

Release Notes 5.0a

Sage 200c

March 2018

Table of Contents

1.0	RSA: Statutory Changes	4
1.1	Tax Table Changes 2018/2019	4
1.2	Tax Changes Not Affecting the Payroll	5
1.2.1	Subsistence Allowances and Advances	5
1.2.2	Table for Calculation of Rate per km\Travel Allowance	5
2.0	RSA: Legislative Changes	6
2.1	Legislative Changes Affecting Payroll	6
2.1.1	Reimbursive Travel Allowance Included in Remuneration	6
2.1.2	Employment Tax Incentive (ETI) – Amendment to ‘Employed and Remunerated Hours’ for the Wage Qualifying Criteria	6
2.1.3	Employer Provided Bursaries	7
2.1.4	Retirement Funding: Application of R350 000 Annual Monetary Cap Amount	8
2.1.5	Certain Dividends Included in Remuneration	8
2.1.6	Unemployment Insurance Fund (UIF) – Changes to Who is Exempt	8
2.2	Changes which do not Affect the System	8
2.2.1	Employers to Apply for Directives for Certain Dividends Included in Remuneration	8
2.2.2	Right of Use of Asset – Clothing now Excluded	8
2.2.3	Bargaining Council Tax Relief	8
2.2.4	Postponement of the Annuitisation of Provident Fund Pay-Outs to 1 March 2019	9
3.0	RSA: Impact of Legislative Changes on the System	10
3.1	Important Notice	10
3.2	Reimbursive Travel Allowance Included in Remuneration	10
3.2.1	After Conversion and Before Input	11
3.2.2	Input via Reimbursive Travel Transaction Batch	13
3.2.3	Input via Payslip	14
3.2.4	Input via Batch and Import Batch	14
3.2.5	History Report – Reimbursive Travel	15
3.3	Employment Tax Incentive (ETI) – Amendment to ‘Employed and Remunerated Hours’ for the Wage Qualifying Criteria	15
3.3.1	Company Setup	16
3.3.2	Employee Screen – Non Wage Regulating Measure	17
3.3.3	Employee Screen – Irregular Hours	17
3.3.4	Employee Screen – New and Terminated Employees	18
3.3.5	Employee Screen – Rebate Adjustment	19
3.3.6	Employee ETI History Screen	19
3.4	Employer Provided Bursaries	20

3.5	Retirement Funding: Application of R350 000 Annual Monetary Cap Amount	22
3.6	Certain Dividends Included in Remuneration	22
3.7	Unemployment Insurance Fund (UIF) – Changes to Who is Exempt	22
4.0	Africa: New and Changed Reports	23
4.1	New Mozambique e-FRN Electronic Relação Nominal Submission File	23
4.2	Mauritius Monthly PAYE and Contribution Return	28
4.3	New Bank Files	32
4.4	Other Report Changes	32
5.0	Income Verification	35
5.1	Background to Income Verification	35
5.2	How it Works	35
5.3	Benefits to Employer and Employee?	35
5.4	Income Verification Setup Process	35
5.5	Access Control	36
5.6	Uploading of Payslips	36
6.0	Reports and Report Writer Codes	38
6.1	Instructions to Import Reports	38
6.1.1	Batch Imports	38
6.1.2	Export/Import Reports Option	38
6.2	Changed Standard Reports	39
6.2.1	All Users	39
6.2.2	RSA Users	39
6.3	RG Codes	40
6.3.1	All Users	40
7.0	Items Resolved / Requests Implemented	41
8.0	Items included in Software since Release 4.9a	44
8.1	Africa: Report Changes	44
8.2	Africa: Ghana Tax Tables	45
8.3	Africa: Kenya Tax Tables	46
8.4	Africa: Zambia Tax Changes	47

1.0 RSA: Statutory Changes

1.1 Tax Table Changes 2018/2019

When you installed Release 5.0a, the new Tax Rates were applied retrospectively to 1 March 2018, according to the Budget Speech on 21 February 2018.

Taxable Income (R)	Fixed Amount	Rate of Tax (R)
0 – 195 850	0	18% of taxable income
195 851 – 305 850	35 253 +	26% of taxable income above 195 850
305 851 – 423 300	63 853 +	31% of taxable income above 305 850
423 301 – 555 600	100 263 +	36% of taxable income above 423 300
555 601 – 708 310	147 891 +	39% of taxable income above 555 600
708 311 – 1 500 000	207 448 +	41% of taxable income above 708 310
1 500 001 and above	532 041	45% of taxable income above 1 500 000
Tax Rebates		
Primary		14 067
Secondary (Persons 65 and Older)		7 713
Tertiary (Persons 75 and Older)		2 574
Age Tax Thresholds		
Below age 65		78 150
Age 65 to below 75		121 000
Age 75 and over		135 300
Personal Service Providers - Companies		28%
Personal Service Providers – Trusts		45%
Medical Aid Tax Credit		
Main Member		310
First Dependant		310
Additional Dependents		209

If the update was loaded after the first pay period to which the new Tax Rates apply, the Tax would be recalculated as from the first pay period in March 2018, and the change has been applied in the period in which you installed the Release.

You can view the Statutory Rates of Tax by clicking on the <Tax Rates> button on any Employee's Tax Screen.

The new Tax Deduction Tables will also be applied to R.S.A. Dormant Companies that are in the 2018/2019 Tax Year.

1.2 Tax Changes Not Affecting the Payroll

1.2.1 Subsistence Allowances and Advances

Where the recipient is obliged to spend at least one night away from his/her usual place of residence on business and the accommodation to which that allowance or advance is granted to pay for:

- meals and incidental costs, an amount of R416 per day is deemed to have been expended;
- incidental costs only, an amount of R128 for each day.

The rate for foreign travel will be gazetted soon and can be found on www.sars.gov.za under the Legal Counsel tab.

1.2.2 Table for Calculation of Rate per km\Travel Allowance

Value of the Vehicle (Including VAT) (R)	Fixed Cost (R p.a.)	Fuel Cost (c/km)	Maintenance Cost (c/km)
0 – 85 000	28 352	95.7	34.4
85 001 – 170 000	50 631	106.8	43.1
170 001 – 255 000	72 983	116.0	47.5
255 001 – 340 000	92 683	124.8	51.9
340 001 – 425 000	112 443	133.5	60.9
425 001 – 510 000	133 147	153.2	71.6
510 001 – 595 000	153 850	158.4	88.9
Exceeding 595 000	153 850	158.4	88.9

Prescribed Rate for Reimbursive Kilometres

The SARS prescribed rate per kilometre increased from R3.55 to R3.61.

2.0 RSA: Legislative Changes

The Taxation Laws Amendment Act, 2017 and the Tax Administration Laws Amendment Act, 2017 was promulgated on 18 December 2017. The Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2017 was promulgated on 14 December 2017.

2.1 Legislative Changes Affecting Payroll

Here is a summary of the most important changes affecting payroll. All changes are effective March 2018 except where mentioned otherwise.

2.1.1 Reimbursive Travel Allowance Included in Remuneration

Before March 2018, when an employee used a privately-owned vehicle for business purposes and the employer compensated the employee for business travel by paying the employee an amount/rate per business kilometre travelled, the travel reimbursements were not included in remuneration and were not subject to employees' tax (PAYE) but may have been subject to tax on assessment.

From March 2018, to simplify the calculation and administration of employees' tax, the definition of remuneration includes 100% of the portion of the Reimbursive Travel Allowance that exceeds the prescribed rate per kilometre (rate per kilometre for the simplified method, fixed by the Minister of Finance by notice in the Gazette), and is subject to PAYE, UIF and SDL irrespective of the total business kilometres travelled and reimbursed for the tax year.

This value must be included in remuneration for the purpose of UIF, SDL, ETI and remuneration used to calculate the allowable tax deduction limit for contributions towards a retirement fund.

At the time of publishing this document, no confirmation/information was provided on how SARS wants employers to calculate and report Reimbursive Travel Allowance, and how SARS will administer Reimbursive Travel Allowance on assessment.

Please follow the instructions in the **System Changes** section later in this document to make the necessary amendments to cater for this change.

2.1.2 Employment Tax Incentive (ETI) – Amendment to 'Employed and Remunerated Hours' for the Wage Qualifying Criteria

From March 2018, 'employed and remunerated' hours in terms of wage, for employees without a wage regulating measure, refers to ordinary/employed hours only and additional hours in excess of ordinary hours (such as overtime) should not be taken into account when determining the 'employed and remunerated' hours for wage.

'Employed and remunerated hours' for Wage Qualifying Test =
+ Ordinary hours
- Unpaid hours

The 'employed and remunerated hours' used to calculate the Monthly Remuneration and the ETI Amount remain unchanged (ordinary hours/employed hours less any unpaid hours plus any additional hours).

Please follow the instructions in the **RSA: Impact of Legislative Changes on the System** section below to make the necessary amendments to cater for this change.

2.1.3 Employer Provided Bursaries

There are two changes:

Change 1: Relative (without a disability) of an employee

From March 2017, the exemption thresholds for bursaries granted by the employer (or associated institution to the employer) to a relative (without a disability) of an employee have increased to the following amounts:

- The scholarship or bursary is not exempt if the remuneration proxy exceeds R600 000 (changed from R400 000).
 - If the remuneration proxy does not exceed R600 000 (changed from R400 000), then the first R20 000 (changed from R15 000) of a scholarship or bursary in respect of grade R to grade twelve or a qualification to which an NQF level from 1 up to and including 4 has been allocated, is exempt from normal tax.
 - If the remuneration proxy does not exceed R600 000 (changed from R400 000), then the first R60 000 (changed from R40 000) of a scholarship or bursary in respect of a qualification to which an NQF level from 5 up to and including 10 has been allocated, is exempt from normal tax.

