

During this unprecedented and uncertain time, it may be difficult for users to keep up with the various changes and interpretations on the Covid-19 (TERS) Temporary Employee/Employer Relief Scheme. Equally, the same on how to use your Sage Payroll application to extract and submit the required data to the Department of Employment and Labour.

We have introduced a simplified report which can be printed within your Sage Payroll application to further simplify this TERS reporting process.

We will continue to post regular updates on Sage City (our preferred payroll related communication channel).

Please click [here](#) to visit Sage City.

Downloading and extracting the report file

1. Where can I find a copy of the new TERS report?

Click [here](#) for all the details.

2. Where can I find the C19 TERS report on my payroll?

The TERS data extract report will be imported to the reports menu. Reports 1-100.

From the Main menu:

- Reports
- Reports and Maintenance

Printing the TERS report

3. What is defined as 'Monthly Remuneration' for the TERS reporting?

This is UIF remuneration (as defined in the Unemployment Insurance Contributions Act) i.r.o the last fully remunerated payroll month before the lockdown period.

4. What is 'Remuneration Received During Shutdown Period'?

This is any remuneration (UIF remuneration) paid in cash or granted as a taxable benefit by the employer, i.r.o the lockdown period. This amount will be used to reduce the remuneration value of the TERS benefit calculated by the Fund before it is paid.

5. Can I print the report for more than one company?

Yes, if the companies have the same UIF registration number and if their Earning and Deduction lines setup is exactly the same.

6. Can I print the report for companies with different Period End dates i.e. Companies currently in different calendar months?

No, this is not recommended. Companies must be at the same month end to ensure correct values are included in the submission files.

General TERS queries

7. Do I need to submit this report if my submission to the Department of Employment and Labour was successful?

It is not necessary to resubmit if your previous application was successful if it is for the same lockdown period for the employer.

8. How do we know what selections to make in the TERS report in terms of remuneration?

At the selection for UIF remuneration value, it is recommended that you select the UIF remuneration option.

9. Should foreign employees be included in my C19 TERS application?

If they are contributors to the Fund, then they should be included.

10. Am I allowed to pay my employees as well as apply for TERS?

Yes, this is allowed. Please note: Employers who are paying their employees in full are not permitted to claim from the fund. Employers who are making partial payments may apply to the Fund. However, see FAQ 8, as this amount will reduce the benefit payable by the Fund.

11. How do I submit my C19 TERS application to the Department of Employment and Labour?

Submissions must be made using the [online portal](#).

12. Whose bank account details must be entered on my C19 TERS application?

It depends on who is being paid. If the employer is being paid, it should be the employer's banking details, the same apply for employees. If the employees are being paid, the employee bank details should reflect. If the bargaining council is being paid (if there is an agreement with the bargaining council) then the bargaining council banking details should be declared.

The recommendation would be the employer banking details. The employer can then pay the TERS benefit to the employees when they receive it. Employer received TERS payments must be processed through the payroll.

13. What is the minimum wage value to be entered on my application?

The monthly minimum wage value should be R3500 as per the Directive, as this amount will be used to calculate the minimum benefit payable.

14. What report should be submitted to DoEL, as proof of payment to my employees for the TERS amounts?

According to the current approval/acceptance letter, the completed letter and proof of payment into the employees' bank account must be submitted.

If remuneration was paid in excess of the TERS benefit you can also submit the Pay Register report showing a breakdown of the TERS amount, Nett Pay etc. together with the acceptance letter and proof of payment.

The Pay Register report is a standard report which may be found on the Reports and Maintenance menu.

15. Does the report include the passport number?

The report will export the ID number of the employee and if an employee does not have an ID number, the passport number will be exported.

16. Can the report be edited before submitting?

It is not recommended that the file be edited. Rather correct the payroll and then re-run the report.

17. Can I run the report for a monthly and weekly company with the same UIF number?

The UIF registration number must be the same, if you want to group companies **but** it is recommended to rather export the Monthly company with a file extension of 001 and then run the Weekly company with a file extension of 002.

18. We have not been submitting our UIF declarations to the DoEL They have requested prior 3 months declarations. Will the TERS report include this?

No, the TERS report will not contain all the information which the DoEL requires. Users must print the 'UIF Submit' report for each month and submit the declaration files to the DoEL.

19. We received the TERS payout with no schedule from the DoEL How do we distribute the payout between the different employees?

Customers may log into the [online submission portal](#). There will be a Breakdown Report if the submission was done online.

20. Will Sage be issuing out a UIF benefit Calculator?

No, but there is an indication that Department of Employment and Labour will make their calculator available on their website.

Processing TERS payments on the payroll

21. How do I process the TERS payment on payroll? Is there a TERS IRP5 code?

TERS payments are exempt from taxable income in terms of section 10(1)(mB) of the Income Tax Act (i.e. not subject to PAYE, UIF, SDL etc.). The PAGSA has received confirmation from SARS that no IRP5 code should be used for TERS payments. If TERS is paid to the employer to pay to their employees, the employer is simply acting as a paying agent. The employer can still pay the TERS payment through the payroll for reporting, payslip and payment purposes, but no IRP5 code should be used.

