South African Revenue Service

SAIT Webinar

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SARS
At Your Service

November 2022

Deceased Estates

Deceased Estate

Topics

- Process flow of deceased at SARS
- Channels available to report an estate
- Steps for coding
- Refunds – Banking details update
- Interest free extension for estate duty and payment of estate duty
- E-Booking – steps to make an E-Booking online
- Deceased estate compliance letter (DEC)
- Additional information on estates

Deceased Estates

Overview: Process flow

1. After the letter of executorship is issued by the Master, the following must be done at SARS:

2. The executor must inform SARS about the death of the deceased and provide his or her details to update and verify the Representative Taxpayer's details. (also known as the Registered Representative (RR))

3. Supporting documents must be provided for purposes of the coding process (Visit the SARS website to find the list of required documents to be submitted - https://www.sars.gov.za).

4. Once the deceased person has been coded and the registered representative details have been updated all the outstanding tax returns should be submitted via eFiling up to the date of death. This applies to all tax types: Income Tax, VAT, PAYE, SDL, UIF and Estate Duty if it is a dutiable estate.

5. If there is taxable income after date of death, the deceased estate needs to be registered for a second tax reference number (applies to estates after 1 March 2016)

Deceased Estates

Overview: Process flow continue

6. If there is outstanding debt, this should first be paid as these amounts have to be part of the Final Liquidation and Distribution account (L&D).

7. SARS will conduct an audit on all taxes pre- and post death on the REV267 together with the Final L&D account.

8. Only when all taxes have been paid the executor can request for the Deceased Estate Compliance letter (DEC), this includes estate duty if it was a dutiable estate.

9. SARS will issue one DEC letter for all Taxes and deregister the case.

Reporting a death at SARS

Available channels for reporting

- The following channels may be used to report an estate case:

  1. SARS Online Query System is an easy-to-use online platform that is accessible via the SARS Website:

     Request New Estate Case.

  2. E-mail channels:

     - For Tax Practitioners: pcc@sars.gov.za
     - For Taxpayers: contactus@sars.gov.za

Use our Digital Channels

- Request your Tax Number
- Submit Supporting Documents
- Submit a Payment Allocation
- Report New Estates Case
- Register a Representative
- Tax Compliance Status Request
- Tax Compliance Status Verification

- List of reporting documents also available on the updated FAQ (Issue 2) question 46 : (Estates | South African Revenue Service (sars.gov.za))

Reporting a death at SARS

Steps for a deceased estate coding

- After reporting the case via one of the available channels, SARS will proceed to code the case and update the RR details.
- Part of the coding process of a deceased estate is to verify the RR. Therefore, it is important for the details to be updated on RR's personal e-Filing profile. If this process was not done at coding, a request to update the RR details can be done via the digital channel (a video of this process is already available on YouTube)
- The Executor will receive a case number after the case has been reported. A notification will be issued via e-mail and the engagement pack will be issued to the RR. The engagement pack will show information regarding the outstanding tax returns and any outstanding debt on the account.
- The case number must be provided when the Executor does a follow-up enquiry or submit any further documents relating to the estate.

Reporting a death at SARS

Steps for a deceased estate coding continue

- Important to note the registered representative is the executor appointed by the Master.
- Tax Practitioner can only be the RR if appointed by the Master as the executor in an estate.
- The executor may use any of the following Power of Attorneys (POA's)
  - Special Power of Attorney (SPPOA): To appoint any taxpayer or representative taxpayer, except a tax practitioner, to act on his/her behalf, the SPPOA must be accompanied by
    - a copy of the taxpayer's identity document;
    - a copy of representative taxpayer's identity document

Reporting a death at SARS

Steps for a deceased estate coding continue

- Special Power of Attorney to Tax Practitioner (TPPOA): To be completed by the representative taxpayer to appoint a tax practitioner to act on his/her behalf.
- Authority on Special Power of Attorney by Tax Practitioner (ASPOA): To be completed by a tax practitioner to further delegate an employee to act on a client's behalf (The TPPOA must be submitted simultaneously with this ASPOA to SARS offices

- After the coding is done, the Executor must submit all the outstanding returns on all taxes the deceased was registered for - up to the date of death via eFiling.
- Once the signed original Liquidation & Distribution account (L&D account), has been submitted to the Master' Office, copies thereof can be submitted to SARS, together with the REV267 (estate duty return).
- SARS will conduct an audit on all taxes.
- After all the Tax liabilities have been paid in full, the Executor can request the DEC letter. SARS will issue one DEC letter for all tax types, including Estate Duty.

Refunds / Banking details update

- To protect taxpayers against fraud, Estate Late banking detail updates will be subject to an account verification process.
- A refund due will only be paid out if there is a valid bank account, meaning Estate Late bank account.
- Change of banking details for a deceased taxpayer can only be made once classified as a “deceased estate” by SARS. Executors are advised to wait for a letter from SARS confirming the status change before trying to change the banking details.
- The ***Executor*** can request the update of the banking details.
- Where more than one Executor has been appointed by the Master of the High Court and one Executor has been nominated by the co-executor/s to represent the taxpayer, a completed and signed SARS Power of Attorney (POA) form is acceptable. The Executor must submit SARS POA form together with the listed documents before the update can be made.
- On eFiling the RAV01 banking details can be amended.

Refunds / Banking details update

- If a letter is received from SARS to verify the banking details:
    - The requestor submitting the supporting documents electronically, must provide an image of himself/herself holding their proof of identity, as well as a written note containing the case number and the date on which the documents are uploaded to SARS. It is important that the requestor's face, proof of identity and the note are clearly visible in the same picture (see example on slide 12).


Update my details
DATE:
DD/MM/YYYY
SOUTH AFRICAN ID DOCUMENT
Name
Surname
ID Number: xxxxxx xxxx xxx

Refunds / Banking details update

- For post date of death registration purposes for deceased taxpayers on or after 1 March 2016, the banking details used in the first registration (prior to date of death) must be re-used in the second registration (post date of death). If an update is required, the Representative must provide all the relevant supporting documents. The bank account may not be the bank details of the deceased, but should be that of the late estate.
- In the case of a section 18(3) estate where the surviving spouse (or family member) brings the letter of authority, the banking details can be changed to those of the surviving spouse (or family member) as long as all the supporting documents (relevant material) are available.

