

Tax Screen – RSA Company

Earnings, Deductions, Company Contributions and Fringe Benefits



The Tax Screen consolidates all the information used to calculate employee's tax (PAYE) for the pay period.

To access the Tax Screen:

Click on Payroll

Click on Payslip Screen

Enter the relevant employee code

Type TAX in the routing block

Use the Average Tax Calculation (Y/N)?

This field on the Tax Screen is used to specify whether the employee must be taxed according to the Normal or the Average Tax calculation.

- If "Yes" is selected, the average method of tax calculation is used, and Year to Date remuneration will be used in the tax calculation.
- If "No" is selected, tax will be calculated according to the normal method of tax calculation, and only the current period's remuneration will be used.

Please note that Sage strongly suggest selecting Yes and make use of the average tax calculation.

For an explanation on how the Average Tax Calculation versus the Normal Tax Calculation work, click [here](#).

Normal Taxable earnings

This is a total of all the normal taxable earnings of the employee. This amount will be all the earnings defined as 'When Taxable = Monthly or Weekly' on the Earning Definition Screen.

Taxable Value of Travel & Public Office Allowance

This amount will indicate the total taxable portion (i.e. remuneration portion) of:

- Travel allowance (80% or 20% depending on the selections made for the employee). This will include all amounts on earning lines with IRP5 code 3701.
- Public office allowance (50%). This will include all amounts on earning lines with IRP5 code 3708.

This field will include all amounts on earning lines that have been defined as 'When Taxable = Travel' on the Earning Definition Screen. The tax on the travel allowance and public office allowance amounts will be displayed in the second column of the Tax Screen.

Taxable Value of Reimbursive Travel Allowance

This amount will indicate the total taxable portion (i.e. remuneration portion) of all reimbursive travel allowance transactions where the reimbursed rate per kilometer exceeds the SARS prescribed rate per kilometer. This will be the value of the rate per kilometer paid by the company less the SARS prescribed rate multiplied by the business kilometers reimbursed.

Perks/Benefits (excluding Private RA's)

This is the total of all items on the Taxable Benefits (Perks) Screen, excluding the negative amount of Retirement Annuities.

Provision for Tax on Annual Bonus

This is an amount calculated by you, to deduct the tax on the Annual Bonus over 12 months. VIP will not tax the Annual Bonus in the bonus month when there is a provision entered on the Tax screen. When an employee is terminated or at Tax Year End, the provision for bonus amount is ignored and the actual bonus is used in the tax calculation. If you would like to know how to use this function, click [here](#).

Taxable Company Contributions

This is the total of all company contributions marked as 'Y' (Yes) in die 'CC Tax' column on the Deduction Definitions Screen. These values are taxed as fringe benefits in the hands of the employee but displayed as taxable company contribution on the system (Tax Screen) since these values are processed on the Company Contribution tab and not on the Taxable Benefits (Perks) tab.

Tax Deductible Amount (Including Private RA's)

These deductions are deducted from remuneration to calculate the balance of remuneration. This will include all deductions marked as 'Y (Yes)' in the 'Tax Ded' column on the Deduction Definition Screen, subject to statutory limits. The negative amount of the Retirement Annuity on the Taxable Benefits (Perks) Screen will also be included. Please note that the tax deduction amount for contributions towards a retirement fund (pension fund, provident fund and retirement annuity fund) will include the total contribution, i.e. employee contribution (deduction) and deemed employee contribution (fringe benefit value) subject to statutory limits. This calculation can be viewed by clicking on the TXD button from the Tax Screen.

NET Remuneration

This is the total of the preceding fields.

Annualised Net Remuneration (excluding Periodic taxable earnings)

The amount on the left-hand side is the annualised net remuneration. The tax factor together with the total net remuneration are used to calculate the annualised net remuneration (annual equivalent of balance of remuneration).

The amount on the right-hand side is the annual amount of PAYE calculated on the annualised net remuneration (after the deduction of the annual tax rebate but before deducting the medical scheme fees tax credits).

Normalise Tax on Net Remuneration

The amount in the left-hand column is the same as the net remuneration.

The amount in the right-hand column is the annual amount of PAYE calculated on the normal taxable earnings.

The factor used to determine the annualised net remuneration is now applied in reverse on the annualised net remuneration and the tax amount to calculate the tax for the applicable period.

Periodic Taxable Earnings (excluding Annual Bonus)

Total of all earnings (except Annual Bonus) indicated as 'When Taxable = Periodic' column on the Earnings Definition Screen. The amount in the right-hand column is the amount of PAYE calculated on the periodic earnings.

Annual Bonus

This is the Annual Bonus amount indicated as 'Type of Earning = Annual Bonus' on the Earnings Definition Screen. The amount in the right-hand column is the amount of PAYE calculated on the annual bonus.

Total Tax calculated for the Year (Y+)

This field displays the total PAYE calculated for the year.

Total Tax calculated for the Year (Y)

This field displays the total PAYE paid for the year, excluding the current period.

Tax calculated for current period (including Medical Aid Tax Credits)

This is the difference of the total tax calculated for the year (Y+) and the total tax paid for the year (Y). To view the Medical Aid Tax Credits, click on the Tax Calc button at the bottom of the Tax Screen