• Must be a valid number allocated by SARS.</li> <li>• <b>The last 9 characters of the number must be the same as the last 9 characters of the SDL or UIF reference number.</b></li> </ul>
Trading	Trading or other name of	<ul style="list-style-type: none"> <li>• Mandatory field.</li> </ul>

Field name	Explanation	Validation rules
name	the employer issuing the IRP 5 / IT 3(a)	<ul style="list-style-type: none"> <li>Alphanumeric field.</li> <li>Not more than 45 characters may be used.</li> </ul>

### 8.3.2 SUMMARY OF EMPLOYER LIABILITY

- The fields for the PAYE, SDL, and UIF liabilities must be captured on the software per month (as indicated on the left) for the relevant transaction year.
- Liability for this purpose means the liability calculated (or recalculated) by the employer irrespective of the liability previously declared on the relevant monthly EMP 201 return. The employer must take into account:
  - any liabilities raised by SARS due to an Audit;
  - any debit assessment raised by SARS which increased the liability; and
  - any credit assessment raised by SARS which decreased the liability.

Field name	Explanation	Validation rules
PAYE	Liability for PAYE for the relevant month indicated on the left	<ul style="list-style-type: none"> <li>Mandatory field if the PAYE reference number is completed.</li> <li>Numeric field.</li> <li>May not have more than 10 characters.</li> <li>Cents must be omitted (decimal in amount is invalid). The employer must round off to the nearest full rand.</li> <li>A nil liability must be indicated with a 0.</li> </ul>
SDL	Liability for SDL for the relevant month indicated on the left	<ul style="list-style-type: none"> <li>Mandatory field if the SDL reference number is completed.</li> <li>Numeric field.</li> <li>May not have more than 8 characters.</li> <li>Cents must be omitted (decimal in amount is invalid). The employer must round off to the nearest full rand.</li> <li>A nil liability must be indicated with a 0.</li> </ul>
UIF	Liability for UIF for the relevant month indicated on the left	<ul style="list-style-type: none"> <li>Mandatory field if the UIF reference number is completed.</li> <li>Numeric field.</li> <li>May not have more than 8 characters.</li> <li>Cents must be omitted (decimal in amount is invalid). The employer must round off to the nearest full rand.</li> <li>A nil liability must be indicated with a 0.</li> </ul>
Total monthly liability	The sum total of the PAYE, SDL and UIF liability for the relevant month indicate on	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Numeric field.</li> </ul>

Field name	Explanation	Validation rules
	the left	<ul style="list-style-type: none"> <li>May not have more than 10 characters.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>A nil liability must be indicated with a 0.</li> <li>Must be equal to the sum total of the PAYE, SDL and UIF liability completed for the relevant month.</li> </ul>
Total payments iro liabilities	The sum total of all payments made in respect of the relevant total liability (PAYE, SDL and UIF) for the relevant month indicated on the left	<ul style="list-style-type: none"> <li>Mandatory field if any payment has been made for the specific month on the left.</li> <li>Numeric field.</li> <li>May not have more than 10 characters.</li> <li>Cents must be omitted (decimal in amount is invalid). The employer must round off to the nearest full rand.</li> <li>No payment must be indicated with a 0.</li> <li>This amount must exclude any additional tax, interest and penalties paid for the relevant month.</li> </ul>
Annual Total (field 1)	The sum total of all the figures completed for the 12 months in respect of PAYE	<ul style="list-style-type: none"> <li>Mandatory field if any liability has been completed in any one of the 12 fields above for PAYE.</li> <li>Numeric field.</li> <li>May not have more than 10 characters.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>A nil liability must be indicated with a 0.</li> <li>Must be equal to the sum total of all the liabilities completed for the 12 months in respect of the relevant tax type.</li> </ul>
Annual Total (field 2)	The sum total of all the figures completed for the 12 months in respect of SDL	<ul style="list-style-type: none"> <li>Mandatory field if any liability has been completed in any one of the 12 fields above for SDL.</li> <li>Numeric field.</li> <li>May not have more than 8 characters.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>A nil liability must be indicated with a 0.</li> <li>Must be equal to the sum total of all the liabilities completed for the 12 months in respect of the relevant tax type.</li> </ul>
Annual Total (field 3)	The sum total of all the figures completed for the 12 months in respect of UIF	<ul style="list-style-type: none"> <li>Mandatory field if any liability has been completed in any one of the 12 fields above for UIF.</li> <li>Numeric field.</li> <li>May not have more than 8 characters.</li> </ul>

