

# Current challenges and changes to the employment tax returns (PAYE, UIF, SDL- EMP201, EMP501, ETI) .



The image shows a screenshot of the e@syFile Employer software interface. The background is a blue gradient with faint circular patterns. On the left, there is a vertical navigation menu with the following items: HOME, Notification Centre, Action Centre, REGISTRATION, eFiling Registration, IMPORT, Import/Export Payroll File, EMPLOYEE ADMIN, View/Edit Employees, MONTHLY PROCESS, PAYE, Payments, RECONCILIATION, PAYE Dashboard, Declaration, Cancel Certificate Range, Adjustments, Summary Report, SUBMISSION, Submit to SARS, THIRD PARTY APPOINTMENTS, Third Party Appointments, EMPLOYER ADMIN, View/Edit/Change, UTILITIES, Utilities, Synchronise Application, and HELP, Application Help, Update, Log off. On the right, there is a large white box with the e@syFile logo and a mouse cursor icon. Below the logo, it says 'Employer' and 'Version 712.44.0'. Below this, there is a yellow button that says 'Welcome to e@syFile' and a blue button that says 'Employer'. Below the buttons, there is a paragraph of text: 'This software has been developed to help you, the employer, to do your PAYE reconciliations correctly, efficiently and in a more user-friendly way.' Below this, there is another paragraph: 'With this software you can do all your PAYE reconciliations offline and then upload your information when you are fully reconciled and ready to submit.' Below this, there is a final paragraph: 'Welcome to a new and easier way of reconciling. SARS. At Your Service.'

HOME

Notification Centre

Action Centre

REGISTRATION

eFiling Registration

IMPORT

Import/Export Payroll File

EMPLOYEE ADMIN

View/Edit Employees

MONTHLY PROCESS

PAYE

Payments

RECONCILIATION

PAYE Dashboard

Declaration

Cancel Certificate Range

Adjustments

Summary Report

SUBMISSION

Submit to SARS

THIRD PARTY APPOINTMENTS

Third Party Appointments

EMPLOYER ADMIN

View/Edit/Change

UTILITIES

Utilities

Synchronise Application

HELP

Application Help

Update

Log off

**e@syFile™**

Employer

Version 712.44.0

Welcome to e@syFile Employer

This software has been developed to help you, the employer, to do your PAYE reconciliations correctly, efficiently and in a more user-friendly way.

With this software you can do all your PAYE reconciliations offline and then upload your information when you are fully reconciled and ready to submit.

Welcome to a new and easier way of reconciling. SARS. At Your Service.

# Relevant information

[Pay As You Earn | South African Revenue Service \(sars.gov.za\)](https://sars.gov.za)

[Registering for Employees' Tax \(PAYE\)](#)

[How to register for PAYE on eFiling](#)

[Completing and Submitting Employer Declarations](#)

[Managing your Employer Account](#)

[Reconciliations](#)

[Statutory Rates and Tables](#)

[Guidelines for Third Party Appointments \(AA88\)](#)

[Employment Tax Incentive \(ETI\)](#)

[e@syFile™](#)

[Client Information System](#)

[Employment Taxes Validation \(ETV\)](#)



