

Tax Year End

Basic Reconciliation Procedures



The EMP501 Reconciliation report is the recommended report to print at tax year end. It summarises the PAYE, SDL and UIF for each month in the tax year.

Reconciliation steps:

1. Determine the total liability for Tax, UIF and SDL. (including any manual certificates issued through the year)

Print the **EMP501 reconciliation** report to Excel.

Main Menu > History > Reports > EMP501 Reconciliation

Print the report for the period - March to February

Current or Multiple companies may be selected depending on the PAYE number
Add the Tax, UIF and SDL for any manually issued certificates, to the amounts on the spreadsheet.

2. Determine the total amount paid to SARS, based on *actual* SARS payment receipts. Capture the amounts on the spreadsheet. Any differences will be displayed.

If the EMP501 balances, proceed with creating the IRP5 file, for import into e@syFile.

If you have differences, determine where the variances on payroll are.

Start by identifying *which employees* are affected.

Print the **History Screen Report** (real number 698)

Tick the "Items Included in a Tax Reconciliation" field

Include "Terminations" and select the "Detail" option

Choose the specific month where there is a difference

Compare the amounts on the History Screen report(s) to the original EMP201 report for each period. Now determine why employees' records were changed. Were the changes correct? Are the new/saved values on payroll correct? Or are adjustments to payroll required? Make the necessary corrections, if any.

If the saved values on payroll are correct, then the difference will have to be paid to/claimed from SARS.

Note: Should you require assistance with a payroll reconciliation, we recommend that you arrange a consultation with one of our Professional Services consultants, as the process is too detailed to complete over telephone/email support.