Field name	Explanation	Validation rules
		<ul style="list-style-type: none"> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>A nil liability must be indicated with a 0.</li> <li>Must be equal to the sum total of all the liabilities completed for the 12 months in respect of the relevant tax type.</li> </ul>
Annual Total (field 4)	The sum total of field 1, 2 and 3	<ul style="list-style-type: none"> <li>Mandatory field if any liability has been completed in either field 1, 2 or 3.</li> <li>Numeric field.</li> <li>May not have more than 10 characters.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>A nil liability must be indicated with a 0.</li> <li>Must be equal to the sum of field 1, 2 and 3.</li> </ul>
Difference: Annual & certificate values (field 5)	The difference between field 1 and 9	<ul style="list-style-type: none"> <li>Mandatory field if any amount has been completed in field 1 or 9.</li> <li>Numeric field.</li> <li>May not have more than 10 characters.</li> <li>A nil difference must be indicated with a 0.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>Must be equal to the result of field 9 less field 1.</li> <li>Must show the – (minus) sign if the calculation is calculated as a loss (total of field 9 – total of field 1).</li> </ul>
Difference: Annual & certificate values (field 6)	The difference between field 2 and 10	<ul style="list-style-type: none"> <li>Mandatory field if any amount has been completed in field 2 or 10.</li> <li>Numeric field.</li> <li>May not have more than 8 characters.</li> <li>A nil difference must be indicated with a 0.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>Must be equal to the result of field 10 less field 2.</li> </ul>
Difference: Annual & certificate values (field 7)	The difference between field 3 and 11	<ul style="list-style-type: none"> <li>Mandatory field if any amount has been completed in field 3 or 11.</li> <li>Numeric field.</li> <li>May not have more than 8 characters.</li> <li>A nil difference must be indicated with a 0.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> </ul>

Field name	Explanation	Validation rules
		<ul style="list-style-type: none"> <li>Must be equal to the result of field 11 less field 3.</li> </ul>
Difference: Annual & certificate values (field 8)	The sum of field 5, 6 and 7	<ul style="list-style-type: none"> <li>Mandatory field if any amount has been completed in field 5, 6 or 7.</li> <li>Numeric field.</li> <li>May not have more than 8 characters.</li> <li>A nil difference must be indicated with a 0.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>Must be equal to the sum of field 5, 6 and 7.</li> <li>Must show the – (minus) sign if the calculation is calculated as a loss.</li> </ul>
Total value of tax certificates (field 9)	The sum total of field 12 and 13	<ul style="list-style-type: none"> <li>Mandatory field if any liability has been completed in either field 12 or 13.</li> <li>Numeric field.</li> <li>May not have more than 10 characters.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>A nil value must be indicated with a 0.</li> <li>Must be equal to the sum total of field 12 and 13.</li> </ul>
Total value of tax certificates (field 10)	The sum total of the SDL calculated liability amount per certificate according to the software application.	<ul style="list-style-type: none"> <li>Optional field.</li> <li>Mandatory if SDL value has been specified for any month.</li> <li>Numeric field.</li> <li>May not have more than 8 characters.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>No value must be indicated with a 0.</li> <li>The employer has the option to change the relevant amount pre-populated by the software before creating the relevant XML data file if he / she does not agree with the amount.</li> </ul>
Total value of tax certificates (field 11)	The sum total of the UIF calculated liability amount per certificate according to the software application.	<ul style="list-style-type: none"> <li>Optional field.</li> <li>Mandatory if UIF value has been specified for any month.</li> <li>Numeric field.</li> <li>May not have more than 8 characters.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>A nil value must be indicated with a 0.</li> </ul>

