

Year to Date Corrections Retirement Funds



In certain scenarios values can accidentally be added to an employee's payslip screen, either for testing purposes and then values were never removed, or incorrect values were loaded.

Pension, Provident and Retirement Annuity Funds form part of complex calculations on the Tax screen as the Retirement Funds have an impact on an employee's taxable remuneration.

Removing or correcting these values are not as simple as with other YTD corrections.

Employer Funds

When doing YTD corrections, the issue comes in on the removing or recalculation of the perk value.

Example: For testing purposes, a value was put on an employee's payslip on the Pension Fund line in March, deduction and company contribution. A start of period was performed and only once in April after processing and payments were done, the incorrect values are detected. You now want to remove the values for March.

| DEDUCTIONS SUMMARY | | | | | COMPANY CONTRIBUTION SUMMARY | | | | |
|--------------------|---------|----------|---------|---------|------------------------------|---------|----------|--------|---------|
| Desc | Current | Previous | YTD | YTD+ | Desc | Current | Previous | YTD | YTD+ |
| Tax | 489.00 | 489.00 | 489.00 | 978.00 | Tax | | | | |
| U.I.F. | 107.00 | 107.00 | 107.00 | 214.00 | U.I.F. | 107.00 | 107.00 | 107.00 | 214.00 |
| Pension | 700.00 | 700.00 | 700.00 | 1400.00 | Pension | 700.00 | 700.00 | 700.00 | 1400.00 |
| Med Aid | | | | | Med Aid | | | | |
| Loan | | | | | Loan | | | | |
| Savings | | | | | Savings | | | | |
| Garnish | | | | | Garnish | | | | |
| Advance | | | | | Advance | | | | |
| Add Tax | | | | | Add Tax | | | | |
| Skills | | | | | Skills | 93.00 | 93.00 | 93.00 | 186.00 |
| Totals | 1296.00 | 1296.00 | 1296.00 | 2592.00 | Totals | 900.00 | 900.00 | 900.00 | 1800.00 |

| | Perk Description | Tax Val (CP) | VAT (CP) | Tms | Tax Val (YTD) | Tax Val (YTD+) |
|----|------------------------|--------------|----------|-----|---------------|----------------|
| 11 | Housing Loans & Subs. | | | | | |
| 12 | Low Interest Loans | | | | | |
| 13 | Retirement Annuity | | | | | |
| 14 | Release from Debt | | | | | |
| 15 | Bursaries | | | | | |
| 16 | Medical Aid Benefit | | | | | |
| 17 | Income Repl Policies | | | | | |
| 18 | Bursaries Further Educ | | | | | |
| 19 | Pension Fund DC Only | 700.00 | | 001 | 700.00 | 1400.00 |

If the values were accidentally added in March AFTER the employee was paid, UIF, SDL and PAYE values would have recalculated and will differ from what is on your EMP201.

- Prior to making any YTD corrections: Unlink employee from the method so that no values calculate in April. The payslip will then only have the previous period's values
- We now attempt to remove the March figures by processing a negative value in the current period: We process a -R700 on the Pension line on the Deduction Tab and a -R700 on the Pension line on the Company Contribution Tab. On both the Summary and Salary Cost Tab the YTD+ value for Pension will zero, however, the Perks screen has not cleared. This is where complex calculation in the backend of the system comes to play. **Conclusion: YTD corrections for Retirement Funds do not work as we would hope them to.**

| DEDUCTIONS SUMMARY | | | | |
|--------------------|---------|----------|---------|---------|
| Desc | Current | Previous | YTD | YTD+ |
| Tax | 741.00 | 489.00 | 489.00 | 1230.00 |
| U.I.F. | 100.00 | 107.00 | 107.00 | 207.00 |
| Pension | -700.00 | 700.00 | 700.00 | |
| Med Aid | | | | |
| Loan | | | | |
| Savings | | | | |
| Garnish | | | | |
| Advance | | | | |
| Add Tax | | | | |
| Skills | | | | |
| Totals | 141.00 | 1296.00 | 1296.00 | 1437.00 |

| COMPANY CONTRIBUTION SUMMARY | | | | |
|------------------------------|---------|----------|--------|--------|
| Desc | Current | Previous | YTD | YTD+ |
| Tax | | | | |
| U.I.F. | 100.00 | 107.00 | 107.00 | 207.00 |
| Pension | -700.00 | 700.00 | 700.00 | |
| Med Aid | | | | |
| Loan | | | | |
| Savings | | | | |
| Garnish | | | | |
| Advance | | | | |
| Add Tax | | | | |
| Skills | 107.00 | 93.00 | 93.00 | 200.00 |
| Totals | -493.00 | 900.00 | 900.00 | 407.00 |

| | Perk Description | Tax Val (CP) | VAT (CP) | Trms | Tax Val (YTD) | Tax Val (YTD+) |
|----|------------------------|--------------|----------|------|---------------|----------------|
| 10 | Free & Cheap Services | | | | | |
| 11 | Housing Loans & Subs. | | | | | |
| 12 | Low Interest Loans | | | | | |
| 13 | Retirement Annuity | | | | | |
| 14 | Release from Debt | | | | | |
| 15 | Bursaries | | | | | |
| 16 | Medical Aid Benefit | | | | | |
| 17 | Income Repl Policies | | | | | |
| 18 | Bursaries Further Educ | | | | | |
| 19 | Pension Fund DC Only | | | | 700.00 | 700.00 |

How to remove the values

- Remove the YTD corrections. Look for the HS button and click on it. This will open your History Screen. Go to both the Deduction and Company Contribution Tab, look for March month, on the Pension Line, click in the block and remove the R700.
- Very important, besides for removing the Pension values, in our example the pension was processed AFTER payments and reports were done, so we need to also correct the UIF, SDL and PAYE values to balance back to what we originally paid SARS. Once the values have been removed and UIF, SDL and PAYE amended for March, the perk will recalculate and will be zero on the Perks Screen. The YTD values for UIF, SDL and PAYE will also recalculate accordingly.