

Zimbabwe Tax Changes August 2019



Zimbabwe Revenue Authority published Pay As You Earn (PAYE) tables for August to December 2019 (RTGS Earnings)

The published Monthly Statutory Tax Rates which are applicable from 1 August 2019:

Monthly Taxable Income	Multiplied By	Deducted
0 – 700.00	0%	-
700.01 – 3 000.00	20%	140.00
3 000.01 – 10 000.00	25%	290.00
10 000.01 – 20 000.00	30%	790.00
20 000.01 – 30 000.00	35%	1 790.00
30 000.01 and above	40%	3 290.00

Annual Equivalent as implemented in the Released Tax file:

Annual Taxable Income	Multiplied By	Deducted
0 – 8 400.00	0%	-
8 400.01 – 36 000.00	20%	1 680.00
36 000.01 – 120 000.00	25%	3 480.00
120 000.01 – 240 000.00	30%	9 480.00
240 000.01 – 360 000.00	35%	21 480.00
360 000.01 and above	40%	39 480.00

Please Note: that the Annual Tax Tables that was published is a 5 months table and not an Annual Table as the heading of the table indicated. All the calculations in the software is based on an Annual (12 months) table. We have converted the table above to an Annual table.

Installation Instructions

Before you extract the contents of the zip file into your VIP Directory:

- Make sure that you are currently on Release 5.2a or later.
- Make a fullsystem backup

The Tax Table is only applicable from 1 August 2019 and not for the full Tax Year.

1.1 Please follow the steps below in your Current Zimbabwe Company

1. Copy the Company structure to a new number and access the new company
2. Transfer employees from current company to the new company.
 - Transfer without YTD figures.
 - Transfer without Clear Payslip.
 - Termination Date = 31/07/2019.
 - Tax Year Start Date = 01/08/2019
 - Retain existing Engagement Date and Service Periods.
3. Clear the payslips for August in the current company
There might be a Tax difference in August because the employees were terminated for a previous month.
Decide how you want to handle the tax differences. (Refund to the employees; load it as additional tax to get a zero net salary effect; or load it as additional tax to get a zero Net Salary effect and then load the same values in the new company as additional tax)
4. Print a report with Tax values per employee
5. Print month end reports and create payment files if needed.
6. Make a backup and roll the company with terminated employees to a new pay period to avoid any further tax calculations.

1.2 Follow the steps below in your New Company

7. Ensure that all Payslip values is correct
8. Do the input for August
9. If you decided to carry tax values over to the new company – capture the additional tax values.

1.3 Installing the new Tax File

Save the Tax File containing the software changes attached to the email, which must be unzipped into your payroll directory.

1.3.1 Steps to follow to unzip the file into your Payroll Directory

In these instructions we assume that:

- You use WinZip as the extraction tool,
- Your system is loaded in C:\Premier, and
- The drive letter from which you will unzip this file, is C:

1. Open the ZimTax.ZIP File

Either double click on the file, or right click on the file then click Open.

Once you have opened the ZimTax.ZIP file, you need to unzip this file into your directory.

2. Extract the Zimbabwe Tax File

The WinZip window should be displayed. Click on I Agree.

Select Extract in order to extract the file to your Directory. A Browse window will display.

3. Locate your directory

Click on the correct Drive option, e.g. Local Disk (C:), then click on the required folder, e.g. Premier.

Click on Extract.

A message will display prompting you to Replace the Existing file.

Click on Yes to All.

Close the WinZip window.

If you do not have WinZip or another extraction tool, save the ZimTax.ZIP file into your Payroll directory.

Click on Start (on your Windows task bar).

Click on Run and type the command applicable to your system (remember to change the drive and directory according to the details written down when you made a backup).

C:\Premier\PKZIPC.EXE -EXTRACT ZIMTax.ZIP

After Installing the new Software, it is advisable to do a General Recalculation in the company: Access your Zimbabwe Company. From the Main Menu, click on Payroll and then select General Recalc. When you get the message "Do you want to Recalculate the Earnings and Deductions for ALL Employees?" click on Yes.