Field name	Explanation	Validation rules
		<ul style="list-style-type: none"> <li>The employer has the option to change the relevant amount pre-populated by the software before creating the relevant XML data file if he / she does not agree with the amount.</li> </ul>
Total value of electronic tax certificates (field 12)	The sum total of the total tax completed on each electronic IRP 5 / IT 3(A) issued by the employer	<ul style="list-style-type: none"> <li>Mandatory field if any liability has been completed in the PAYE column and the total value of manual tax certificates field has not been completed.</li> <li>Numeric field.</li> <li>May not have more than 10 characters.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>A nil value must be indicated with a 0.</li> <li>Must be equal to the sum total of the total tax amount (4103 + 4115) on all electronic IRP 5 / IT 3(a) certificates issued by the employer which has not been cancelled.</li> <li>The tax amount of manual certificates captured on the software application will be part of this total.</li> </ul>
Total value of manual tax certificates (field 13)	The sum total of the total tax completed on each manual IRP 5 / IT 3(a) issued by the employer	<ul style="list-style-type: none"> <li>Mandatory field if any liability has been completed in the PAYE column and the total value of electronic tax certificates field has not been completed.</li> <li>Numeric field.</li> <li>May not have more than 10 characters.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>A nil value must be indicated with a 0.</li> <li>Must be equal to the sum total of the total tax amount (4103 + 4115) on all manual IRP 5 / IT 3(a) pre-printed certificates issued by the employer which has not been cancelled and captured on the software application.</li> </ul>
Annual total (field 14)	The sum total of all the figures completed for the 12 months in respect of Total payments	<ul style="list-style-type: none"> <li>Mandatory field if any amount has been completed in any one of the 12 fields above for payments.</li> <li>Numeric field.</li> <li>May not have more than 10 characters.</li> <li>Cents must be omitted (decimal in amount is invalid).</li> <li>No payments must be indicated with a 0.</li> <li>Must be equal to the sum total of all the payments completed for the 12 months.</li> </ul>
Declared liability (field 15)	The sum total of field 4 and 8	<ul style="list-style-type: none"> <li>Mandatory field if any amount has been completed in any of the annual total fields.</li> <li>Numeric field.</li> </ul>

Field name	Explanation	Validation rules
		<ul style="list-style-type: none"> <li>• May not have more than 10 characters.</li> <li>• Cents must be omitted (decimal in amount is invalid).</li> <li>• A nil value must be indicated with a 0.</li> <li>• Must be equal to the sum of field 4 and 8.</li> </ul>
Due by / to you (field 16)	The difference between field 14 and 15	<ul style="list-style-type: none"> <li>• Mandatory field if any amount has been completed in either field 1, 2, 3 or 14.</li> <li>• Numeric field.</li> <li>• May not have more than 10 characters.</li> <li>• Cents must be omitted (decimal in amount is invalid).</li> <li>• A nil difference must be indicated with a 0.</li> <li>• Must be equal to the result of field 15 less field 14.</li> </ul>

### 8.3.3 DECLARATION

- This section of the form must be completed on the printed EMP 501 reconciliation if the XML file is not submitted via eFiling with the relevant functionality.
- The declaration on the EMP 501 reconciliation consists of the date, employer signature and a declaration.
- When completing this section on the relevant printed form it means that the employer certifies that:
  - the reconciliation is correct and that all tax deducted or required to be deducted has been declared;
  - all payments declared have been made; and
  - any liability for payment of any difference due, will be paid.

Field name	Explanation	Validation rules
Date	Date when the employer signs the declaration	<ul style="list-style-type: none"> <li>• Mandatory field.</li> <li>• Numeric field.</li> <li>• Must be in the format CCYYMMDD (C=century, Y=year, M=month, D=day).</li> <li>• Must have 8 characters.</li> <li>• Date cannot be later than the current date.</li> </ul>
Employer signature	Signature of the employer	<ul style="list-style-type: none"> <li>• Mandatory field.</li> <li>• Text field.</li> </ul>

### 8.3.4 FOOTER PARTICULARS

- This section contains the barcodes which are built from the information entered electronically on the relevant form.

## 9 EMP 601

### 9.1 ISSUE AND SUBMISSION OF EMP 601

- Manual EMP 601 forms are available and can be requested by a registered employer from any SARS branch office.
- A copy of the manual EMP 601 submitted to SARS must be retained by the employer for a period of 5 years.
- The software application does not generate the EMP 601 when any certificates are cancelled on the software application.