Interest free extension on Estate Duty payable

- The Commissioner may grant an extension under section 10(2) of the Estate Duty Act for payments of Estate Duty without interest.
- The request can be forward to: estateduty@sars.gov.za (the request will be dealt with by the relevant region's committee and the outcome will be forward to the executor after the outcome is available).
- This application is made within the timeframes set out in section 10(2) of the Estate Duty Act.
- The extension has to comply with the following:
  - Application must be in writing and
  - A reasonable deposit is paid

Interest free extension on Estate Duty payable

- The following supporting documents must be submitted together with the written request:

  - A copy or draft signed L&D account
  - Proof of payment(s)
  - Reason(s) for the request
  - Extension date required
  - Any correspondence relating to the request
  - Letter of executorship
  - A power of attorney in the case of a representative or tax practitioner

Estate Duty Payments

- Estate Duty payments can only be made via eFiling. There is no electronic funds transfer (EFT) option available for Estate Duty.

- In order to make a payment for Estate Duty the deceased is required to be registered for Income Tax purposes. The tax reference number provided with this payment must be the Pre Income Tax reference number of the deceased. If not registered for Income Tax, the Executor needs to apply for registration of an Income Tax reference number for the deceased.

- To make a payment on the eFiling system:

  1) Log in to the Sars eFiling system.

  2) From the left hand side menu select ‘Payments’.

  3) Select ‘Pay Now’ and then ‘Create Additional Payment’.

Estate Duty Payment

4) Under ‘Tax Type’, select ‘Estate Duty (ESD)’.

5) In the ‘Taxpayer Name’ field enter the deceased’s initials and surname.

6) Under ‘Type of Payment’, select ‘Estate Duty Normal Payment’.

7) Under ‘Tax Reference Number’, enter the deceased’s Pre Income Tax reference number.

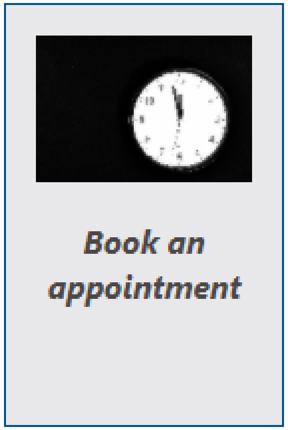
8) In the ‘Amount’ field enter the payment amount.

9) Select ‘Make Payment’.

- Please also confirm the payment with the bank. Proof of payment should be emailed to estateduty@sars.gov.za
- Please note: Paying Estate Duty in to the Income Tax account result in delays as the Executor will be requested to submit certain documents with the REV16 before the transfer of the money from the Income Tax to Estate Duty account can take place. Not recommended.

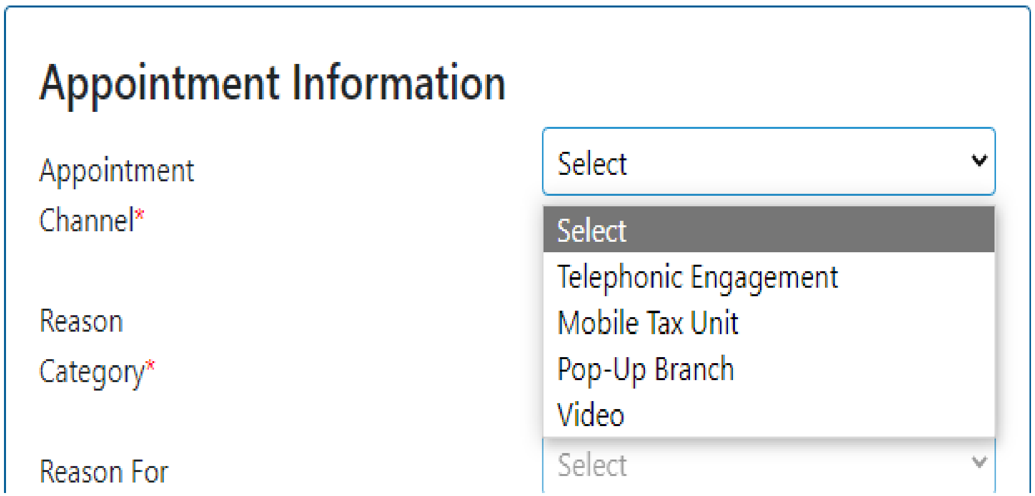
eBooking – branch visit

- On the SARS website (home page) the following link is available when requesting an eBooking: (external guide available at the end of the presentation)



eBooking – branch visit

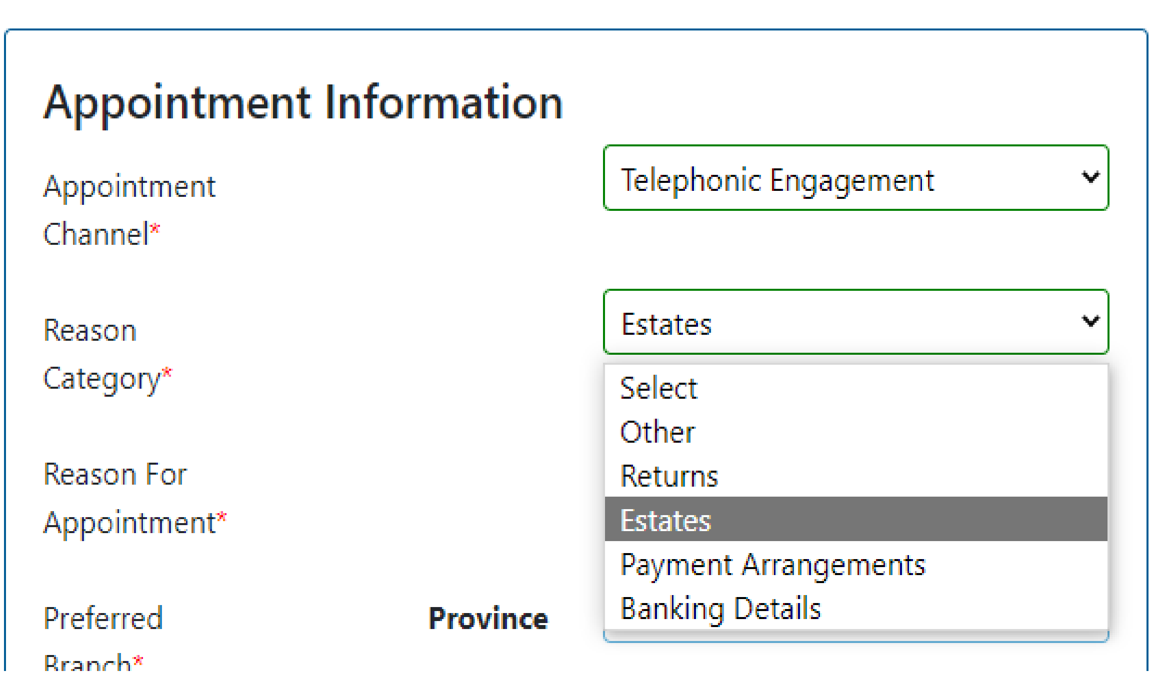
- Choose your preferred channel



- If you choose a telephonic engagement, a SARS official will call you on the date and time that you choose on the booking for.

