

# Release 5.0b

## Reimbursive Kilometers



As from March 2018, the value of the compensation rate which exceeds the SARS rate, will become taxable on the payroll. Refer to the 5.0a Release Notes for more details on the changes for the 2018/2019 tax year.

Reimbursive Kilometers are calculated using the Kilometers Travelled for business, multiplied by the relevant Compensation Rate

It has come to our attention that some payroll users are capturing Reimbursive Travel Transactions incorrectly. This has resulted in scenarios where there are Taxable or Non-Taxable values without YTD+ Values on the Payslip, or in some cases, values with no Reimbursive Travel Transactions.

To assist in identifying these records and transactions, the **Reimbursive Travel History Report** has been amended to include an **Exception** report field, which when selected will list the records which might require corrections.

When you print the Reimbursive Travel History Report, take note of the column which has been added at the end, to list the exceptions.

### How to print the report:

Main Menu > History > Reports > Reimbursive Travel

Report Selection

Select Month: All

Include Terminations?

Print only Exceptions

The exceptions/warnings generated on the report, refer to possible employee records that require correction, however not all will indicate an actual error.

The possible exception reasons are as follows:

- *Taxable and Non-Taxable values do not add up to the Total Value:* The report will calculate the kilometers multiplied by the compensation rate and will compare the total value with the calculated value. Possible discrepancies are where the total values were rounded.
- *Negative Values:* Any transaction with a negative calculated value, will appear on this report. Please check if the transaction was a valid one.
- *RT Screen totals do not balance with Payslip totals:* In some instances, due to specific batch layout setups, values were imported without writing any transactions on the payslip.

- *Taxable Values do not match values on Tax Screen:* Due to incorrect travel transactions being captured, we discovered that in some cases the taxable values were incorrectly processed on the payroll.
- *Kilometers multiplied by Compensation Rate does not balance to Total:* In some instances, values were entered in the Total column which did not balance to the actual calculation of the kilometers travelled, when multiplied with the compensation rate. Please note that when the values are calculated on the report for validation purposes, they are truncated (not rounded) which could include a record as an exception, even though the Taxable + Non-Taxable values equals the Total value.

Once the report has been generated, the data and records need to be investigated and validated, to ensure that the transactions captured are indeed valid and in line with current SARS requirements.

**Release 5.0b** introduced features to assist with the correction process:

#### **Delete Current Period Transactions**

- Click on the Reimbursive Travel line, to access the sub-screen.
- Double click on the Transaction that you want to delete.
- Confirm the selection. 'Deleted' will be displayed in the Comment field.
- When you exit the screen and access it again, the transaction would have been removed.

#### **Delete All Transactions**

It may be necessary to delete all your transactions, due to multiple incorrect transactions which resulted in the RT Screen values not balancing to the Payslip values. This function can only be done by accessing the company with a Support Desk Password (VIPSD), because it will cause immediate tax recalculations. A completed and signed VIPSD access letter must be submitted to the support consultant before you can use this Delete All Transactions feature.

- Access your company with the VIPSD Password.
- From the Main Menu > select Payroll > Payslip > Select Employee > Click on the RT button to select a transaction.
- Click on <Delete> button
- Two options exist:
  - *Delete all transactions captured in the Current Pay Period.*
  - *Delete all transactions:* This allows you to remove **all** the Reimbursive Travel transactions captured and will clear the Employee Transaction File and the Year-to-Date File.

When you select either of these two options, it will be recorded on the Logfile.

**Please Note:** Average Tax will be automatically flagged for this employee to ensure that tax is recalculated correctly.

**Important notice:** We have listed a new **Known Issue** on Release 5.0a, where the Reimbursive Travel History Report, also includes other transactions which are not actually reimbursive kilometer transactions. This issue was identified on new employee records when created on Release 5.0a, and on earning lines defined as *Unit Input* or *Hourly Input*.

These transactions on the RT screen, which are not linked to earning lines with IRP5 code 3702 or 3703, will be systematically removed with the installation of the Release 5.1a update, which will be available early September 2018. For Mid-Year IRP5 submissions clients **must** be on R5.1a. Please ensure that Release 5.1a is installed prior to submitting your EMP501 declaration to SARS.

If the Exception report **only** has transactions linked to Non Reimbursive Kilometer earning(s) for an employee, you do not have to do any corrections on the employee record, as this will be done automatically during conversion to Release 5.1a.

What is important, is that incorrect reimbursive travel transactions (3702 and 3703) must be correct and transactions must match the YTD+ values. If your employee has incorrect transactions for both reimbursive and non-reimbursive earnings lines on the RT screen, it will require correction, and take-on of **all** transactions.

### Steps for Deleting All Transactions

'Delete all transactions' can be used when you want to correct YTD+ values for an employee. This option will delete **all** transactions on your RT Screen and clear the YTD+ value on the Earning line(s).

Values will be removed from the Tax calculation, the History (HS) Screen and the WEK file. Reimbursive Travel Earning values will be removed from the 12 Months Report, but values influenced by the Reimbursive Travel will remain as saved during the start of period process, e.g. UIF, SDL, Total Net, Taxable Earnings and Taxable Net. This can be used during reconciliations to determine the original values captured.

Take note: The above steps should be completed **after finalising** the payroll for the month, but **before rolling into a new period**, because the employee would have already received the reimbursement(s). If you make it part of the monthly processing it will impact your EMP201 Report and UIF Submission, which would be incorrect.

- Create a backup of the company data.
- Make print screens of Earnings, Deductions, Company Contribution and Perks Tax values for the employee.
- Make print screens of the Tax and Tax Calculation Screen
- Delete all Reimbursive Travel Transactions. Values will be removed and YTD+ values will be cleared.
- Capture all Reimbursive Travel Transactions for YTD+ in the current pay period.
- For Non Reimbursive values, the YTD+ values should be captured on the applicable earning lines
- Compare newly calculated payslip values to the print screens you made and adjust affected values to balance back to payments made, e.g. Tax, UIF, SDL, etc.
- If you want to balance the Net Salary to the print screens, load the YTD+ Reimbursive Travel value as a Deduction, e.g. Advance or Correction.

The corrections should be done before you roll to *September 2018* on your payroll, to ensure the values on your payroll is correct for the midyear reconciliation submission to SARS.

Should you require assistance with the above process, we highly recommend that contact your Professional Services Payroll Consultant to arrange an online or on-site consultation to assist you, to ensure that you have a successful midyear reconciliation and submission to SARS. *Input.*