# Relevant information

- [EMP-GEN-02-G01 – A Guide to the Employer Reconciliation Process – External Guide](#)
- [EMP101e – Application for Registration PAYE SDL UIF – External Form](#)
- [EMP102e – Application for Separate Registration of Business or Branch – External Form](#)
- [EMP123 – Application for Cancellation of Registration of a Person iro All His Business – External Form](#)
- [EMP123T – Application for the Cancellation of Registration of a Separately Registered Business – External Form](#)
- [EMP128 – Confirmation of Partnership – External Form](#)
- [LAPD-ETI-G01 – Guide to the Employment Tax Incentive](#)
- [LAPD-Gen-G01 – Taxation in South Africa](#)
- [LAPD-Gen-G02 – Guide for Tax Rates Duties Levies](#)
- [LAPD-Gen-G08 – Guide on the Taxation of Professional Sports Clubs and Players](#)
- [LAPD-IT-G05 – Guide on the Employers Tax Responsibilities wrt Artists Models or Crew in the Film Industry](#)
- [LAPD-IT-G19 – Comprehensive Guide to Dividends Tax](#)
- [LAPD-IT-G24 – Guide on Mutual Agreement Procedures](#)
- [LAPD-IT-G25 – Guide to the Exemption from normal tax of income from films](#)
- [LAPD-VAT-G12 – VAT and PAYE NonExecutive Directors FAQs on BGRs 40 and 41](#)
- [PAYE-AE-06-G06 – Guide for Codes Applicable to Employees Tax Certificates 2022 – External Guide](#)
- [PAYE-AE-06-G07 – Guide for Validation Rules Applicable to Reconciliation Declarations 2022 – External Guide](#)
- [PAYE-AE-06-G08 – Guide for Completion and Submission of Employees Tax Certificates 2022 – External Guide](#)
- [PAYE-BO-SOP01-L03 – Application for Determination of Residential Benefit Value – EMPRB External form](#)
- [PAYE-GEN-01-G01 – Guide for Employers in respect of Tax Deduction Tables – External Guide](#)
- [PAYE-GEN-01-G02 – Guide for Employers in respect of Fringe Benefits – External Guide](#)
- [PAYE-GEN-01-G03 – Guide for Employers in respect of Allowances – External Guide](#)
- [PAYE-GEN-01-G04 – Guide for Employers iro Employees Tax for 2015 – External Guide](#)
- [PAYE-GEN-01-G05 – Guide for Employers in respect of Employment Tax Incentive – External Guide](#)
- [PAYE-GEN-01-G10 – Guide for Employers iro Employees Tax for 2016 – External Guide](#)
- [PAYE-GEN-01-G11 – Guide for Employers iro Employees Tax for 2018 – External Guide](#)
- [PAYE-GEN-01-G12 – Guide for Employers iro Employees Tax for 2017 – External Guide](#)
- [PAYE-GEN-01-G13 – Guide for Employers iro Employees Tax for 2019 – External Guide](#)
- [PAYE-GEN-01-G14 – Guide for Employers iro Employees Tax for 2020 – External Guide](#)
- [PAYE-GEN-01-G15 – Guide for Employers iro Employees Tax for 2021 – External Guide](#)
- [PAYE-GEN-01-G16 – Guide for Employers iro Employees Tax for 2022 – External Guide](#)
- [PAYE-GEN-01-G17 – Guide for Employers iro Employees Tax for 2023 – External Guide](#)
- [SDL-GEN-01-G01 – Guide for Employers in respect of Skills Development Levy – External Guide](#)
- [UIF-GEN-01-G01 – Guide for Employers in respect of the Unemployment Insurance Fund – External Guide](#)
- [VDP-EMP-01-G01 – Guide for Treatment of PAYE for VDP Purposes – External Guide](#)

# Relevant information

[Income Tax Act, 1962](#)

Business Requirement Specification	Year Applicable	Submission dates*
<a href="#"><u>BRS – PAYE Employer Reconciliation for 2022-2023</u></a>	2023 Annual Employer Reconciliation (1 March 2022 – 28 February 2023)	<b>Interim:</b> 12 Sep – 31Oct 2022
<a href="#"><u>BRS – PAYE Employer Reconciliation for 2021 / 2022</u></a>	2022 Annual Employer Reconciliation (1 March 2021 – 28 February 2022)	<b>Interim:</b> 13 Sep – 31 Oct 2021 <b>Annual:</b> 1 Apr – 31 May 2022

# Overview of the employment tax processes

- Monthly checks and processes
- Bi-annual checks and processes
- **Reporting checks and processes**
- *Ad hoc* checks and processes
- Timing of payments and matching data and calculations to the appropriate periods
- Reconcile right calculation, payment, periods, persons
- Ensure correct reporting