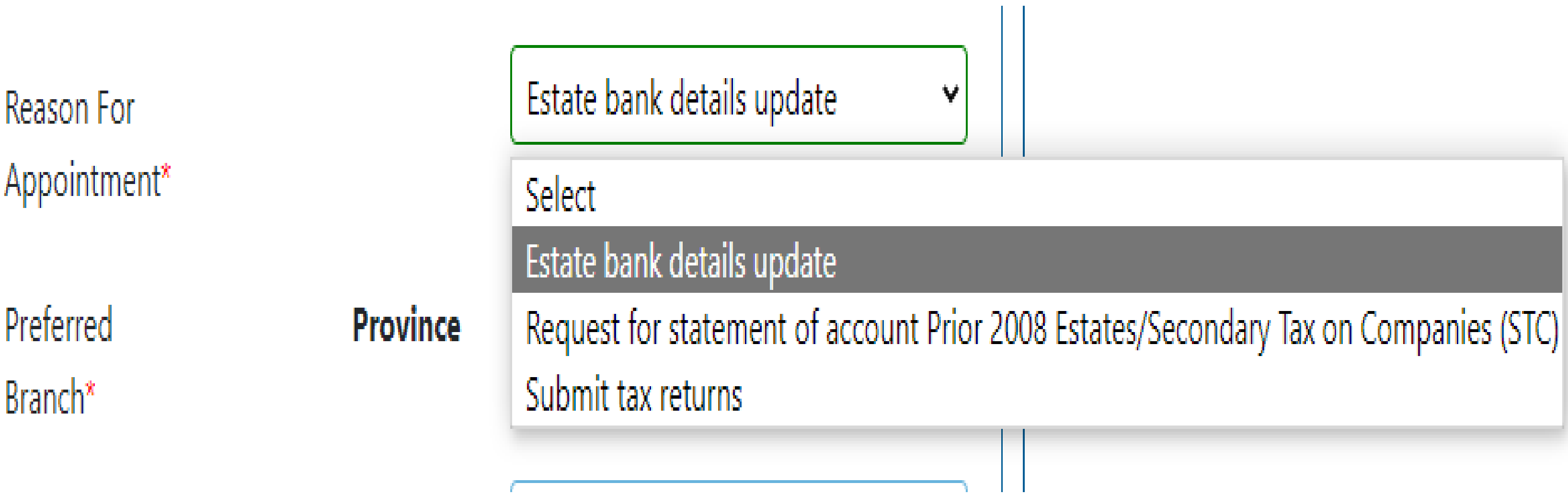
eBooking

- Choose you’re category



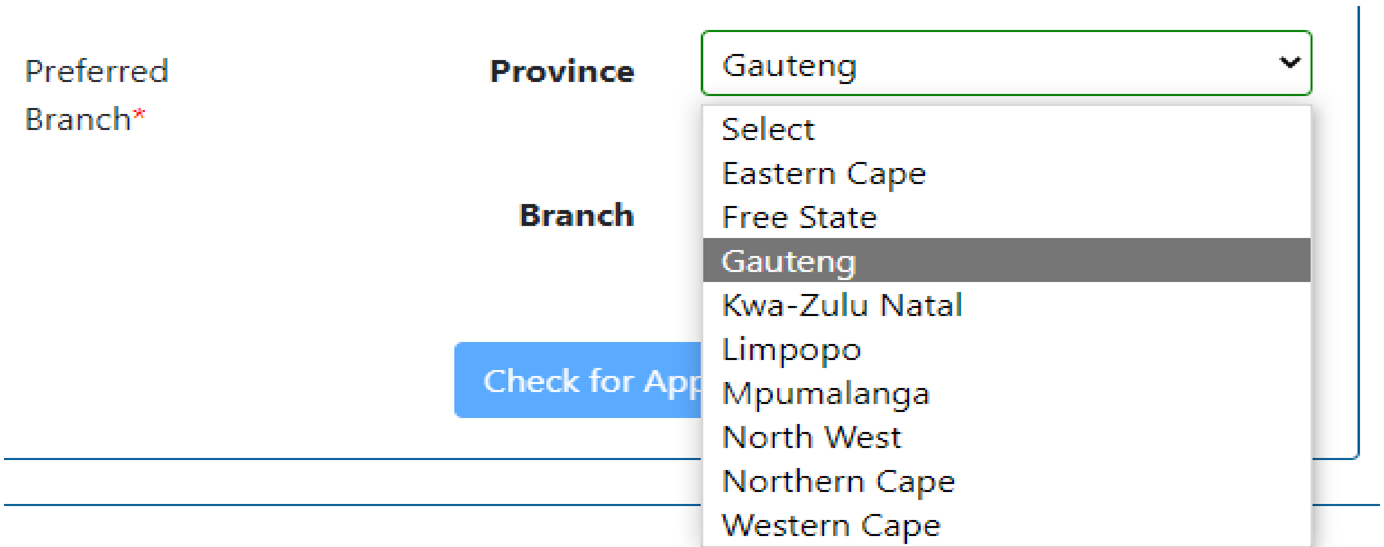
eBooking

- Choose your reason



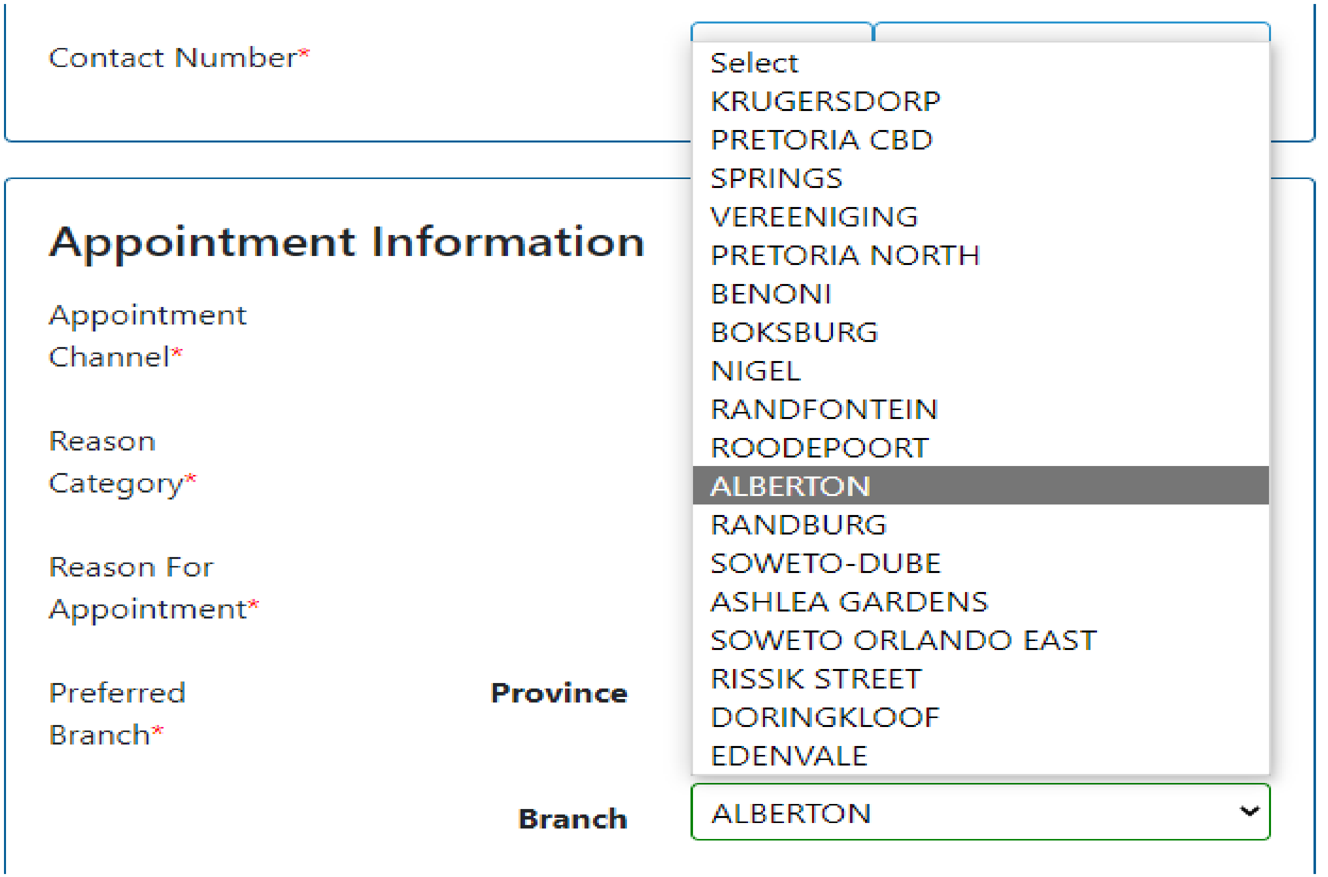
eBooking

- Choose a Province



eBooking

- Choose a Branch



eBooking

- Other options for making a booking:

  - Call the SARS Contact Centre on 0800 00 7277 and select option 0 (zero). A SARS official will book the appointment on your behalf.

  - Send an SMS to 47277 (iSARS) with this information and format: *Booking (Space) ID number/Passport number/ Asylum Seeker number.* This SMS service is only available to taxpayers/registered representatives who are registered for Personal Income Tax (PIT). This service is not available to tax practitioners.

  - Link to open the e-booking https://tools.sars.gov.za/SARSeBooking

Deceased Estate Compliance Letters

Requirements to get a tax compliance confirmation on completion of the estate.

- The Executor can request the Deceased Estate Compliance letter (DEC) via the email addresses.
- The DEC letter must be requested when the assessments are finalised and the account has a nil balance, this cannot be requested when reporting the case, SARS will not attend to the request.
- SARS will issue one DEC letter, for all Taxes, including Estate Duty. This letter is send to the Executor that needs to submit it to the Master.

Deceased Estate Compliance Letters

Requirements to get a tax compliance confirmation on completion of the estate.

- If the DEC Letter was not received it can be requested through one of the following channels:
  - contactus@sars.gov.za
  - pcc@sars.gov.za
  - estateduty@sars.gov.za

Additional information on Estates

- Administration of Deceased Estates leaflet: Estates | South African Revenue Service (sars.gov.za)
- **Links:**