The new thresholds must be backdated to **March 2017**.

Change 2: Family member (of an employee) with a disability

From March 2018, there will be different exemption thresholds for bursaries granted by the employer (or associated institution in relation to the employer) to an **individual with a disability who is a family member of an employee who is liable for family care and support of that individual**, namely:

- The scholarship or bursary is not exempt if the remuneration proxy exceeds R600 000.
- If the remuneration proxy does not exceed R600 000, then the first R30 000 of a scholarship or bursary in respect of grade R to grade twelve or a qualification to which an NQF level from 1 up to and including 4 has been allocated, is exempt from normal tax.
- If the remuneration proxy does not exceed R600 000, then the first R90 000 of a scholarship or bursary in respect of a qualification to which an NQF level from 5 up to and including 10 has been allocated, is exempt from normal tax.

2.1.4 Retirement Funding: Application of R350 000 Annual Monetary Cap Amount

An employee is allowed a tax deduction on the total contribution amount (employee and deemed employee contribution) towards a retirement fund, limited to the lesser of:

- 27.5% of remuneration (excluding retirement fund lump sum benefit, retirement fund lump sum withdrawal benefit and severance benefit), or
- R350 000 per annum.

From March 2018, the legislation forces to 'spread' the R350 000 cap amount across the tax year using a cumulative calculation.

The cumulative calculation of the R350 000 monetary cap amount applies for employees' tax purposes, and any unused portion will be taken into account on assessment.

2.1.5 Certain Dividends Included in Remuneration

Effective 18 December 2017, dividends as specified in paragraph (kk) of the proviso of section 10(1)(k)(i) of the Income Tax Act are included in remuneration and are subject to PAYE, UIF and SDL.

2.1.6 Unemployment Insurance Fund (UIF) – Changes to Who is Exempt

Effective March 2018, the following UIF exemptions are no longer applicable and these employees must contribute towards UIF:

- learners (learners employed according to section 18(2) of the Skills Development Act), and
- persons who will be repatriated at the end of the period of service.

2.2 Changes which do not Affect the System

2.2.1 Employers to Apply for Directives for Certain Dividends Included in Remuneration

From March 2018, employers must apply for a directive, using directive application form IRP3(s), to acquire the PAYE amount to be withheld from dividends that are not exempt (paragraph (dd), (ii), (jj) and (kk) of the proviso of section 10(1)(k)(i)).

2.2.2 Right of Use of Asset – Clothing now Excluded

From March 2018, the amended legislation confirms our interpretation that any use of employer provided ordinary clothing (uniform that is not clearly distinguishable from ordinary clothing) will result in a taxable fringe benefit value.

2.2.3 Bargaining Council Tax Relief

Some bargaining councils have not withheld PAYE from holiday, sick leave and end of year payments. Their liabilities for penalties and interest put these bargaining councils at risk of closure and therefore, a certain level of relief is provided:

- Non-compliant bargaining councils are required to pay a bargaining council levy of 10% of the total employees' tax that should have been withheld from all payments made by the bargaining councils to their member between 1 March 2012 and 28 February 2017.

The 5-year period is linked to the period of record keeping required in terms of section 29 of the Tax Administration Act.

Bargaining councils must submit a return and pay the bargaining council levy to SARS on or before 1 September 2018.

Bargaining councils must be fully tax compliant from assessment year 2018 onwards and will not be afforded relief in future, this is a once-off relief concession.

2.2.4 Postponement of the Annuitisation of Provident Fund Pay-Outs to 1 March 2019

The compulsory annuitisation requirement of provident funds is postponed for another year, from March 2018 to March 2019.

3.0 RSA: Impact of Legislative Changes on the System

3.1 Important Notice

When you access any RSA Tax Country after converting to Release 5.0a, the following Important Notice will be displayed (irrespective of the processing period):

IMPORTANT NOTICE

Legislative changes for the 2018-2019 Tax Year have been implemented. If you claim ETI, confirm that your ETI is set up correctly on company level.

Due to legislative amendments, if you have employees who work irregular Hours, link their hours correctly on the Employee information Screen > Employee Tax Incentive Tab.

If you have captured any Reimbursive Travel values on the payroll prior to installing Release 5.0a, you must update these entries with the number of kilometres travelled and the rate at which it was paid.

Print the [UPDATE](#) Report on the Reports and Maintenance Menu to determine which employees are affected and for detailed instructions on how to capture the transactions.

Please refer to the Release Notes [RELEASE NOTES](#) on the Company Selection Screen for more details.

It is the beginning of the Tax Year, confirm that the Tax Status is correct for all the Employees.

I acknowledge. Don't show this message again.

[PRINT](#) [CONTINUE](#)

The <Print> button allows you to print this screen for easy reference. This message will continue to appear until you tick that you have acknowledged the message. This action will be recorded on the Audit Trail.

This message refers to the following items that you must take note of:

- ETI changes
- Reimbursive Travel (You are advised to print the <Update> Report for more details and instructions on how to capture the Reimbursive Travel Transactions.)
- The checking of Employee Tax Statuses

3.2 Reimbursive Travel Allowance Included in Remuneration

From March 2018, 100% of the portion of the **Reimbursive Travel Allowance** that exceeds the prescribed rate per kilometre (rate per kilometre for the simplified method, fixed by the Minister of Finance by notice in the Gazette) will be **included in remuneration** and will be **subject to PAYE, UIF and SDL**.

Example:

R3.55 was the prescribed rate for 2017/2018 and R3.61 is the prescribed rate for 2018/2019.

	Before March 2018	From March 2018
During the month the employee travels 260 kilometres for business purposes and is refunded by the employer at R3.61 per kilometre (Before March 2018 - R3.55). The employee will not travel more than 12 000 business kilometres for the tax year and does not receive other travel compensation.	R923 (260 x R3.55) is not subject to employees' tax. IRP5 code 3703.	R938.60 (260 x R3.61) is not subject to employees' tax as the rate per kilometre does not exceed the prescribed rate of R3.61. IRP5 code to be confirmed.
During the month the employee travels 840 kilometres for business purposes and is refunded by the employer at R5.00 per kilometre.	R4 200 (R5 x 840) is not subject to employees' tax but may be subject to tax on assessment as the rate per kilometre exceeds the prescribed rate of R3.55. IRP5 code 3702.	R1 167.60 [(R5 – R3.61) x 840] is subject to employees' tax as the prescribed rate is exceeded with R1.39 (R5.00 – R3.61) per kilometre. R3 032.40 (R3.61 x 840) is not subject to employees' tax as this is the portion of the travel reimbursement that does not exceed the prescribed rate of R3.61. IRP5 code/s to be confirmed.

Any Earning Line with an IRP5 code of 3702 or 3703 is seen as a Reimbursive Travel line.

All reimbursive Travel input must be entered as a Transaction and not as a value in the Fixed or Amount column on the Payslip.

3.2.1 After Conversion and Before Input

Any Reimbursive Travel values entered on the payroll for the 2019 Tax Year prior to installing Release 5.0a, must be updated with the number of kilometres travelled, the rate at which it was paid and the total value to ensure that the correct statutory tax calculations are done.

Transactions must be updated before you can do new input for the current period and before a Start of Period is run.

Step 1: Access the Update Report

Reports > Reports and Maintenance

Click on the **Update** button at the bottom right-hand side of the screen and read the information on the **Update Report** sheet.

Step 2: Determine whether any Calculation Screen or Own Screen Lines have been set up with IRP5 Code 3702 and/or 3703

Access the **XsOwn** sheet to see the list of Calculation Screen (XS) and OWN Screen lines where the IRP5 codes were set up as 3702 and/or 3703. These IRP5 codes were removed during the Update process.

From March 2018, Reimbursive Travel values can only be captured as Earning entries. New Earning lines can only be defined as Earning Type: Unit Input, Hourly Input or Not Calculated.

Please Note: You have to amend your Earning Definitions to cater for this change.

Step 3: Determine whether any Employees have Reimbursive Travel Values on their Payslips

Access the **Travel** sheet to see the list of employees with YTD+ Reimbursive Travel values on the payroll. To ensure the correct calculation of PAYE, UIF and SDL, additional information is required for the different values.

Step 4: Capture the Information

- Access the Employee Payslip Screen.
- On the Earnings Tab, click in the Earning line containing the Year-to-date+ Reimbursive Travel value.
- You will be taken to the kilometre field of the first transaction line on the Payslip - Reimbursive Travel Screen.

Payslip - Reimbursive Travel
(003) MR T TRANSFER1

Employee	Date	TRN Code	Earn Number	Moc	Km	Comp. Rate	Presc. Rate	Taxable	Non Taxable	Total	Period	Period End	No.	Comments
003	20180331	000	05		0.00	0.00	3.61	0.00	0.00	0.00	01	20180331	000	

- Complete the transaction by capturing any two of the following three fields: Kilometres (KM), Company Rate per Kilometre (Comp. Rate), Total.