# What to check after bi-annual reporting (submission)

PAYE Dashboard

The status of your submission

Employment Tax Validation files

Verification notice

Audit notice



# What to look out for after a bi-annual reporting (submission)

- PAYE Dashboard on easyfile under reconciliation

**IMPORT**

- Import/Export Payroll File

**EMPLOYEE ADMIN**

- View/Edit Employees

**MONTHLY PROCESS**

- PAYE
- Payments

**RECONCILIATION**

- PAYE Dashboard
- Declaration
- Cancel Certificate Range

**EMP201 Returns and Payments allocated**

Item	Amount
Payments Allocated	R2,912,058.88
Difference	R0.00

**Certificates**

Item	Amount
Certificates received by SARS	R2,912,058.88
Difference	R0.87

**EMP201 and EMP501 liabilities**

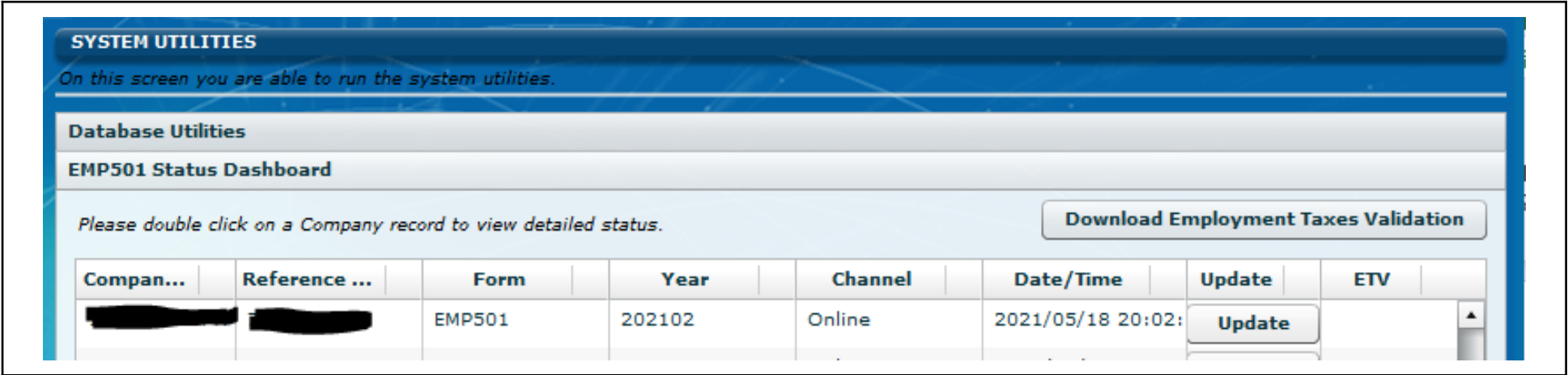
Item	Amount
EMP201 Liabilities	R2,912,058.88
EMP501 Liabilities	R2,912,058.88
Difference	R0.00

**Certificates received and payments allocated**

Item	1 ▲	Amount
Certificates received by SARS		R2,912,058.88
Payments Allocated		R2,912,058.88
Difference		R0.00

# What to look out for after a bi-annual reporting (submission)

- EMP501 Dashboard on easyfile under utilities



- Download the ETV file and save it
- Click on update to view the status of your submission

Cert Number	Form Type	Response
7 [REDACTED]	EMP501	Please note that your return has been successfully submitted
7 [REDACTED]	EMP501	Declaration Processed
7 [REDACTED]	EMP501	[PAYE] Please note that your reconciliation has been finalised.