- Detailed information on Deceased Estates and Estate Duty.
    - Estates | South African Revenue Service (sars.gov.za)
    - Estate Duty | South African Revenue Service (sars.gov.za)
- Report New Estate Case: https://tools.sars.gov.za/SOQS/?queryType=13
- Supporting documents to report a new Estate Case: FAQ: What supporting documents must I submit to report a new Estate Case? | South African Revenue Service (sars.gov.za)

Additional information on Estates

- Book an appointment: https://tools.sars.gov.za/SARSeBooking
- **GUIDES**:
- How to use the SARS Online Query System – External Guide: https://www.sars.gov.za/gen-gen-51-g01-sars-online-query-system-external-guide/
- How to request Tax Services on your mobile device: https://www.sars.gov.za/wp-content/uploads/IT-AE-45-G01-Guide-to-SARS-Mobile-Tax-Services-External-Guide.pdf
- Change of banking details: https://www.sars.gov.za/wp-content/uploads/Ops/Guides/GEN-GEN-41-G01-Change-of-Banking-Details-External-Guide.pdf

South African Revenue Services

eFiling: Deceased Estates Workshop FISA

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Discussion

- Introduction
- eFiling Portfolio Types
- eFiling Add Portfolio
- Steps for adding a taxpayer on your profile
- Steps to Activate Tax Types
- Registered Representative
- Second Registration
- Useful Information

Introduction

A registered eFiler can act in different “roles” on eFiling (e.g., tax administrator). These “roles” are referred to as Portfolio Types. For example:

- **Individual** – a person acting as himself/herself to administer his/her own individual taxes

- **Organisation** – a representative of a tax paying entity acting either as the representative taxpayer (e.g., Public Officer, Executor of an estate, etc.) or an appointed representative with a signed Power of Attorney in place.