If the kilometres were reimbursed at different rates, capture separate transactions.

The following fields are all determined automatically by the system:

Date, Transaction Code from Batches (TRN Code), Earning Line Number (Earn Number), Method of Calculation(MoC), Prescribed Rate (Presc.Rate), Taxable portion, NonTaxable portion, Total, Period Number (Period), Period End and Transaction Number sequence per line (No.).

You may enter a Comment in the far-right column.

- The Total value of the transactions must be exactly the same as the YTD+ value on the Payslip Earning Line. If the values do not balance the system will warn you when you exit the screen.

Please Note: If you attempt to edit or delete a transaction, you will get a message saying that this is not allowed and that you need to enter contra transactions to balance figures.

- If employees were linked to a Method of Calculation that was defined as a Calculated Type of Earning Line, the employees will automatically be unlinked once the Payslip and the new RT (Reimbursive Travel) Screen balance.

Payslip Reimbursive Travel Values:

Summary						
Earnings		Deductions	Taxable Benefits (Perks)	Co Contributions	Salary Cost	
No	Earning	Fixed	Amount	Times	Balance	
01	Salary	5850.00	5850.00	001		
02	OT					
03	UNPAID					
04	COMMISS					
05	3702		600.00	001		
06	3703		200.00	001		

Reimbursive Travel (RT) Screen:

Payslip - Reimbursive Travel														
(003) MR T TRAVEL														
Employee	Date	TRN Code	Earn Number	Moc	Km	Comp. Rate	Presc. Rate	Taxable	Non Taxable	Total	Period	Period End	No.	Comments
003	20180331	000	05		150.00	4.00	3.61	58.50	541.50	600.00	01	20180331	001	
003	20180331	000	06		55.00	3.62	3.61	0.55	198.55	199.10	01	20180331	001	
003	20180331	000	06		-55.00	3.62	3.61	-0.55	-198.55	-199.10	01	20180331	002	
003	20180331	000	06		40.00	5.00	3.61	55.60	144.40	200.00	01	20180331	003	

- If the values on the RT (Reimbursive Travel Screen) and the Payslip do not balance and you exit the Payslip, the system will warn you.
- The Taxable portion of Reimbursive Travel, will be displayed on a separate line on the Employee Tax Screen and will result in an increase of SDL and UIF.

Taxable Value of Reimbursive Travel Allowance	+	128.00
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3.2.2 Input via Reimbursive Travel Transaction Batch

Reimbursive Travel Transactions, for earning lines flagged as 'Not Calculated' or 'Calculated' can also be entered using the **Reimbursive Travel Transaction Batch** which is found on the Payroll Menu under the existing Batch options. (If the Earning lines are indicated as Unit or Hourly lines, then this option cannot be used.)

If you are set up for **Advanced or Global Access Control**, you must have **Full Access to Batch Entry/Import** on the Advanced Page 3 Tab to be permitted to do input via this Batch.

Select the applicable Employee Code and the applicable Earning Line. You need to complete any two of the following fields: Rate per Km; Km or Total Field. The system will automatically calculate the other field and the Taxable and Non Taxable portion.

Transactions can also be updated using the **Reimbursive Travel Transaction Batch Import** function found on Interfaces > Import Data > Reimbursive Travel Transaction Batch.

Please read the Guidelines for detailed information and steps.

If you make use of this option, all transactions must balance to the YTD+ values, before you can capture any new transactions.

3.2.3 Input via Payslip

Please Note: You will no longer be allowed to enter values in the Fixed column. If you click on this column, you will get a message stating that this is a Subscreen line and that you need to click in the Amount column.

Input on an Hourly or Unit Input Line

Click on the Reimbursive Travel Earning Line, select the applicable Hourly or Unit Method of Calculation and enter the Rate per km.

The system will automatically write a transaction using the kilometres captured and the Total to calculate the Rate.

Input on a Not Calculated Earning Line

If you click on a Not Calculated Reimbursive Travel Line, the **RT Screen** will open to allow you to enter your Kilometre and/or Rate and/or Total. Only two of the three elements need to be entered for the system to work out the Taxable and Non Taxable portion. You can enter a comment to the right of the entry line.

When entering detail on the RT Screen you will be allowed to enter more than one transaction before exiting the screen.

3.2.4 Input via Batch and Import Batch

Reimbursive Travel can be captured or imported to the Employee Payslip via all the available Batch options:

- Normal 6 column Batch
- Flexi Financial Imports
- Flexi Fixed and Financial Imports
- Job Costing
- Transaction Batches
- Travel Transaction Batch (New in Release 5.0a)

No input will be updated if the line is not linked to a Type of Earning Not Calculated or Unit or Hourly Input and is linked to a Method of Calculation. An Error Report will print.

When the input is updated to the Employee Payslip, the Reimbursive Travel Transaction will be created on the RT Screen.

3.2.5 History Report – Reimbursive Travel

History > History Reports > Reimbursive Travel

You can print the Reimbursive Travel History Report for all the transactions or per month.

3.3 Employment Tax Incentive (ETI) – Amendment to ‘Employed and Remunerated Hours’ for the Wage Qualifying Criteria

Wage is used to determine whether the employee qualifies for ETI (Wage Qualifying Test), and Remuneration is used to calculate the Incentive Amount.

Summary of change:

Wage Test Hours for Employee Without a Wage Regulating Measure - Change	
Before 1 March 2018	From 1 March 2018
+ Ordinary hours - Unpaid Hours + Additional hours	+ Ordinary hours - Unpaid hours
Remuneration Hours for Employees With or Without a Wage Regulating Measure – No Change	
Before 1 March 2018	From 1 March 2018
+ Ordinary hours - Unpaid Hours + Additional hours	+ Ordinary hours - Unpaid Hours + Additional hours

Example:

The employment contract states that the employee’s ordinary hours of work are 40 hours a week, 8 hours per day for 5 days a week (Monday to Friday).

March contains 4 weeks which is 160 ordinary hours (40 x 4).

Employee A was appointed on 1 March 2017/2018.

Employee A meets all other qualifying criteria in terms of ETI.

In the month of March, employee A took 30 hours unpaid leave (unpaid hours) and worked 30 hours overtime (additional hours).

Payslip:

Salary = R2 400.00

Overtime = R675.00

Unpaid Leave = R450.00

Commission = R1 200.00

	March 2017	March 2018
Actual wage	R1 950.00 (wage – unpaid leave)	R1 950.00 (wage – unpaid leave)
‘Employed and remunerated hours’ used for <u>wage</u>	160 (ordinary/contractual hours – unpaid hours + additional hours)	130 (ordinary/contractual hours – unpaid hours)
Grossed-up wage	No gross-up required as the ‘employed and remunerated hours’ are 160 or more.	R1 950 / 130 x 160 R2 400.00
	Employee does not qualify	Employee qualifies
Actual remuneration	R3 825	R3 825
‘Employed and remunerated hours’ used for <u>monthly remuneration and ETI amount</u>	160 (ordinary/contractual hours – unpaid hours + additional hours)	160 (ordinary/contractual hours – unpaid hours + additional hours)
Grossed-up remuneration	No gross-up required as the ‘employed and remunerated hours’ are 160 or more.	No gross-up required as the ‘employed and remunerated hours’ are 160 or more.
ETI Amount	R0.00 (does not pass the wage qualifying test)	R1000.00

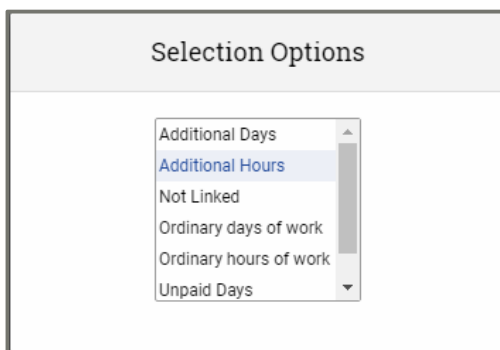
The changes made in the system to accommodate this change as well as making provision for an Adjustment Amount is listed below.

Please consult the [<Guidelines>](#) found on [Company > Basic Company Information > Employee Tax Incentive Screen](#), for an in-depth explanation of the ETI setup and process.

3.3.1 Company Setup

It was not necessary to make any changes to this screen because we already make provision for Ordinary, Unpaid and Additional Days/Hours.

The Wage test will be based on all flagged Hours/Days but **exclude** Additional Hours/Days. The Remuneration Hours calculation will take all flagged Hours/Days into account.



We suggest you check that the definitions on the company screen indicated the additional hours when the previous setup was done.

3.3.2 Employee Screen – Non Wage Regulating Measure

The Employee Employment Tax Incentive Screen has been amended to cater for the change to the Wage Hours.

We have always had a split at the bottom right-hand side of the screen in the 'Hours' block, to reflect the:

- Employed and Remunerated Hours (Rem)
- Employed and Remunerated Hours (Wage)

The screenshot shows a form titled 'Hours'. At the top, there is a checkbox labeled 'Employee Works Irregular Hours:'. Below this, there are two input fields. The first is labeled 'Employed and Remunerated Hours (Rem)' and contains the value '200.00'. The second is labeled 'Employed and Remunerated Hours (Wage)' and contains the value '195.00'.

The Wage Hours will now exclude the Additional Hours according to the set up on the ETI Company Setup Screen.