22. How do I clear our employees' payslip screens (from earnings and deductions) as they will not be receiving any income?

- Unlink the employee from all methods of calculation relating to earnings. Clear any earnings which were captured directly onto the payslip screen.
- Establish how the deductions and company contributions will be treated for the duration whereby the employee will earn no income. Arrangements must be made with third parties before removing the deductions and contributions.
- When the employee returns to work and starts receiving income again, ensure that the deduction and contributions holiday repayments are setup correctly. Users are responsible for ensuring that the correct deductions and contributions are reflecting as the system does not automatically cater for the repayment of missed deductions and contributions.

23. Why is there a tax recalculation in this period? Should I pay these amounts to the employees?

Employees who are on Average tax with no remuneration (or with remuneration less than the previous periods) could possibly see a tax recalculation in this period. Users must ensure that the payroll remuneration for the year is correct. Verify the details on the employees TAX screen in conjunction with the 12-month report.

Should the employer not want to apply the PAYE recalculation, the Normal Tax field may be flagged on the employee TAX screen. When the employee receives remuneration again, select Average Tax again to apply the PAYE recalculation based on YTD+ values.

24. What is the deadline for C19 TERS application submissions?

We are waiting for confirmation as to whether the submission deadline will be extended beyond 30 April.

Employment Tax Incentive

25. We have updated to Release 5.4b and our employees are earning below the R6 500 but no ETI is being calculated. Why is this?

For an employee to be a qualifying employee for ETI, **the following conditions must be met:**

- has a valid South African ID, a valid asylum seeker permit or valid refugee ID,
- is 18 to 29 years old on the last day of the calendar month, or is 30 to 65 years old on the last day of the calendar month (April 2020 – July 2020), or is any age **and** renders services mainly (more than 50%) within a special economic zone (SEZ) to an employer that carries on trade within a SEZ who is a qualifying company as contemplated in the Income Tax Act under the SEZ regime, or if the employee is employed by an employer that operated in an industry designated by the Minister of Finance,
- was employed by the employer or associated institution on or **after 1 October 2013**,
- is **not** a connected person in relation to the employer,
- is **not** a domestic worker,
- **earns at least the minimum wage** (the higher of the minimum wage as specified by a wage regulating measure or the National Minimum Wage Act, or if none of these are applicable - R2 000 wage for a full month which is 160 ordinary employed and remunerated hours), and
- earns monthly remuneration of less than R6 500 (i.e. remuneration for a full month, which is 160 employed and remunerated hours must be less than R6 500. If the employee was not employed and remunerated for a full month, the actual remuneration must be grossed-up to 160 hours. Please note that this is remuneration as defined in paragraph 1 of the Fourth Schedule to the Income Tax Act)

Note: The only amendment applicable from April 2020 to July 2020 is the age bracket of 30-65 that has added.

26. We have received the TERS payment and it is below R6 500 but none of our qualifying employees are now qualifying for ETI. Are we allowed to claim ETI on the TERS payment?

- The TERS payment is excluded from remuneration, therefore if the employee only receives the TERS payment and no other remuneration, the remuneration value is 0.00
- If the employee is only receiving a TERS payment, then it is not seen as Wage and because the employee does not receive at least the Minimum Wage he/she will therefore not qualify for ETI.
- If the employee receives partial wage it is possible that the employee may qualify for ETI if the actual wage payable is at least equal to or more than the required minimum wage. In this case the employee's remuneration

(actual or grossed up) must still be less than R6500 for the month in order to qualify for ETI. Please ensure that the employed and remunerated hours for the period aligns with the wage and remuneration to ensure the correct calculations are applied.

27. Is there a way to easily determine why ETI is not calculating?

Yes, access the employees Payslip (PS) Screen, then click on the ETI button. Select the current month to view the employee's ETI information.

Take note of the Comments block which will outline why the employee does not qualify for ETI.

Example:



Tax benefits based on donations to the Disaster Relief/Solidarity Fund

28. Am I able to claim the tax benefit on Donations to the Covid-19 Disaster Relief Fund? If so, which IRP5 code should the amount be reported on?

Any employee donation made by the employer on behalf of the employee to a Covid-19 disaster relief trust should be reported against IRP5 code 4055.

This value will be allowed as a tax deduction, which is currently capped at 5% of balance of remuneration (before taking into account the tax deduction of the donation).

Until this code is implemented in the system, the tax-deductible amount must be reported against IRP5 code 4030 to allow for the 5% tax deduction.

Important: Contacting the Sage Support Team

The support.vip@sage.com email address is **no longer** in use as web forms have replaced email support.

Please click on your product link below to submit a webform query.

[Payroll Professional](#)