### 9.2 COMPLETION OF EMP 601

- A manual EMP 601 will not be accepted by SARS if all the relevant mandatory fields are not completed or the declaration has not been dated and signed by the employer.
- An EMP 601 form must always be completed and submitted if any IRP 5 / IT 3(a) certificate already submitted to SARS with the relevant EMP 501 reconciliation, is cancelled by the employer.

### 9.3 EXAMPLE OF AN EMP 601

### 9.4 VALIDATION RULES FOR COMPLETING AN EMP 601

#### 9.4.1 HEADER PARTICULARS

Field name	Explanation	Validation rules
Transaction year	The transaction year corresponding with the transaction year of the EMP 501	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Numeric field.</li> <li>Must have 4 characters.</li> <li>Must be in the format CCYY (C=century, Y=year).</li> <li>Must be the same as the transaction year of the</li> </ul>

Field name	Explanation	Validation rules
		EMP 501 submitted by the employer in respect of the relevant tax certificates.
PAYE ref no.	The reference number of the employer for employees' tax purposes	<ul style="list-style-type: none"> <li>• Mandatory field if the SDL reference number is not completed.</li> <li>• Numeric field.</li> <li>• Must have 10 characters.</li> <li>• Number must start with a 7.</li> <li>• Must be a valid number allocated by SARS.</li> </ul>
Trading name	Trading or other name of the employer issuing the IRP 5 / IT 3(A)	<ul style="list-style-type: none"> <li>• Mandatory field.</li> <li>• Alphanumeric field.</li> <li>• Not more than 70 characters may be used.</li> </ul>

#### 9.4.2 INDIVIDUAL CERTIFICATES

- Certificate numbers of individual cancelled certificates must be completed in this section.

Field name	Explanation	Validation rules
Certificate number	The certificate number of the individual certificate which is cancelled by the employer	<ul style="list-style-type: none"> <li>• Mandatory field if no field in the Certificate range section is completed.</li> <li>• Format of field: <ul style="list-style-type: none"> <li>▫ 2 alphanumeric characters followed by 6 numeric characters;</li> <li>▫ 1 alphanumeric character followed by 7 numeric characters; or</li> <li>▫ 8 numeric characters.</li> </ul> </li> </ul>

#### 9.4.3 CERTIFICATE RANGES

- If sequential certificate numbers within a range are cancelled, it must be completed in this section.

Field name	Explanation	Validation rules
From number	The first certificate number in the range cancelled by the employer	<ul style="list-style-type: none"> <li>• Mandatory field if no field in the Individual certificate section is completed.</li> <li>• Format of field: <ul style="list-style-type: none"> <li>▫ 2 alphanumeric characters followed by 6 numeric characters;</li> <li>▫ 1 alphanumeric character followed by 7 numeric characters; or</li> <li>▫ 8 numeric characters.</li> </ul> </li> <li>• Must be the first certificate number in the specific certificate range.</li> </ul>
To number	The last certificate number in the range cancelled by the employer	<ul style="list-style-type: none"> <li>• Mandatory field if no field in the Individual certificate section is completed.</li> <li>• Format of field:</li> </ul>

Field name	Explanation	Validation rules
		<ul style="list-style-type: none"> <li>▫ 2 alphanumeric characters followed by 6 numeric characters;</li> <li>▫ 1 alphanumeric character followed by 7 numeric characters; or</li> <li>▫ 8 numeric characters.</li> </ul> <ul style="list-style-type: none"> <li>• Must be the last certificate number in the specific certificate range.</li> </ul>

#### 9.4.4 DECLARATION

- The declaration on the EMP 601 consists of the date, employer signature and a declaration.
- These fields must be completed as the employer must certify that the particulars furnished are true and correct.