If an employee is set up for a Wage Regulating Measure, the Wage Qualifying Test is done using the Rate per Hour as indicated on the ETI Company Setup compared to the Rate as entered on the Minimum Monthly Wage Code. In this instance, Employed and Remuneration Hours for Wage are not applicable.

3.3.3 Employee Screen – Irregular Hours

Employees working Irregular Hours will be flagged on the Employee Tax Incentive Tab for Irregular Hours.

Please Note: You have to complete the setup for Wage Hours for employees working Irregular Hours so that ETI can be calculated correctly for them.

The 'Hours Worked per Period' has been renamed to read '**Hours Worked for Remuneration**'. Ensure that this line is linked to a field that contains the value of Remuneration Hours (Ordinary Hours - Unpaid Hours + Additional Hours) on any of the following screens:

- Calculation
- Own
- Hours
- Shifts

Then there is a new field - **'Hours Worked for Wage Test'**. Here you must link the employee to the field that contains the value of the Wage Hours (Ordinary Hours - Unpaid Hours) on any of the screens as listed above.

Hours	
Employee Works Irregular Hours:	<input checked="" type="checkbox"/>
Hours Worked for Remuneration	Calculation Screen ▾
Calc Screen Line 02 with Value:	130.00
Hours Worked for Wage Test	Calculation Screen ▾
Calc Screen Line 01 with Value:	115.00
ETI Standard Hours per Month	160.00

3.3.4 Employee Screen – New and Terminated Employees

If an employee is New or Terminated in the month and the employee is, therefore, not working a full month, as before, you can input the number of 'Days Worked in the Month' at the bottom left-hand side of the screen in the 'Periods' block.

The **Days Worked in the Month** should include Ordinary Days of Work Less Unpaid Days.

You must enter Additional Hours in the new field **'Additional Hours Worked in the Month'**.

This field will only be enabled for input if the employee is engaged after the 1st day of the month or if the employee is terminated before the last day of the month.

Periods	
ETI Engagement Date	2018/03/20
This date is only for information purposes. The Employee Date Engaged is used for all calculations	
Period (Excl. Curr Month)	0 of Set 1
Days worked in this Month	12.00 (New or Terminated)
Additional Hours Worked in the Month	002.00 (New or Terminated)
Rebate Adjustment	0.00 (New or Terminated)

3.3.5 Employee Screen – Rebate Adjustment

When an employee is transferred in the middle of a Pay Period, from one payroll company to another, and the companies are related to one another, the employer may not claim more than the maximum for ETI between both companies in the same month.

To check for and to correct this scenario:

- Print the **ETI Transfer Validation Report** from Reports > Audit Reports
- The report will include all employees:
 - with the same South African ID Number / Refugee Number / Asylum Seeker Permit Number,
 - employed in a company with the same PAYE Reference Number,
 - in the same calendar month (and year)
 - AND who qualify for ETI in either one or both companies.

Where necessary, you must enter the **Rebate Adjustment** for each employee in both companies so that the total of the two Incentives, with their rebates, total the correct value for the month.

Periods	
ETI Engagement Date	<input type="text" value="2018/03/01"/>
This date is only for information purposes. The Employee Date Engaged is used for all calculations	
Period (Excl. Curr Month)	<input type="text" value="0"/> of Set <input type="text" value="1"/>
Days worked in this Month	<input type="text" value="0.00"/> (New or Terminated)
Additional Hours Worked in the Month	<input type="text" value="000.00"/> (New or Terminated)
Rebate Adjustment	<input type="text" value="50.00"/> (New or Terminated)

3.3.6 Employee ETI History Screen

The Employee ETI History Screen has been amended to cater for the new features:

Payslip > Employee Payslip Screen > ETI Button

- **Wage Factor:** This is a new field and differs from the Remuneration Factor because it excludes Additional Hours.

$$\text{Wage Factor} = \frac{\text{Wage Hours (Ordinary Hours – Unpaid Hours)}}{\text{Standard Hours}}$$
- **Tax Incentive Revised Calculation:** This is a new display to cater for adjustments that have been entered on the Employee ETI Screen, as displayed in the last field on the right-hand side of the screen. It sets out the revised ETI Calculation for this employee for this month.
- **Hours Worked for Remuneration:** Replaced 'Hours Worked per Month'.
- **Hours Worked for Wage Test:** Displays the new Wage Hours.
- **Wage Hours:** This is not a new field but will now display the new Wage Hours for Employees without a Wage Regulating Measure.
- **New/Term Days Worked:** Replaced 'New or Termination Days Worked'.
- **New/Term Additional Hours:** This is a new field for Additional Hours worked by new or terminated employees who have not worked a full month.
- **Rebate Adjustment:** This is a new field for adjustments that have been entered on the Employee ETI Screen. It is also displayed as part of the revised calculation in the Incentive Components block.

3.4 Employer Provided Bursaries

Summary of Change 1

No Disability: Employee

Exemption Rule Exempt if agrees (in writing) to repay full amount should he/she fail to complete for reasons other than death, ill-health or injury.

No Disability: Relative of an Employee

	Before March 2018	From March 2018
Remuneration eligibility threshold	R 400 000	R 600 000
Grade R – 12, and NQF Level 1 - 4	R15 000	R 20 000
NQF Level 5 - 10	R 40 000	R 60 000

This change will require amendments to the Bursary values already entered on the Employee's Payslip Screen and Perks Tax Screen **in the previous Tax Year 2017-2018 too**. Please note that any adjustments to the YTD values will result in **tax adjustments**.

Summary of Change 2

Disability: Employee

Exemption rule Exempt if agrees (in writing) to repay full amount should he/she fail to complete for reasons other than death, ill-health or injury.

Disability: Family member of an Employee who is liable for the family care and support of that individual

	Before March 2018	From March 2018
Remuneration eligibility threshold	R400 000	R 600 000
Grade R – 12, and NQF Level 1 - 4	R15 000	R 30 000
NQF Level 5 - 10	R40 000	R 90 000

We have added two new Perks Tax lines to cater for these changes in this release.

Line 26: Bursary Basic Education: Disabled (PAYE) IRP5 Code: 3809

Line 27: Bursary Higher Education: Disabled (PAYE) IRP5 Code: 3820

These new Perks Tax lines will influence PAYE, UIF and SDL.

All IRP5 Code changes on definition level will only be incorporated in the software for our mid-year release. If you want to make use of these new codes, you can create definition lines, using one of the existing IRP5 codes for taxable and non-taxable bursaries and amend the IRP5 codes when available.

Currently we cater for the following Bursary related IRP5 codes on the following Definition Screens:

Definition Screen	3820 – Taxable Bursaries/Scholarships – Further Education (PAYE)	3821 – Non-taxable Bursaries/Scholarships – Further Education (Excl)
	Taxable Bursaries and Scholarships in respect of Further Education (NQF Levels 5 to 10). Applicable for the 2014-2015 Tax Year.	Non-taxable Bursaries and Scholarships in respect of Further Education (NQF Levels 5 to 10). Section 10(1) Exempt portion only. Applicable for the 2014-2015 Tax Year.
Earnings	Yes	Yes
Company Contributions (on Deductions)	Yes	Yes
Calculation	Yes	Yes
Own	Yes	Yes
Perks Tax	Yes	No

Please Note: When you set up Definition lines with any of these new Codes, remember to access the ETI Definition Screen and click on the ETI Default button to populate the “ETI Include” column correctly.

3.5 Retirement Funding: Application of R350 000 Annual Monetary Cap Amount

No changes have been necessary for this change as we already apply the limit in the system.

3.6 Certain Dividends Included in Remuneration

Dividends as specified in paragraph (kk) of the proviso of section 10(1)(k)(i) will be included in remuneration and are subject to PAYE, UIF and SDL.

This will require a new Earning definition.

The new IRP5 code will only be incorporated in the software for our August release.

3.7 Unemployment Insurance Fund (UIF) – Changes to Who is Exempt

The following UIF exempt reasons will no longer be applicable from 1 March 2018 and these employees must contribute towards UIF:

- Learners in terms of the skills development act
- Employees who will be repatriated at the end of their contract of service

The Non- Contribution Reason is found on:

Employee > Change Employee > Statutory Details Tab > UIF & SDL section

If you select Learner or Repatriated for Non Contribution Reason, a message will be displayed stating that this reason code is no longer applicable from March 2018.

The screenshot shows a software interface for 'UIF and SDL'. On the left, there is a form with a dropdown menu for 'Non Contribution Reason'. The dropdown is open, showing a list of options: 'Temporary', 'UIF', 'Government', 'Learner', 'Repatriated', 'Temporary', 'Indep. Contractor', and 'Legal Entity'. The 'Repatriated' option is highlighted. To the right of the form, a message box is displayed with an information icon and the text: 'The UIF Non-Contribution Reason code, 'Repatriated' is not applicable from March 2018.' There is an 'OK' button at the bottom right of the message box.

During conversion to Release 5.0a and during a Start of Period to March 2018, all employees linked to this reason code will be changed to UIF.

Please Note: This will result in these employees contributing towards UIF as from March 2018.

4.0 Africa: New and Changed Reports

4.1 New Mozambique e-FRN Electronic Relação Nominal Submission File

The e-FRN electronic Relação Nominal Report is generated for statistical purposes based on payroll data for the month of March each year. The electronic file replaces the existing manual report and is in the new format to be used for submission.