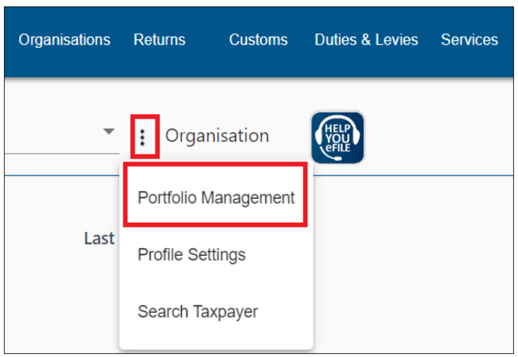
- **Tax Practitioner** – a person registered with SARS and a Recognised Controlling Body (RCB) and has a signed power of attorney to act on behalf of another taxpayer.

Note: Single Login, One username and password

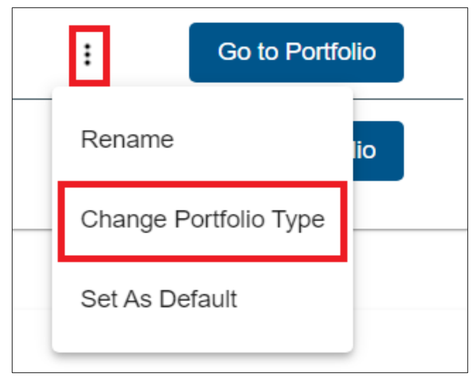
eFiling Portfolio Types

Individual portfolio can be converted to Organisation portfolio for existing eFiling users.

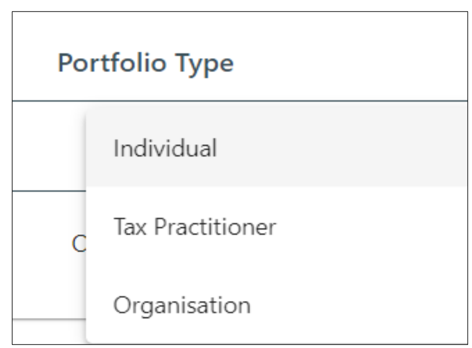
Step 1: Select "Portfolio Management"



Step 2: Click on the ellipsis and select "Change Portfolio"



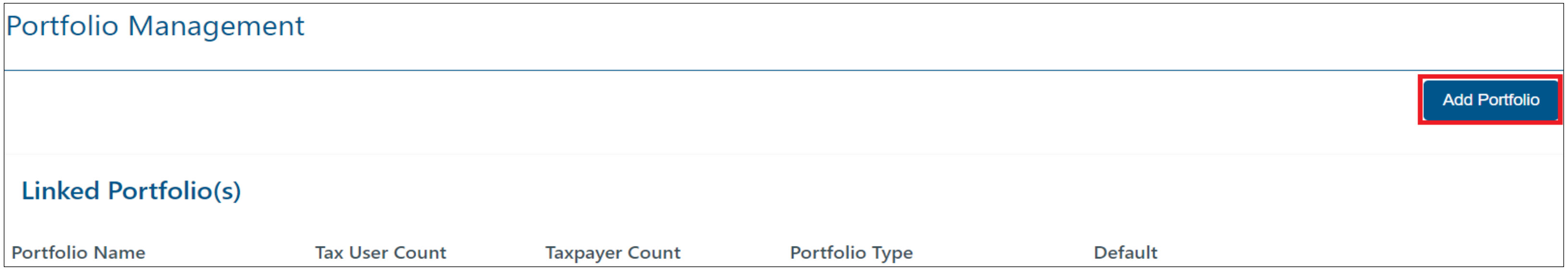
Step 3: Select the portfolio type required.



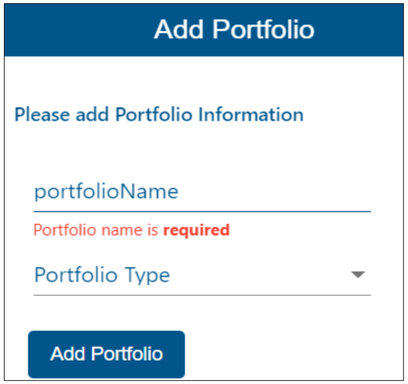
eFiling Add Portfolio

From the eFiling landing page, go to ‘Portfolio Management’ page by selecting ‘My Profile’ on the Portfolio Management sub menu.

Step 1: Select “Add Portfolio”



Step 2: Enter the “Portfolio Name”, select a Portfolio type from a dropdown menu and select “Add Portfolio”



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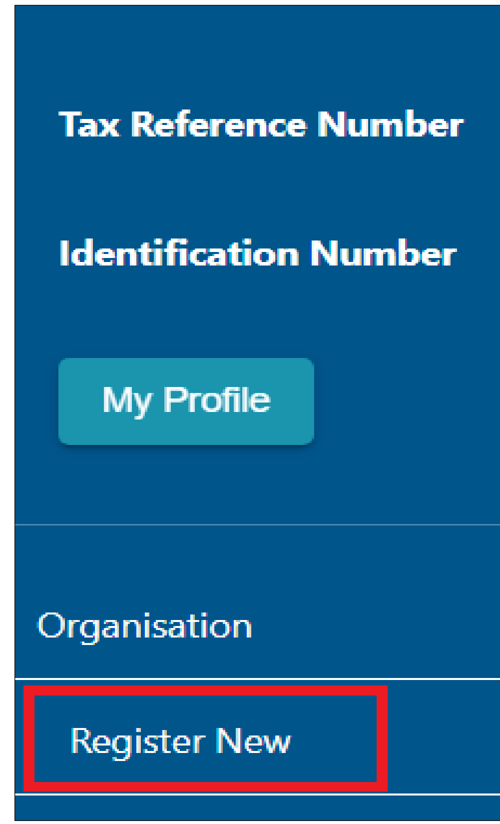
Steps for adding a taxpayer on your profile

After successful login to eFiling, ensure that you are in the correct portfolio, proceed as follows:

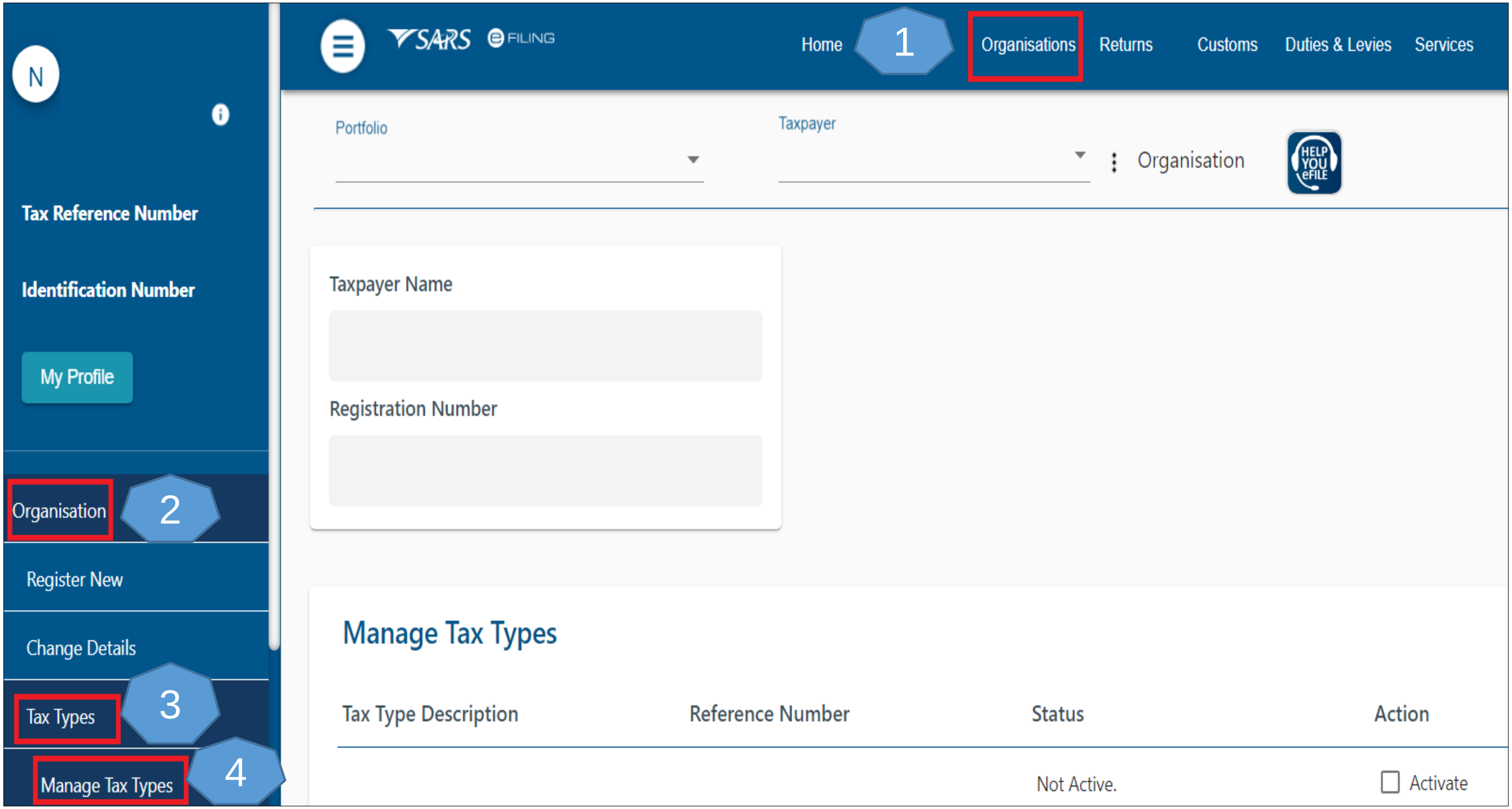
- Select the "Organisations" Tab on the top
- Click on "Organisation" on the left menu.
- Click on "Register New“ and complete all applicable fields.



Once all applicable fields have been completed:

- Select - Add Taxpayer
- On the pop screen select the group to which the taxpayer
- should be added.
- A summary of the taxpayer’s details will display
- Select Done.

Steps to activate Tax Types



Steps to activate Tax Types

Manage Tax Types

Tax Type Description	Reference Number	Status	Action
Provisional Tax (IRP6)			+ view
Individual Income Tax (ITR12)			+ view
Dividends Withholding Tax (DWT)		Not Active.	☐ Request Activation

Manage Tax Types: Linked Entities
Tax Type: Individual Income Tax (ITR12)

Below find the registered tax numbers of Entities associated to the selected taxpayer

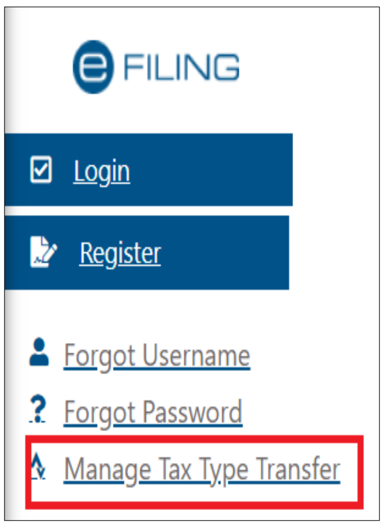
Trading As Name	Reference Number	Status	Action
Berry(Post Death)	01904	Successfully Activated.	☐ Deactivate
Berry(Post Death)	07684	Successfully Activated.	☐ Deactivate

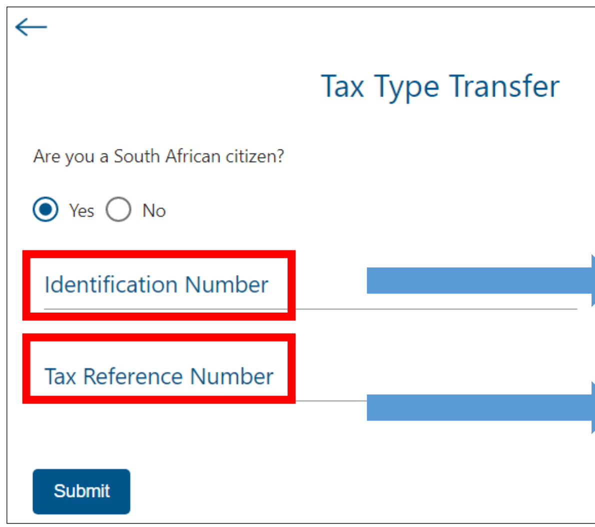
Cancel Include

Steps to activate Tax Types

The status of the request will display “Awaiting Authorisation” and will require the representative to approve the request.