Field name	Explanation	Validation rules
Signature	Signature of the employer	<ul style="list-style-type: none"> <li>• Mandatory field.</li> <li>• Text field.</li> </ul>
Date	Date when the employer signs the declaration	<ul style="list-style-type: none"> <li>• Mandatory field.</li> <li>• Numeric field.</li> <li>• Must be in the format CCYYMMDD (C=century, Y=year, M=month, D=day).</li> <li>• Must have 8 characters.</li> <li>• Date cannot be later than the current date.</li> </ul>

## 10 EMP 701

- SARS has introduced a new EMP701 form to accommodate for Employers who want to make adjustments to prior year Reconciliations which will be applicable as of the 2009 tax year.
- As mentioned above the purpose of the EMP701 is to provide Employers with the opportunity to make adjustments to prior year Reconciliations. The following data can be adjusted on the EMP701:
  - **Employer PAYE, SDL and UIF Liabilities:** Liabilities can be changed by the specification of the original declared liability, the new declared liability and the difference between the above mentioned liability values; and
  - **Employer PAYE, SDL and UIF Payments:** Payments can be changed by the specification of the original declared payment, the new declared payment and the difference between the above mentioned payment values.

### 10.1 COMPLETION OF EMP 701

- The same transaction year cannot be used more than once for an adjustment on a single form.
- Where the system detects that an EMP501 or an EMP701 was created and submitted to SARS and the employer capture or modify a certificate for the specific transaction year, the values for purposes of submitting the adjusted declaration values on the EMP 701, will be pre-populated by the system.
- Where no EMP 701 was submitted previously for the relevant transaction year to which the adjustment relates:

- The certificate values declared on the previous EMP 501 must be the same values declared on the EMP 701 in the fields next to the heading “Previous declaration”.
- Where an EMP 701 was submitted previously for the relevant transaction to which the adjustment relates
- The values declared in the fields next to the heading “Adjusted declaration” on the previous submitted EMP 701 must be the same values declared on the EMP 701 in the fields next to the heading “Previous declaration”.
- The adjusted declaration values on the latest submitted EMP 701 become the previous declaration amount going forward.
- The difference must be reflected as the result of the “Previous declaration” value less the “Adjusted declaration” value. If this result is negative, the – (minus) sign must be reflected in front of the value.
- The EMP 701 will be rejected by SARS if the values completed in the “Previously declaration” fields are not equal to the values declared on the latest submitted EMP 501 or EMP 701 in respect of that transaction year.
- **Example for completing an EMP 701:** The scenarios detailed below refer to the EMP 501 reflected in this example as the initial EMP 501 submitted by the Employer.

The image shows two SARS forms: an Employer Reconciliation Declaration (EMP501) for the 2007 transaction year and a Reconciliation Declaration Adjustment (EMP701) for the 2009 transaction year. Red circles and arrows highlight the flow of data from the 2007 form to the 2009 form.

**EMP501 (2007) Data:**

- Annual Total: 161770887
- Difference - Liability & Certificate Values: 75376
- Total Value of Tax Certificates: 161846263
- Declared Liability: 161852940
- Due By / To You: 7853514
- SDL: 4539
- UIF: 2138
- Annual Total of Payments: 153999426

**EMP701 (2009) Data:**

Transaction Year	PAYE	SDL	UIF	Total	Payment
Previous Declaration	161846263	4539	2138	161852940	153999426
Difference	50000	200	123	50323	5000000
Adjusted Declaration	161896263	4739	2261	161903263	158999426

Red arrows indicate that the values from the 2007 form (Total Value of Tax Certificates, SDL, UIF, Declared Liability, and Annual Total of Payments) are used to populate the corresponding fields in the 2009 form's 'Previous Declaration' row.

- The employer previously submitted an EMP 501 for 2007 transaction year. The certificate values were declared as:
  - PAYE: Total value of tax certificates is: R161 846 263;
  - SDL: Total value of tax certificates is: R4 539;
  - UIF: Total value of tax certificates is: R2 138; and
  - Payments: Annual total of payments is: R153 999 426.

- During the 2009 transaction year the employer adjusted the certificate values in respect of the 2007 EMP 501 as follows:
  - PAYE: Total value of tax certificates is: R161 896 263;
  - SDL: Total value of tax certificates is: R4 739;
  - UIF: Total value of tax certificates is: R2 261; and
  - Payments: Annual total of payments is: R158 999 426.
- The employer originally had a shortfall with the 2007 reconciliation declaration of R7 853 514 (liability less payments).
- The employer paid an additional amount of R5 000 000 in respect of the 2007 liability and after the adjustments of the certificate values (R50 000 + R200 + R123 = R50 323), the amount due to SARS result in R2 903 837.