The submission file includes all the employees who were paid in the selected reporting month – this will be all employees with Total Earnings greater than zero.

The new e-FRN electronic Relação Nominal Submission File Report is available on the Mozambique Report Screen.

The screenshot shows the 'Mozambique Reports' screen in Sage 200c VIP. The header includes the Sage logo, '200c VIP', and system information: 'Version 5.0a | Site Code ZRC123 | 131 | MozambiquePr50a | Period Ends On 2018/03/31 | Period No 03 of 12'. The main content area is titled 'Mozambique Reports' and 'Report Selection'. Under the 'Reports' section, there is a list of report options, each with a radio button. The 'Relacao Nominal Electronic File' option is highlighted with a blue box. Below the list, there is a note: 'If any new System Definitions (Earnings, Deductions, Company Contributions, Calculation Fields, Hours, Own, Perks Tax) have been added, please return to the Report Set-up Screen to update report linkings.' At the bottom left, there is a 'REPORT SETUP' button, also highlighted with a blue box. At the bottom right, there are 'CANCEL' and 'CONTINUE' buttons. The footer contains the Sage logo.

Before using the report, you must complete the Report Setup.

On the Report Setup, you must link the applicable Payroll Definition Lines included for Basic Salary, Regular Earnings and Irregular Earnings. In addition to these selections, you also must indicate which Hours lines are used to capture Overtime Hours and which Hours lines are used to capture Unpaid or Short Time.

Report Setup 1	Report Setup 2
Basic Salary	[Q] [EARNINGS] [DEDUCTIONS] [CO CONTRIB] [PERKS] [CALC SCREEN] [OWN SCREEN] [HRS SCREEN]
Regular Earnings	[Q] [EARNINGS] [DEDUCTIONS] [CO CONTRIB] [PERKS] [CALC SCREEN] [OWN SCREEN] [HRS SCREEN]
Irregular Earnings	[Q] [EARNINGS] [DEDUCTIONS] [CO CONTRIB] [PERKS] [CALC SCREEN] [OWN SCREEN] [HRS SCREEN]
Overtime Hours	[Q] [EARNINGS] [DEDUCTIONS] [CO CONTRIB] [PERKS] [CALC SCREEN] [OWN SCREEN] [HRS SCREEN]
Unpaid Days	[Q] [EARNINGS] [DEDUCTIONS] [CO CONTRIB] [PERKS] [CALC SCREEN] [OWN SCREEN] [HRS SCREEN]

After completing the Report Selections, you can continue to run the report. When running the report additional setup information is required and must be completed to create the submission file with the correct required data.

The Ministry of Labour provided a list with fixed codes required for submission purposes. Please contact Support for a detailed list of these codes.

The following selections must be completed:

Field	Description
Report Date	Use the default date – no selection required.
Include Independent Contractors	Select Yes if you want to include Independent Contractor employees in the report. This is employees with Sundry Number 5 field = Y.
Qualifications	Select No if you want to exclude Independent Contractors from the report. Select the field on the system used to indicate the employee's Qualification. The Qualification Codes must be set up/entered as per list provided by the Ministry of Labour.

Field	Description
	<p>You can select one of the following fields to indicate which field is used for Qualifications:</p> <ul style="list-style-type: none"> • Job Grade: Code will be used • Cost Department: Code will be used • Cost Centre: Code will be used <p>Sundry Field 1 – 5: Enter the prescribed Code in this field (not recommended to use 4 and 5 as these are used in other fields and reports)</p>
Type of Identification	<p>Select the field on the system used to indicate the employee's main Type of Identification.</p> <p>The Type Codes must be set up\entered as per list provided by Ministry of Labour.</p> <p>You can select one of the following fields to indicate which field is used for Type of Identification:</p> <ul style="list-style-type: none"> • Job Grade: Code will be used • Job Title: Code will be used • Category: Code will be used • RSC Code: Code will be used • Department: Code will be used • Pay Point: Code will be used • GL Code: Code will be used • Cost Department: Code will be used • Cost Centre: Code will be used • Own Codes: Code will be used <p>Sundry Field 1 – 5: Enter the prescribed Code in this field (not recommended to use 4 and 5 as these are used in other fields and reports)</p>
Occupation Code	<p>Select the field on the system used to indicate the employee's Occupation.</p> <p>The Type Codes must be set up\entered as per list provided by Ministry of Labour.</p> <p>You can select one of the following fields to indicate which field is used for Occupation:</p> <ul style="list-style-type: none"> • Job Grade: Code will be used • Job Title: Code will be used • Cost Department: Code will be used • Cost Centre: Code will be used <p>Sundry Field 1 – 5: Enter the prescribed Code in this field (not recommended to use 4 and 5 as these are used in other fields and reports)</p>
Type of Contract	<p>Select the field on the system used to indicate the employee's Type of Contract.</p> <p>The Type Codes must be set up\entered as per list provided by Ministry of Labour.</p> <p>You can select one of the following fields to indicate which field is used for Type of Contract:</p> <ul style="list-style-type: none"> • Job Grade: Code will be used • Job Title: Code will be used • Category: Code will be used

Field	Description
	<ul style="list-style-type: none"> • RSC Code: Code will be used • Department: Code will be used • Pay Point: Code will be used • GL Code: Code will be used • Cost Department: Code will be used • Cost Centre: Code will be used • Own Codes: Code will be used <p>Sundry Field 1 – 5: Enter the prescribed Code in this field (not recommended to use 4 and 5 as these are used in other fields and reports)</p>
Occupational Category	<p>Select the field on the system used to indicate the employee's Occupational Category.</p> <p>The Type Codes must be set up\entered as per list provided by Ministry of Labour.</p> <p>You can select one of the following fields to indicate which field is used for Occupation Category:</p> <ul style="list-style-type: none"> • Job Grade: Code will be used • Job Title: Code will be used • Category: Code will be used • RSC Code: Code will be used • Department: Code will be used • Pay Point: Code will be used • GL Code: Code will be used • Cost Department: Code will be used • Cost Centre: Code will be used • Own Codes: Code will be used <p>Sundry Field 1 – 5: Enter the prescribed Code in this field (not recommended to use 4 and 5 as these are used in other fields and reports)</p>
Work Duration Scheme	<p>Select the field on the system used to indicate the employee's Work Duration Scheme.</p> <p>The Type Codes must be set up\entered as per list provided by Ministry of Labour.</p> <p>You can select one of the following fields to indicate which field is used for Work Duration Scheme:</p> <ul style="list-style-type: none"> • Job Grade: Code will be used • Job Title: Code will be used • Category: Code will be used • RSC Code: Code will be used • Department: Code will be used • Pay Point: Code will be used • GL Code: Code will be used • Cost Department: Code will be used • Cost Centre: Code will be used • Own Codes: Code will be used <p>Sundry Field 1 – 5: Enter the prescribed Code in this field (not recommended to use 4 and 5 as these are used in other fields and reports)</p>

Field	Description
Professional Capacity	<p>Select the field on the system used to indicate the employee's Professional Capacity.</p> <p>The Type Codes must be set up\entered as per list provided by Ministry of Labour.</p> <p>You can select one of the following fields to indicate which field is used for Professional Capacity:</p> <ul style="list-style-type: none"> • Job Grade: Code will be used • Job Title: Code will be used • Category: Code will be used • RSC Code: Code will be used • Department: Code will be used • Pay Point: Code will be used • GL Code: Code will be used • Cost Department: Code will be used • Cost Centre: Code will be used • Own Codes: Code will be used <p>Sundry Field 1 – 5: Enter the prescribed Code in this field (not recommended to use 4 and 5 as these are used in other fields and reports)</p>
Overtime Hours	<p>This field is used to indicate if values captured on the Hours Screen for Overtime is captured in Hours or Days.</p> <p>Select one of two options:</p> <ul style="list-style-type: none"> • Hours <p>Units (Days)</p>
Unpaid Days	<p>This field is used to indicate if values captured on the Hours Screen for Unpaid\Short Time is captured in Hours or Days.</p> <p>Select one of two options:</p> <ul style="list-style-type: none"> • Hours <p>Units (Days)</p>
Multiple Reports – Units\Areas	<p>If you must submit reports for various locations, select the field used in the system to indicate the location of an employee. If you select this option, multiple submission files will be created – one per location.</p> <p>If you do not report on multiple locations, leave this field on the default setting of not used.</p>

In addition to the above selections, the following fields on the **employee record** must also be updated to ensure the correct values populates the report:

Field	Description
Identification Number	<p>One of the following fields must be populated based on the employee's Type of Identification:</p> <ul style="list-style-type: none"> • Employee ID Number if Type of Identification Document = B.I • Employee Passport Number if Type of Identification Document = Passaporte • Employee Residential Permit Number if Type of Identification Document = DIRE

Field	Description
	Employee ID Number if Type of Identification Document = Carta de Condução
NUIT	Employee Tax Number
Beneficiary Number	Employee INSS Number (captured in Tax Office field)
Nationality	If company licensed for Personnel Module, report will use Country Field 1 on Employee Supplementary Screen. If no value available for Country Field 1, then the Passport Country Code will be used.
Place of Birth	Sundry Number 3 field on Employee Statutory Screen
Last Promotion Date	Employee Increase Screen - prints the effective date from the Increase Screen – the first transaction.

Once all the selections have been made, you can continue to run the report.