The Registered Representative will access the SARS website and select on “Manage Tax Type Transfer” to complete the process.





In the case of an Estate

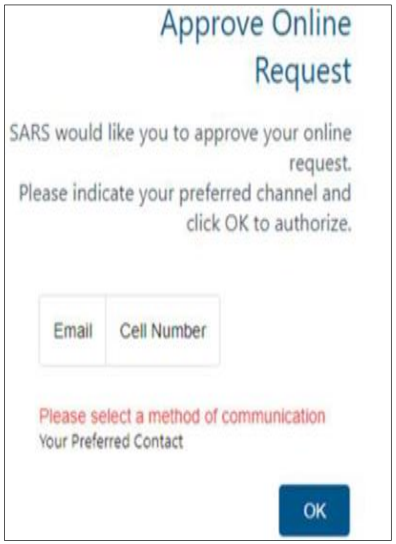
The Identification Number of the Registered Representative

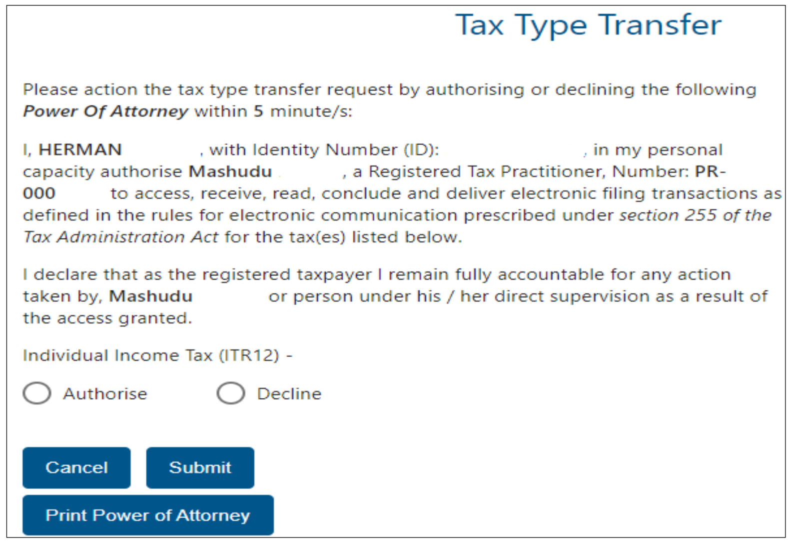
The Tax Reference Number of the Estate

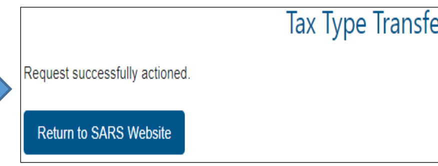
The Registered Representative must update his or her personal contact details at SARS (Not the Entity details). Example: Update the trustees' details and not the deceased estate details.

Steps to activate Tax Types

The Registered Representative will receive an OTP which will display the Power of Attorney for their approval.





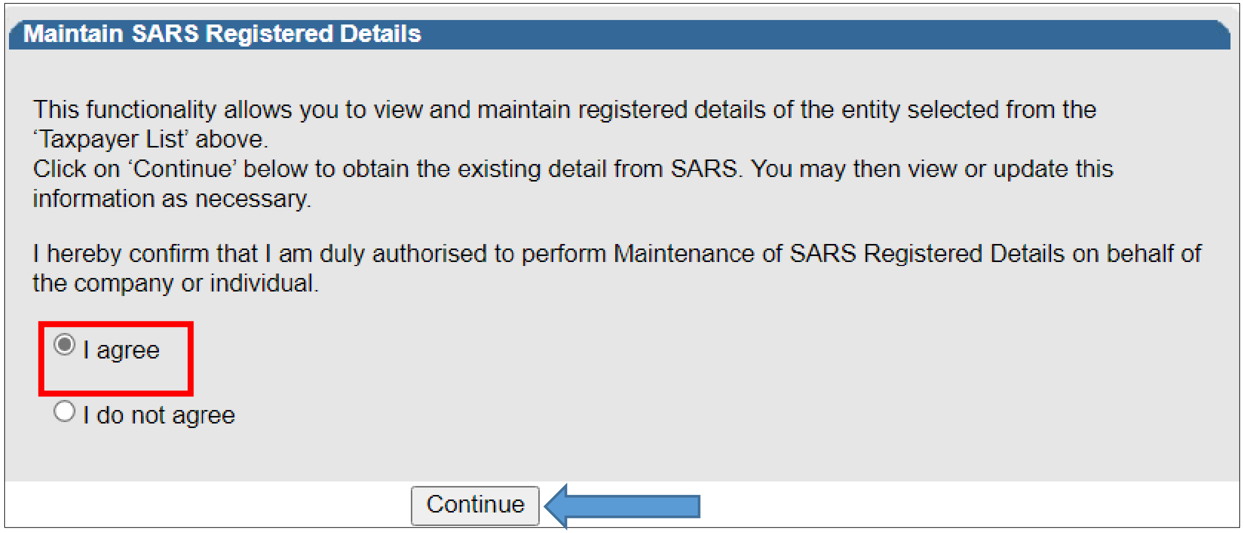


More information is available on the SARS website: [Tax Types]