## 10.2 EXAMPLE OF AN EMP 701

SARS		Transaction Year (CCYY)	Reconciliation Declaration Adjustment				EMP701
Trading or Other Name		PAYE Ref No.	SDL Ref No.	UIF Ref No.		Number of Years with Adjustments	
						02	
<b>Adjustment Declaration</b> EMPADJ01							
Transaction Year	Liability				Payment		
	PAYE	SDL	UIF	Total			
Previous Declaration							
Difference							
Adjusted Declaration							
						Due By / To You	
<b>Adjustment Declaration</b> EMPADJ02							
Transaction Year	Liability				Payment		
	PAYE	SDL	UIF	Total			
Previous Declaration							
Difference							
Adjusted Declaration							
						Due By / To You	
<b>Sum of Adjusted Declaration(s)</b> EMPSUM01							
	PAYE	SDL	UIF	Total	Payment		
						Total Due By / To You	
<b>Declaration</b>							
Date (CCYYMMDD)	Signature			I hereby declare that this reconciliation is true and correct and that all tax, levies and contributions required to be deducted has been declared and all payments declared have been made. I hereby accept liability for any difference due.			
For enquiries go to www.sars.gov.za or call 0860 12 12 18							

## 10.3 VALIDATION RULES FOR COMPLETING AN EMP 701

### 10.3.1 HEADER

Field name	Explanation	Validation rules
Transaction year	The transaction year in respect of which the employer is declaring the adjustment	<ul style="list-style-type: none"> <li>• Mandatory field.</li> <li>• Numeric field.</li> <li>• Must have 4 characters.</li> <li>• Must be in the format CCYY (C=century, Y=year).</li> <li>• Must be the same as the transaction year of the EMP 501 submitted by the employer in respect of the relevant tax certificates.</li> </ul>

Field name	Explanation	Validation rules
		<ul style="list-style-type: none"> <li>Cannot be a transaction year prior to 1999.</li> <li>Cannot be greater than current year plus one year.</li> </ul>
PAYE ref no.	The reference number of the employer for employees' tax purposes	<ul style="list-style-type: none"> <li>Mandatory field if the SDL and UIF reference number is not completed.</li> <li>Numeric field.</li> <li>Must have 10 characters.</li> <li>Must be a valid number allocated by SARS.</li> <li>Number must start with a 7.</li> <li>The last 9 characters of the number must be the same as the last 9 characters of the SDL or UIF reference number.</li> </ul>
SDL ref no.	The reference number of the employer for Skills Development purposes	<ul style="list-style-type: none"> <li>Mandatory field if the PAYE or UIF reference number is not completed.</li> <li>Numeric field.</li> <li>Must have 10 characters.</li> <li>Number must start with an L.</li> <li>Must be a valid number allocated by SARS.</li> <li>The last 9 characters of the number must be the same as the last 9 characters of the PAYE or UIF reference number.</li> </ul>
UIF ref no.	The reference number of the employer for Unemployment insurance contribution purposes	<ul style="list-style-type: none"> <li>Mandatory field if the PAYE or SDL reference number is not completed.</li> <li>Must have 10 characters.</li> <li>Number must start with a U.</li> <li>Must be a valid number allocated by SARS.</li> <li>The last 9 characters of the number must be the same as the last 9 characters of the PAYE or SDL reference number.</li> </ul>
Trading or Other name	Trading or other name of the employer issuing EMP 701	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Alphanumeric field.</li> <li>Not more than 45 characters may be used.</li> </ul>
Number of years with Adjustments	Number of years with Adjustments	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Only numeric fields up to and including 29 can be specified.</li> </ul>