The report will open in MS Excel. You will be prompted to save the submission file(s) in a location specified by you.

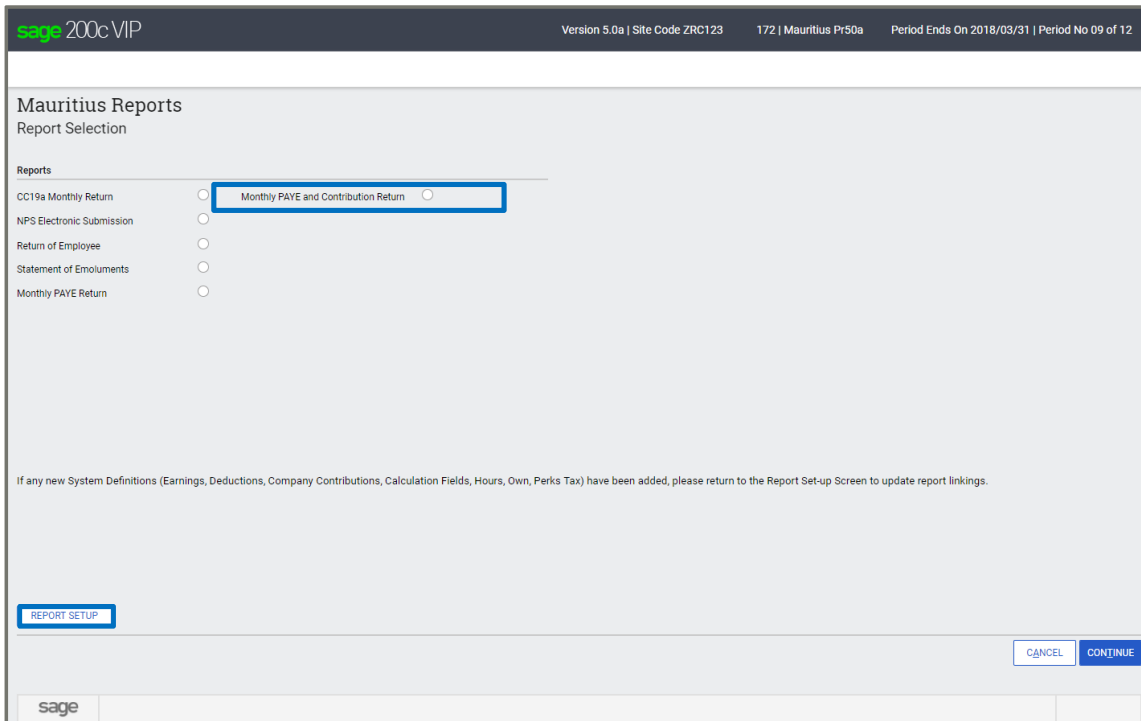
The report is protected in MS Excel and values cannot be changed.

4.2 Mauritius Monthly PAYE and Contribution Return

According to Finance Act 2017, Mauritius Revenue Authority(MRA) will act as collecting agent for the National Pension Fund (NPF), National Savings Fund (NSF), HRDC Training Levy contributions as from 1st January 2018.

For this reason, the Mauritius Revenue Authority has introduced a new combined Return for PAYE, NSF and NPF. This new return is applicable from January 2018.

The new monthly PAYE and Contribution Return file is available on the Mauritius Report Screen.



Before using the report, you must complete the Report Setup.

On the Report Setup, you must link the applicable Payroll Definition Lines included for Basic Salary, HRDC Levy, NPF Deduction & Company Contribution, NSF Deduction & Company Contribution, PAYE Deduction and Taxable Income.



After completing the Report Selections, you can continue to run the report. When running the report additional setup information is required and must be completed to create the submission file with the correct required data.

The following selections must be completed to ensure the report is accurate and reflect the information required:

Field	Description
MRA\MNS	Select one of two Type of Submission Systems: <ul style="list-style-type: none"> MNS MRA
Mobile Number	Enter the Company's Mobile Number

Field	Description
Employer's Representative	Enter the Name of the Employer's Representative
Maximum Threshold	This is the limit for the 2017/2018 tax year that is applied on the Basic Salary used for the NPF and NSF contributions. Only change this value if there is a new limit for the new tax year.
Employer Pays Above Threshold	Only select Yes if the Employer's contribution towards NPF was based on a value greater than the maximum threshold.
Employee Pays Above Threshold	Only select Yes if the Employee's contribution towards NPF was based on a value greater than the maximum threshold.

Mauritius Reports
Monthly PAYE and Contribution Return

MRA/MNS:


Mobile Number:

Employer's Representative:

Maximum Threshold:

Employer pays above threshold:

Employee pays above threshold:



Various fields on the report are mandatory. An Error Report will be generated for incomplete and invalid fields on both Company and Employee level.

Please ensure the following Employee fields are updated as follows:

The screenshot shows the Sage 200c VIP software interface for 'Change Employee' for employee (001) MR JP SMITH. The 'Sundry' section is highlighted with a blue box and contains the following fields:

- Contrib Type Cd: S
- Wage Type Code: M
- MUR Citizen Y/N: Y
- Sundry Number 4: [Empty]
- Sundry Number 5: [Empty]

Other sections visible include 'Tax Details' with fields for Social Security (S534534), Tax Number (T5645), Tax Status (Tax Table (Method Only)), Directive %, Directive Number 1, No of Tax Dependents (0), Tax Start Date (2018/03/01), and Age (Tax Year) (48 yrs). The 'Tax Certificates' section has a 'Manual Tax Certificate Issued' checkbox for 2018.

Report Field	System Field	Description
Contribution Code	Employee Statutory Screen – Sundry Number 1 field	This field is used to capture the employee’s NPF\NSF Contribution Code. Only the following values are allowed: S = Standard D = Self Employed/Non-Employed/Prescribed G = Government Share H = Higher I = Employer Share Only H.R N = Only NSF P = Prescribed Rate Q = Employer Share Only P.R T = Employer Share Only S.R
Pay Code	Employee Statutory Screen – Sundry Number 2 field	The following values are allowed: D = Daily F = Fortnightly H = Half Monthly M = Monthly W = Weekly
Employee ID	Employee Statutory Screen – Sundry Number 3 field	This field must be used to indicate if employee is a Mauritius Citizen or not. Enter Y for Yes and N for No. This will determine if the employee’s ID Number or Passport Number will be used.

Once all the selections have been made, you can continue to run the report.

The report will open in MS Excel. You will be prompted to save the submission file in a location specified by you.

The report is protected in MS Excel and values cannot be changed.

4.3 New Bank Files

The following new bank files were added to the system.

Country	Bank File	Detail
Lesotho	Standard Bank nBOL File	This bank file is available from the Lesotho Report Menu.
Mozambique	FNB Bank File	This bank file is available from the Mozambique Report Menu.

4.4 Other Report Changes

Country	Report	Detail
Ghana	111A & 111B Employee Tax Return	Report had a blank page in between every Tax Relief Card when printing the report – issue resolved.
Kenya	P9 Tax Deduction Card	Updated the report with the new Personal Relief Amounts for the 2018 Tax Year.
Kenya	P9 Tax Deduction Card	Report was only printing in Portrait Mode even if you have selected to print Landscape – issue resolved.
Kenya	P10 iTax Report	Updated the report with the new Personal Relief Amounts for the 2018 Tax Year. Patch with change released in January 2018
Malawi	P12 Monthly PAYE Return	Layout changes as per Malawi Revenue Authority: <ul style="list-style-type: none"> • New field for Other Payment Methods • New field for Other Payment Method's Reference Number • Removed tick boxes for PAYE, Penalty and Total Payment fields • Removed section C Value of Total Output • Added Totals "c" and "f" for Headcount and Gross Emolument section • New and changed Income Categories for headcount per income category section Field "a" Total Number Employed and Field "d" must exclude previous month terminations with income and/or PAYE. They must be included in Field "b" Number of Employees on PAYE and "e" Gross Emoluments on PAYE.
Mauritius	Return of Employee	Various issues were resolved: <ul style="list-style-type: none"> • Comma delimiters missing on blank fields Removed Tax Account No field and replaced the PAYE Registration Number fields with Employer Registration Number field.