**Status Update**    SEE SOLUTIONS    7530803375    EMP501    202102    Online    2021/03/25 10:14    Update

Cert Number	Form Type	Response
[REDACTED]	EMP501	EMP501 reconciliation processed. Please check your compliance status
[REDACTED]	EMP501	Recon Failed Compliance

Update from SLS

Close

# What to check after bi-annual reporting (submission)



- eFiling, emails and sms

SARS Correspondence

Search Correspondence

PAYE Maintenance

EMP501 Letters

		EMP501 - Submission	2021	2021/05/27 12:23:07 PM	Payroll Taxes Validation Failure	<a href="#">View</a>
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# What to check after bi-annual reporting (submission)

- eFiling

## **EMPLOYMENT TAX CERTIFICATE VALIDATION FEEDBACK**

The EMP501 reconciliation submitted for 202102 has been successfully processed. However, SARS identified discrepancies on one or more of the IRP5/IT3(a) certificates that you submitted. A file containing the problematic certificates has been sent to the channel from which it was submitted.

To view the file on:

- e@syFile: The file can be found on the EMP501 Status Dashboard
- eFiling: The file can be found on the EMP501 work page

Where required, please rectify the incorrect certificate(s), and resubmit to SARS.

For more detail visit the SARS website at:

[https://www.sars.gov.za/TaxTypes/PAYE/Pages/Employment-Taxes-Validation-\(ETV\).aspx](https://www.sars.gov.za/TaxTypes/PAYE/Pages/Employment-Taxes-Validation-(ETV).aspx)

Should you have any queries, please call the SARS Contact Centre on 0800 00 7277. Remember to have your taxpayer reference number at hand when you call to enable us to assist you promptly.

## **VERIFICATION OF DECLARATION(S)**

The South African Revenue Service (SARS) has identified the declaration(s) for the following tax period(s), for verification: 201908

Please review your EMP501 declaration(s) against your relevant Payroll calculations and relevant material. If any errors are detected you can correct them by submitting a revised EMP501 reconciliation via eFiling or e@syFile

Where you did not detect errors, submit the following relevant material for the above period(s):

- Monthly Payroll Analysis report for the above tax period(s).
- Reasons for the variances and/or discrepancies.
- Detailed schedule of Employment Tax Incentive (ETI) claimed, if applicable.
- Any additional relevant material to support the variances and/or discrepancies identified.

Relevant material may be submitted via eFiling or e@syFile.

# What to check after bi-annual reporting (submission)

## eFiling

UPLOADED DOCUMENTS

Document Name	File Size	Success	File Status	Date / Time Uploaded	Open	Remove
2020_08_ MONTHLY ANALYSIS REPORT1.pdf	835		Converted and stored	2021/06/10 01:42:42 PM	<a href="#">View</a>	<input type="checkbox"/>
2020_08_ ETI DETAILED REPORT1.pdf	2075		Converted and stored	2021/06/10 01:44:48 PM	<a href="#">View</a>	<input type="checkbox"/>
Reason for variances.pdf	34		Converted and stored	2021/06/10 01:45:10 PM	<a href="#">View</a>	<input type="checkbox"/>
2020_08_ █████_EMP501.pdf	269		Converted and stored	2021/06/10 01:45:30 PM	<a href="#">View</a>	<input type="checkbox"/>

Remove

DOCUMENT GROUP

Please provide a group name for all the documents that you have uploaded above.

Document group name

Status

Submitted

## Important to note



Penalties on EMP201 late payments



Penalties on EMP501 late payment and late submission



ETI penalties?



## New legislation and processes: Immediate effect

- Changes in tax rates
- Medical credits
- Subsistence allowances
- ETI changes - 50% increase in the value of the benefit which can be claimed by employers in respect of qualifying employees – 1 March 2022.



## New legislation and processes: Proposed

- ETI penalty: Imposition of understatement penalty for employment tax incentives improperly claimed to prevent the abuse by employers of this incentive.
- Accommodating commission based on based on units produced: Reviewing the timing of accrual and incurral of variable remuneration.



## Tax research and reviews

- A discussion document will be published in 2022 on a personal income tax regime for remote work.



# Thank you