Second Registration

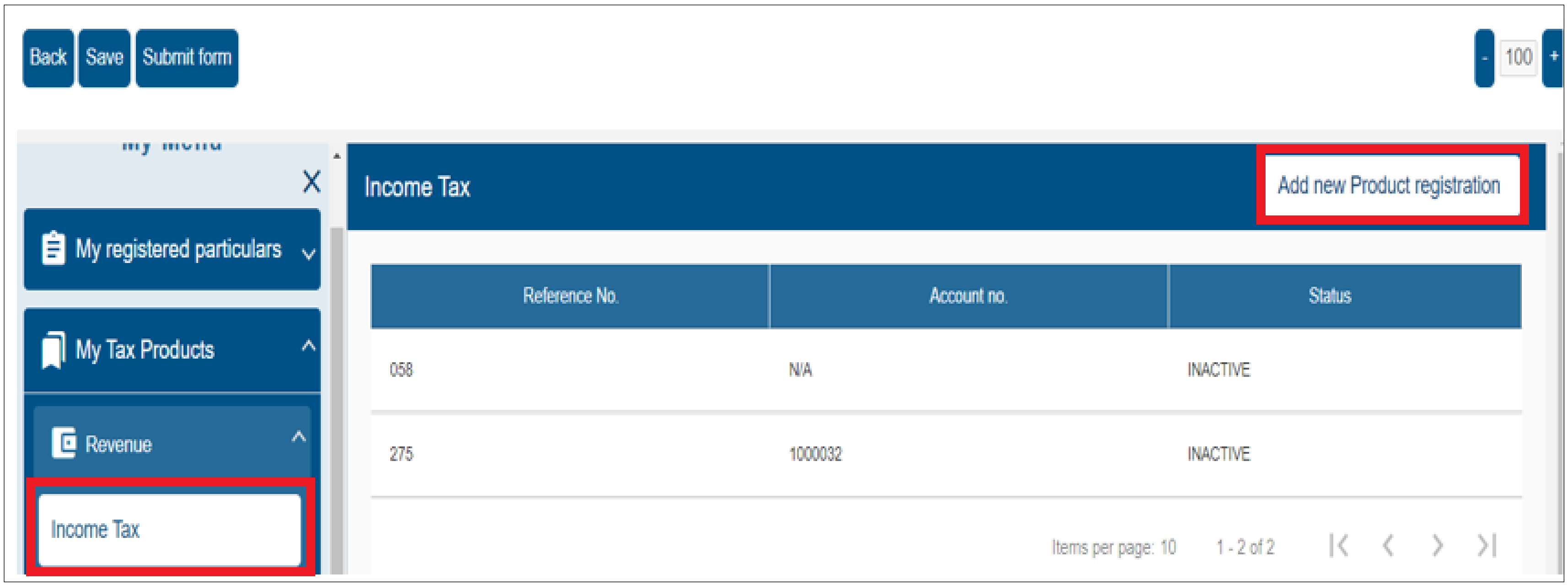
After successful login to eFiling, ensure that you are in the correct portfolio, proceed as follows:

- Select the "Organisations" Tab on the top
- Click on “SARS Registered Details" on the left menu.
- Click on “Maintain SARS Registered Details“ the page below will display, select on “I agree” and click on “Continue” to proceed.



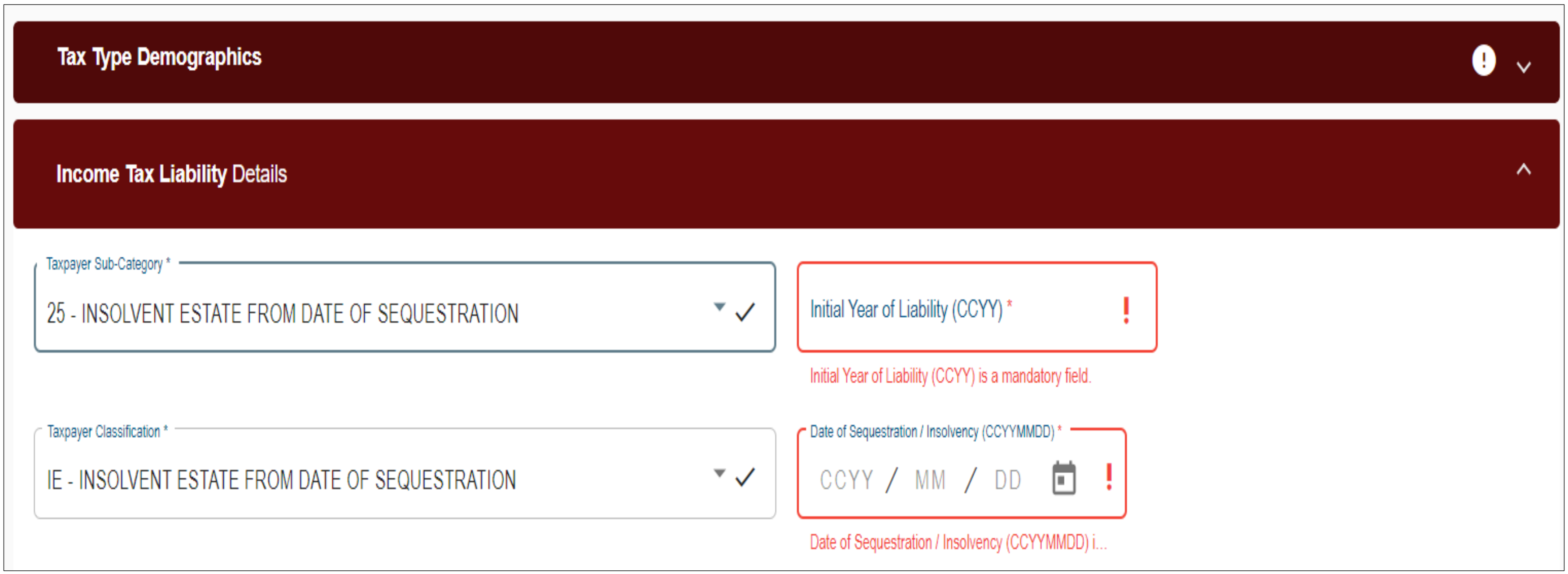
Second Registration

On the form that opens, under “My Tax Products” select “Income Tax”. Thereafter select “Add new Product Registration” .



Second Registration

Scroll to the section “Income Tax Liability Details” complete the required fields. Once the fields have been completed, you able to submit the changes.



Useful Information

[eFiling System | South African Revenue Service (sars.gov.za)]

[Tax Types Transfer Process | South African Revenue Service (sars.gov.za)]

[Registered Representatives | South African Revenue Service (sars.gov.za)]

https://www.sars.gov.za/gen-elec-18-g01-how-to-register-for-efiling-and-manage-your-user-profile-external-guide/

Thank you
Re a leboha
Re a leboga
Ndza Khensa
Dankie
Ndi a livhuwa
Ngiyabonga
Enkosi
Ngiyathokoza

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