Country	Report	Detail
Mauritius	Monthly PAYE Submission Return	<p>Various issues resolved on the report:</p> <ul style="list-style-type: none"> Column Name of Declarant must have a space in between "of" and "Declarant" <p>The alignment of the Employee ID column is not the same for numeric vs. alphanumeric numbers</p>
Mauritius	NPS Electronic Submission File	<p>Layout Changes as per Mauritius Revenue Authority:</p> <ul style="list-style-type: none"> Amount serial field used to require a fixed value of "1". More values were added to correspond with the Wage Type Code. Additional column for "Levy Flag" was added to specify if levy calculated for the employee or not.
Mozambique	IRPS M20H Tax Certificates	Cell A1 was populated with "0.00" on the Annual Tax Recon – issue resolved.
Namibia	PAYE5 Tax Certificate	Incorrect sequence number on summary report – issue resolved.
Nigeria	H1 Report	The report page alignment was incorrect – every third page was shifting down – issue resolved.
Tanzania	Half Year SDL Report	<p>The report was incorrectly excluding employees with Group field equal to any other value than P or C – issue resolved.</p> <p>The report now correctly includes all employees as Permanent Employees if Group field is blank or unequal to P or C. The report still gives an error message to indicate which employees are incorrect so that the user can correct this if required. The user can still choose if they want to continue running the report with incorrect data or not.</p>
Tanzania	WCR-3 Form Report	Formatting of WCF Employee Unique Number incorrect – issue resolved.
Zambia	P16 Electronic PAYE Submission File	<p>Report was updated to not reduce Chargeable Emoluments with NAPSA tax deductible value – effective January 2018.</p> <p>Patch with change released in January 2018</p>
Zambia	P16 Manual Monthly PAYE Report	<p>Report was updated to not reduce Chargeable Emoluments with NAPSA tax deductible value – effective January 2018.</p> <p>Patch with change released in January 2018.</p>
Zambia	P22 Tax Certificate	<p>The NAPSA\Pension\Retirement Deductions are no longer Tax Deductible and does not have an effect on PAYE anymore - effective January 2018.</p> <p>Because of this no value should print in the field "4a Deductions made for contributions to NAPSA and Pension Funds in arriving at Total Gross Pay in above" Value in this field to default to 0.00</p>
Zambia	P13 Employee Leave Form	Fixed page break alignment.
Zimbabwe	NSSA P4 Report	Various issues resolved:

Country	Report	Detail
		<ul style="list-style-type: none">• When adding more employees to system the report shrinks to fit all on one page instead of starting on new page.• Correct spelling mistake on Nature of Employment field heading.

5.0 Income Verification

During the Start of Period process, any company that is currently set to 'No' (Tick is not on) for Participate in Income Verification on Tab 4 of the Company Miscellaneous screen, will be asked whether they want to take part. This question will be asked for 3 consecutive roll-overs. Thereafter, the question will no longer be displayed. If the option is already 'ticked' to indicate that the company is taking part, the question will not be displayed.

5.1 Background to Income Verification

Income Verification enables organisations to provide their employees' payslip information to registered Financial Services Providers (FSP), through a secure platform managed by Sage.

Participating FSP's can then access the necessary payslips once the individual provides consent to the FSP during a financial application.

5.2 How it Works

Historically, when applying for finance through a Financial Service Provider (FSP), 'John Brown' would have been required to provide 3 months' worth of payslips as well as the other legally required documentation (FICA, Bank Statements, ID, etc.). Going forward, if John's employer is participating in the Income Verification programme, then John simply has to give the FSP consent to request the necessary payslips electronically.

5.3 Benefits to Employer and Employee?

Income Verification presents a range of benefits to both the company and the individual, including the following:

- There are no additional costs to the employer or employee.
- Reduced phone calls from creditors to businesses for verification of employee income.
- Reduced phone calls from creditors for verification of employment.
- Stronger compliance to the POPI Act (Protection of Personal Information).
- Reduces the need to supply physical documentation when applying for credit.
- Supports responsible lending practices.
- Reduces the time that employees spend out of the office to complete credit applications.
- Applications take less time to complete and receive approval from the FSP.
- Fully automated process.
- Consent driven program, eliminating abuse and fraudulent requests of information.
- Independent audits rated the security model of the highest standard internationally.

5.4 Income Verification Setup Process

In Non-Monthly Companies, during the Start New Period process to a new **Month**, and in Monthly Companies during each Start of Period process, the following message will be displayed:

If you click on <Yes> the 'Participate in Income Verification' tick on the Company Miscellaneous Screen Tab 4 is activated, the Employee Payslips will be uploaded and the message will not be displayed again.

If you click on <No>, the tick is not activated and no Employee Payslips will be uploaded.

If you click on <No>, this question will be displayed again for two more Month-ends, appearing three times in total, in each Company.

If you answered <No> for three consecutive Month-ends, the question will not be displayed again.

Guidelines

Click on the <Guidelines> button to open a document containing information on the Income Verification process.

You can find the same Guidelines on the Company Miscellaneous Tab 4 Screen:

Main Menu > Company Miscellaneous > Miscellaneous 4

The activation or removal of this tick will be recorded on the Audit Logger File.

5.5 Access Control

If the user doing the Start New Period does not have access to the Company Miscellaneous Screen, then the Income Verification Message will not be displayed.

Only users with access to the Company Miscellaneous Screen will see the message during the Start New Period process and be permitted to change the 'Participate in Income Verification' tick on the Company Miscellaneous Screen Tab 4.

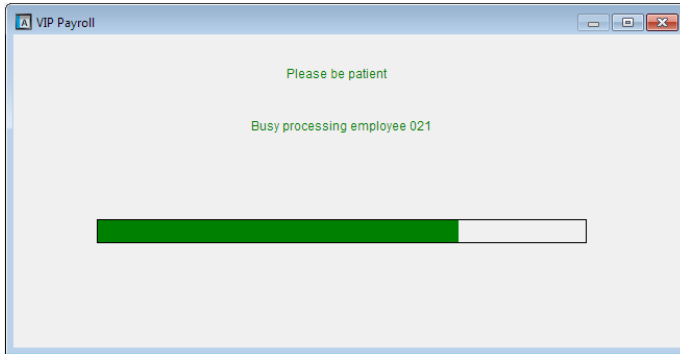
5.6 Uploading of Payslips

If the 'Participate in Income Verification' tick on 'Company Miscellaneous Tab 4' is on, then:

- When printing Normal New PDF Payslips from the system, an indicator will be set to indicate that the Payslips are already created.
- If the client does not use PDF Payslips, then Basic PDF Payslips will be created during the Start New Period process.

All Payslips for Employees with either an ID or a Passport or both, will be saved in a new Data Base: SCEExt.vdb4. This DB is created in C:\Users\Username\AppData\Local\Sage Connected Services\Data

During Start New Period, a message will be displayed indicating the employee being processed, when the Payslips are saved to the DB:



The local DB will be cleared when the Payslips are successfully uploaded to the secure cloud platform.

The Upload of Payslips will be recorded on the Audit Logger File.

6.0 Reports and Report Writer Codes

6.1 Instructions to Import Reports

Reports can either be imported from Batch Import Reports or from the Export/Import Reports option on the Reports Menu.

6.1.1 Batch Imports



The screenshot shows a dialog box titled "Batch Import Reports". It contains the following elements:

- Company Information:** Tax Country: RSA (dropdown), Processed: Monthly (dropdown).
- Please make your selection for Reports to be Imported:**
- Modules:** Payroll, Personnel History, Equity, Job Management, Leave, Skills, Job Costing, Select All.
- Footer:** "It is advisable to do a BACKUP before selecting Import/Export Report options" and buttons for "CANCEL" and "CONTINUE".

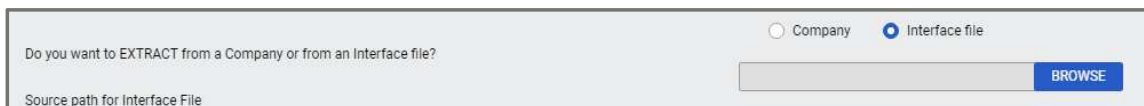
- Un-tick the **Select All** option.
- Tick the Module(s) where the Report(s) listed below can be found.
- Continue
- The Report List is displayed with all the reports set to Y to import.
- Un-tick the **Select All** option.
- Find the applicable Report and select it.
- Continue will import the selected reports.

6.1.2 Export/Import Reports Option

In the example below, we are presuming that your VIP Directory is on Drive C. The Export/Import Reports option is found under Reports on the Main Menu.

The Import and Export Reports screen will be displayed.

Complete the following information:



The screenshot shows a dialog box with the following elements:

- Question:** "Do you want to EXTRACT from a Company or from an Interface file?"
- Options:** Company, Interface file.
- Field:** "Source path for Interface File" with a text input box and a "BROWSE" button.

- Click on the Radio button next to Interface file, as you will import the Reports from your C Drive.

- Enter the required Drive letter, e.g. C.

Then complete the following information:

Do you want to UPDATE to a Company or to an Interface file?	<input checked="" type="radio"/> Company	<input type="radio"/> Interface file
Enter the Company No. to which the Report must be Updated	<input type="text" value="77"/>	

- Click on the Radio button next to Company
- Select all the applicable companies to where the new reports must be imported, from the Company Selection Screen, in this example only Company 900.
- Click on **Continue**.

You will be prompted to enter the Real Number of the Report, e.g. 630.

- Enter the Real Number and click on **Continue**.

The Status of the Imported Report will be shown on screen.

Click on **Continue** and enter the Real Number of the next Report to be imported.

6.2 Changed Standard Reports

The following Standard Reports have been amended and will need to be imported. Overwrite existing Report.

6.2.1 All Users

Report Real Number	Report Name
527	Perks Tax

6.2.2 RSA Users

Report Real Number	Report Name
552	Personal Information

6.3 RG Codes

6.3.1 All Users

These RG Codes are found under the Perks group on the RG Code look-up list:

Code	RG Code Label	Length	Description
27737	Perk Eng 26	22	Perk Eng 26
27738	Perk Eng 27	22	Perk Eng 27
27749	Perks Amount 26	15	Perks Amount 26
27750	Perks Amount 27	15	Perks Amount 27
27761	Perks Times 26	3	Perks Times 26
27762	Perks Times 27	3	Perks Times 27
27773	Mtd Perks 26	15	Mtd Perks 26
27774	Mtd Perks 27	15	Mtd Perks 27
27785	Ytd Perk 26	15	Ytd Perk 26
27786	Ytd Perk 27	15	Ytd Perk 27
27797	Ytd+ Perk 26	15	Ytd+ Perk 26
27798	Ytd+ Perk 27	15	Ytd+ Perk 27
27809	Prks Prev Per 26	15	Perks Previous Period Amount 26
27810	Prks Prev Per 27	15	Perks Previous Period Amount 27

7.0 Items Resolved / Requests Implemented

The following issues have been resolved in this release and the requests listed here have been implemented.