### 10.3.2 ADJUSTMENT DECLARATION

Field name	Explanation	Validation rules
Transaction year	The transaction year for which the employer is declaring the adjustment	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Numeric field.</li> <li>Must have 4 characters.</li> <li>The same year cannot be used more</li> </ul>
Liability: PAYE	This column contains the PAYE amounts that pertain to the adjustment. The column consists of 3 values positioned below each other; the value that was previously declared, the correct value that should have been declared and the difference between these two values.	<ul style="list-style-type: none"> <li>Mandatory fields if adjustment to PAYE liability is required.</li> <li>Numeric field.</li> <li>Not more than 10 characters may be used.</li> </ul>
Liability: SDL	This column contains the SDL amounts that pertain to the adjustment. The column consists of 3 values positioned below each other; the value that was previously declared, the correct value that should have been declared and the difference between these two values.	<ul style="list-style-type: none"> <li>Mandatory fields if adjustment to SDL liability is required.</li> <li>Numeric field.</li> <li>Not more than 8 characters may be used.</li> </ul>
Liability: UIF	This column contains the UIF amounts that pertain to the adjustment. The column consists of 3 values positioned below each other; the value that was previously declared, the correct value that should have been declared and the difference between these two values.	<ul style="list-style-type: none"> <li>Mandatory fields if adjustment to UIF liability is required.</li> <li>Numeric field.</li> <li>Not more than 8 characters may be used.</li> </ul>
Total	This column contains the TOTAL amounts that pertain to the adjustment. The column consists of 3 values positioned below each other; the value that was previously declared, the correct value that should have been declared and the difference between these two values.	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Numeric field.</li> <li>Not more than 10 characters may be used.</li> </ul>
Payment	This column contains the PAYMENT amounts that pertain to the adjustment. The column consists of 3 values positioned below	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Numeric field.</li> <li>Not more than 10 characters may be used.</li> </ul>

Field name	Explanation	Validation rules
	each other; the value that was previously declared, the correct value that should have been declared and the difference between these two values.	

### 10.3.3SUM OF ADJUSTMENTS

Field name	Explanation	Validation rules
Total PAYE	Total of PAYE = PAYE difference container 1 + PAYE difference container 2	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Numeric field.</li> <li>Not more than 10 characters may be used.</li> </ul>
Total SDL	Total of SDL = SDL difference container 1 + SDL difference container 2	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Numeric field.</li> <li>Not more than 8 characters may be used.</li> </ul>
Total UIF	Total of UIF = UIF difference container 1 + UIF difference container 2	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Numeric field.</li> <li>Not more than 8 characters may be used.</li> </ul>
Total	Total = Total difference container 1 + Total difference container 2	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Numeric field.</li> <li>Not more than 10 characters may be used.</li> </ul>
Total payment	Total = Payment difference container 1 + Payment difference container 2	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Numeric field.</li> <li>characters may be used.</li> </ul>

### 10.3.4DECLARATION

- The declaration on the EMP 701 consists of the date, employer signature and a declaration.
- These fields must be completed as the employer must certify that the particulars furnished are true and correct.

Field name	Explanation	Validation rules
Signature	Signature of the employer	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Text field.</li> </ul>
Date	Date when the employer signs the declaration	<ul style="list-style-type: none"> <li>Mandatory field.</li> <li>Numeric field.</li> <li>Must be in the format CCYYMMDD (C=century, Y=year, M=month, D=day).</li> <li>Must have 8 characters.</li> <li>Date cannot be later than the current date.</li> </ul>

## 10.4 ISSUE AND SUBMISSION OF EMP 701

- A copy of the EMP 701 submitted to SARS must be retained by the employer for a period of 5 years.

## 11 QUALITY RECORDS

Number	Title
IRP 5 / IT 3(a)	Employee tax certificate
EMP 201	Monthly return for remittance
EMP 501	Employer reconciliation declaration
EMP 601	Certificate cancellation declaration
<b>EMP 701</b>	<b>Reconciliation Declaration Adjustment</b>
IT	Indication that the relevant income is only subject to income tax when the final tax liability is determined on assessment
PAYE	Indication that the relevant income is subject to the deduction of employees' tax and are subject to income tax when the final tax liability is determined on assessment

## 12 DOCUMENT MANAGEMENT

Designation	Name / Division
Business Owner:	GM Policy and Standards
Policy Owner:	GM Policy and Standards
Author:	Rhona Ford
Detail of change from previous revision:	Add process for EMP 701
Template number and revision	POL-TM-07 - Rev 3