

Dear Employer

From 1 April 2014 it will be time to submit your Employer Annual Reconciliation for the period 1 March 2013 to 28 February 2014. You are encouraged to submit your reconciliation early as this will give you time to resolve any issues which may arise.

To help you get ready to submit, we would like to tell you about the changes you may expect this year:

- **Updated version of e@syFile™ Employer available**
Remember to always backup your current information on your computer prior to installing a new version of e@syFile™ Employer, as the installation may delete your current information.
- **Employment Tax Incentive (ETI) included in the reconciliation submission**
The ETI came into effect on 1 January 2014 which encourages private employers to employ young workers by providing a tax incentive. Qualifying employers are able to claim the ETI and reduce the amount of Pay-As-You-Earn (PAYE) payable to SARS. Any amounts claimed for ETI on your Monthly Employer Declaration (EMP201) must be included in the spaces provided when completing your annual reconciliation submission.
- **Completing the Employer Reconciliation Declaration (EMP501)**
Make sure you enter the correct amounts for each month.
 - The Gross PAYE before the ETI deduction must be completed.
 - The Total actual payments after the ETI deduction must be completed.
 - The ETI details section is mandatory, if you are claiming the incentive.
 - Read all notes provided carefully, while completing the EMP501.
- **The ETI supporting data must only be submitted when requested by SARS**
For now, the ETI supporting data should not be included in the IRP5/IT3(a) file created by payrolls. The ETI supporting data requirements have been listed in Appendix C of the Business Requirement Specification: PAYE Employer Reconciliation (including the Employment Tax Incentive requirements).
- **New source codes [IRP5/IT3(a)]**
ETI (4118) – The sum of the ETI amounts calculated (theoretical amounts) for the employee during the year of assessment. The value of this code cannot be a negative.

- **Updated source codes [IRP5/IT3(a)]**
 - Code **3703** may not be reflected on an IRP5/IT3(a) together with code 3701 and/or 3702. The value of code **3703** must be included in the value of code 3702 under these circumstances.
 - Code **3802** – Use of motor vehicle acquired by employer **NOT** via Operating Lease (PAYE). Code **3852** MUST only be used for Foreign Service income.
- **The postal address information for employees has been updated to align to the new SARS structure [IRP5/IT3(a)]**
These fields must be updated before you submit your reconciliation. The requirements are listed in Appendix D of the Business Requirement Specification: PAYE Employer Reconciliation (including the Employment Tax Incentive requirements).
- **The Standard Industrial Classification (SIC7) code has been included**
The list of the codes is available in Appendix E of the Business Requirement Specification: PAYE Employer Reconciliation (including the Employment Tax Incentive requirements).

Please note: Retirement Funds/Fund Administrators are required to submit the SIC7 codes. Code 64300 must be entered, which is the “trust, funds and similar financials entities” code. This information will be excluded for the 2015 Employer Interim Reconciliation submission.

Don't forget the following important details:

- Reconciliation submission may only be submitted to SARS **from 1 April 2014**
- eFiling may be used as a submission channel where you have 20 or less IRP5/IT3(a)s to submit with your EMP501
- Complete accurate reconciliation documents
- Submit your reconciliation documents before the deadline of 30 May 2014
- The latest Business Requirements Specification (BRS) is available on the SARS website <http://www.sars.gov.za>

Content taken from SARS website.

If you require assistance relative to your EMP 501 submission please contact us

info@tfaglobal.co.za

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The Scribe

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