Sage Business Cloud Payroll Professional

How to add a deduction line

- From the Main Screen of the company select Payroll>Definitions>Deduction Definitions
- At the bottom left-hand side of the screen, click on Change Mode
- Select the first available open line

The following fields require editing/information

Field Name	Information Required
Short	This is a short description of the earning and this field can only accommodate 8 characters. This is also how it will display on the employee's Payslip Screen
English	Type the full description here, limited to 15 characters
Alternate	Only one alternate language can be used. If you have English and Afrikaans employees, typically your alternate language can be Afrikaans. This field is also limited to 15 characters
Type of Deduction	• Accumulate – selected if a balance needs to be computed for the earning • Annual Bonus – only used if an Annual Bonus earning is being created • Not Calc – used if the earning will be a manually advised amount • Calculate – used if a method of calculation must be entered to calculate the • amount • Hrly/Unit Input – used if a method of calculation must be entered using an advised number of hours/units to calculate the amount • Rounding – only used if the net salary must be rounded. A rounding type of deduction must also be created, and the rounding amount must be indicated on the Company Miscellaneous Screen • Payouts – selected if the earning is a loan/savings that must be paid out through the payroll (Never taxable, no IRP5 code)
Note: When selecting certain Type of Deductions, example Pension Fund, the rest of the fields are automatically completed	
Tax Ded	Certain deductions are tax deductable. Ensure you are familiar with the ones that are as selecting this field incorrectly will have tax implications.

IRP5 Code	Select the applicable IRP5 code from the list. For more information on which IRP5 code to select, click here for the latest SARS BRS Employer Reconciliation
CC Tax	When a company contributes towards certain funds/policies, a taxable benefit arises in the hands of the employees. Ensure you know if the respective deduction line has a company contribution portion and if it should be taxed as flagging this incorrectly will have tax implications
IRP5 code	Select the applicable IRP5 code from the list. For more information on which IRP5 code to select, click here for the latest SARS BRS Employer Reconciliation
BCEA	Indicate if the earning should be included in BCEA Remuneration for the calculation of Leave Pay • Not Linked– not considered for the BCEA Remuneration calculation • Standard Fixed– include the amount reflected in the Fixed column into the Standard portion of the BCEA Remuneration calculation • Standard Amount– include the amount reflected in the Once column into the Standard portion of the BCEA Remuneration calculation • Standard Both– include both the Fixed and the Once columns into the Standard portion of the BCEA Remuneration calculation • Variable – include the amount in the variable portion of the BCEA Remuneration calculation • Guaranteed Periodic – not applicable

When finished, click on ‘Save’ at the bottom right-hand corner.
A message will confirm if a recalculation should be done, select YES.