Summary/Area	Description
RG Code	RG Code 998 Total 28 appeared on the Lookup List of Cheque Information.
Personal Information Report (Real No 552)	When you print the Personal Information Report (Real Number 552), and have a Passport Number, the system did not print the Passport Number, only the Passport Country printed.
UIF Submit Report	The Department of Labour advised that they prefer the employers to send the monthly UIF declaration file to declarations@labour.gov.za instead of declarations@uif.gov.za .
UIF Submit Report (Submission ASCII)	<p>When running the UIF Submission, the ID Numbers will be checked to ensure that there are no Pre-Democracy ID Numbers.</p> <p>These “old” Identity Numbers are identified by the 12th digit of the 13-digit Identity Number being a numerical value from ‘0’ to ‘7’ (which were used as racial identifiers in the past). In other words, only identity numbers with an ‘8’ or ‘9’ as the 12th digit are valid for UIF benefit purposes.</p> <p>If any incorrect ID Numbers are found, a Warning Message will print on the report to indicate the number as a “Pre-Democracy” number.</p> <p>The employee will still be included in the UIF Submission File.</p>
ID Validation Report	<p>When printing the ID Validation Report , the ID Numbers will be checked to ensure there are no Pre-Democracy ID Numbers.</p> <p>These “old” Identity Numbers are identified by the 12th digit of the 13-digit Identity Number being a numerical value from ‘0’ to ‘7’ (which were used as racial identifiers in the past). In other words, only identity numbers with an ‘8’ or ‘9’ as the 12th digit are valid for UIF benefit purposes.</p> <p>If any incorrect ID Numbers are found, a Warning Message will print on the report to indicate the number as a “Pre-Democracy” number.</p>

EMP201 print to ASCII	When you printed the Detailed EMP201(RN 608) to ASCII, the ETI details column did not appear within the ASCII file. If you printed the report to PDF, and then exported the report, the ETI values did appear.
EMP201	An Index out of Bounds Error occurred when printing the EMP201 Report in a company that does not have an SDL Definition Line.
Backup File Name	The Backup File Name will now include the Release Number at the end.
Employee Equity Screen	The Occupational Levels as linked on Company Equity Screen, did not pull through to the Employee Equity.
Emp501 Reconciliation	When running the EMP501 Reconciliation Report and you select companies from your list of multiple companies, the system did not allow you to select any companies on the list
History Payslips, Hours and Balances	When running payslips using the History Payslip Print (Secure with Hours and Balances), the system did not bring up a print preview.
Sage Pay	The client exports the Sage Pay ACB and received the message that the file had been successfully uploaded, however, Sage Pay did not receive the files on their side, as the file was not created.
Global End of Contract	When activating the Global End of Contract option, the options did not reflect correctly, as it did not indicate what to click.
Global End of Contract Import	When running the Global End of Contract Import, the following error message "Import file not found" would incorrectly display.
Leave Pay	When Leave Pay is activated, and manually de-activated the message on the Status Bar still reflected the number of periods for which LP was activated.
Employee IS screen – ETI Date	An explanation has been added next to the ETI Start Date on the Employee Information Screen.
Rebuild Files on Support Help	Support Help: Added file names to be able to rebuild individually
EMP201 Totals when Sorting	EMP201 Report is sorted according to the Pay Point and then Department. Only Totals per Department are ticked. If you

printed the report as a Summary, the details of the last Pay Point did not print. (The company totals are correct)

MEIBC Export

Company is setup for Industrial Council SEIFSA. When exporting the data - the file created as expected, but the report did not print

8.0 Items included in Software since Release 4.9a

8.1 Africa: Report Changes

We sent an update to our Non-RSA clients in November which contained the following changes to Reports. If you did not install this update at the time, these changes are also included in Release 5.0.

Country	Report	Detail
Botswana	Stanbic Bank nBOL Bank File	New Bank File.
Botswana	ITW7A Monthly PAYE Remittance Report	The report printed Year to Date values where Month to Date values should print – issue resolved.
Kenya	CBA EFT Bank File	New Bank File.
Kenya	CBA RTGS Bank File	New Bank File.
Kenya	CitiBank DFT Bank File	Beneficiary Address 1 field is now a mandatory field. An error will be generated if the Employee Address Line 1 for Employee Reporting Address is incomplete.
Lesotho	P19 PAYE Tax Return Form	Updated report to accommodate 11-digit TIN Number.
Lesotho	Fringe Benefit Tax Return	Updated report to accommodate 11-digit TIN Number.
Malawi	P9 Tax Certificate	De-active Leave Grant report selection. Leave Grant\Allowance Earnings must be linked to other Emoluments to be included in the report.
Malawi	P16 Annual PAYE Return	De-active Leave Tax Free report selection.
Mauritius	Return of Employee Report	Report layout updated as per MRA requirements: <ul style="list-style-type: none"> Header section was added Employer Detail Changes Employee NID changed to Employee ID Various columns were renamed Sequence of columns were changed
Mauritius	Monthly PAYE Return File	Report layout updated as per MRA requirements: <ul style="list-style-type: none"> Employee TAN changed to Employee ID New Report Selection added for Taxable Income to populate a new field added to report Report now includes all employees with Taxable Income even if PAYE is zero
Nigeria	NSITF Schedule of Payments Report	Date Engaged date format was printing mm/dd/yyyy instead of dd/mm/yyyy – issue resolved.
Swaziland	IRP5 Submission File	Approved Pension Fund Deduction field must print the full Employee Deduction Amount and not the amount limited to 360.00 per year – issue resolved.
Swaziland	Monthly PAYE Return	Approved Pension Fund Deduction field must print the full Employee Deduction Amount and not the amount limited to 360.00 per year – issue resolved.
Swaziland	PAYE 5 Tax Certificate	Report did not exclude employees with zero Year to Date values – issue resolved.

Country	Report	Detail
Tanzania	Standard Bank nBOL Bank File	New Bank File.
Zimbabwe	NSSA P4 Return	Updated report layout as per NSSA requirements.
Zimbabwe	NSSA P4 Electronic Submission File	When running the NSSA P4 report you now have the option to generate the following: <ul style="list-style-type: none"> • Manual report • Electronic Submission File Both Manual and Electronic Submission File

8.2 Africa: Ghana Tax Tables

Income Tax (Amendment) Act 2 of 2017 which was published on the 29th of December 2017 in Ghana contains the changes to the calculation of Employee's Tax under the PAYE system effective from 1 January 2018. These changes have been sent to all our Ghana clients in January.

However, if you did not install this file (GHATax.ZIP) the changes are also part of this release and will then be applied as from the pay period in which you installed this release.

Please Note: If you have any queries concerning backdating this information, please contact your Africa Support Consultant.

The Statutory Tax Rates which are applicable from 1 January 2018 are:

Taxable Income	Taxable Income	Rates of Tax
0 – 261	261	No Tax to be deducted
261.01 - 331	70	5%
331.01 - 431	100.00	10%
431.01 - 3241	2810	17.5%
3241.01 and above		25%

You can view the Statutory Rates of Tax by clicking on the TXB button on any Employee's Tax Screen or the Tax button on the Basic Company Information Screen.

8.3 Africa: Kenya Tax Tables

Statutory changes effective 1 January 2018 have been published in the Finance Act No. 15 of 2017. These changes have been sent to all our Kenya clients in January.

However, if you did not install this file (AFRTAX_Pr49a_201801.ZIP) the changes are also part of this release and will then be applied as from the pay period in which you installed this release.

Please Note: If you have any queries concerning backdating this information, please contact your Africa Support Consultant.

The change listed below affects payroll processing:

- The resident Personal Relief will increase by 10% from KShs15 360 per year to KShs16 896 per year. From KShs1 280 per month to KShs1 408 per month.
- The PAYE tax bands will be expanded by 10% for the 2018 tax year:

Annual Tax Table – effective January 2018

Income Band (KShs)	Rate
First KShs 147 580	10%
Next KShs 139 043	15%
Next KShs 139 043	20%
Next KShs 139 043	25%
Over KShs 564 709	30%

Monthly Tax Table – effective January 2018

Income Band (KShs)	Rate
First KShs 12 298	10%
Next KShs 11 587	15%
Next KShs 11 587	20%
Next KShs 11 587	25%
Over KShs 47 059	30%

Rounding will be applied to the nearest 2 decimals.

8.4 Africa: Zambia Tax Changes

Following the repeal of Section 37 of the Income Tax Act, the NAPSA and other Retirement Contributions made by the employees are no longer Tax Deductible and no longer affect the PAYE tax calculation. This is effective 01 January 2018.

These changes have been sent to all our Kenya clients in January. However, if you did not install this file (AfrTax_R49a_210802.zip) the changes are also part of this release and will then be applied as from the pay period in which you installed this release.

Please Note: If you have any queries concerning backdating this information, please contact your Africa Support Consultant.

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