

Perfectly balanced tax periods

This would indicate that the employer’s account is correct and fully paid up. An example of this is illustrated in the March 2010 tax period where the balance is reflected as a zero. In this example the payment reference number (PRN) displayed in the “transaction reference” column matches the corresponding Monthly Employer Declaration (EMP201) reference for that period for an equivalent value. Since the payment was made by the due date, no interest and penalties have been imposed.

Transaction details							
Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/04/07	7123456789LE0000015	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/04/07	7123456789LE0000015	PAYMENT	-120.00	-100.00	-10.00	-10.00	0.00
BALANCE: TAX PERIOD 201003				0.00	0.00	0.00	0.00

Unallocated payments

An unallocated payment is any payment (or portion thereof) that could not be assigned to a specific Monthly Employer Declaration (EMP201). This would occur in instances where the employer paid more than the value of the EMP201, did not file their return, or did not specify the correct payment reference number (PRN) when making payment. These payments, which are reflected under **Unallocated payments excluded from the cumulative balance**, will not be taken into consideration when calculating penalties and interest, and when performing the annual (Employer Reconciliation Declaration [EMP501]) reconciliation. This could result in compliance actions being initiated against the employer. It is therefore critical that these payments are followed up and correctly assigned by employers. The two examples below illustrate this.

- Example of an incorrect PRN: The declaration for the April 2010 period has been correctly submitted with the employer making payment on the same day. However, because the payment reference number (PRN) used in making the payment (7123456789LE00042010) did not match the reference on the Monthly Employer Declaration (EMP201) submitted (7123456789LE0000025), the full value of the payment is reflected under **Unallocated payments excluded from the cumulative balance**. As a result, a penalty and interest was imposed.

		BALANCE: TAX PERIOD 201003	0.00	0.00	0.00	0.00
2010/05/07	7123456789LE0000025	DECLARATION	120.00	100.00	10.00	120.00
2010/05/08		PENALTY	12.00	10.00	1.00	132.00
2010/09/30		INTEREST (2010/05/08-2010/09/30)	1.20	1.00	0.10	133.20
BALANCE: TAX PERIOD 201004			111.00	11.10	11.10	133.20

2010/05/07	7123456789LE00042010	PAYMENT	-120.00			
------------	----------------------	---------	---------	--	--	--

- Example of an overpayment: The May 2010 tax period illustrates this. The payment was made on time using the correct payment reference number (PRN), i.e. 7123456789LE0000027. However, there is a credit showing because the employer made an overpayment of R10. This will result in the excess payment being reflected under **Unallocated payment excluded from the cumulative balance**. This amount does not attract credit interest and therefore employers are urged to rectify these overpayments as soon as possible.

2010/06/07	7123456789LE0000027	DECLARATION	120.00	100.00	10.00	120.00
2010/06/07	7123456789LE0000027	PAYMENT	-120.00	-100.00	-10.00	0.00
BALANCE: TAX PERIOD 201005			0.00	0.00	0.00	0.00

2010/06/07	7123456789LE0000027	PAYMENT	-10.00			
------------	---------------------	---------	--------	--	--	--

Underpayment due to interest and penalties

Where interest and penalties are charged due to a late payment, the payment will first be offset against these charges before being assigned to any tax declared on the Monthly Employer Declaration (EMP201). Most employers do not increase their payments to take account of this and as a result an underpayment occurs for the particular tax period. This is illustrated in the June 2010 period example. Although the EMP201 was correctly filed and the payment was made using the correct payment reference number (PRN), the payment was late. As a result, penalties and interest were levied. This has resulted in an underpayment for this particular tax period which will continue to accrue interest until it is settled. If these additional charges have been correctly imposed, the employer is required to make an additional payment using the EMP201 payment reference number (PRN) to ensure that the payment is correctly allocated.

2010/07/07	7123456789LE0000041	DECLARATION	120.00	100.00	10.00	120.00
2010/07/08		PENALTY	12.00	10.00	1.00	132.00
2010/07/08		INTEREST (2010/07/08-2010/07/08)	0.12	0.10	0.01	132.12
2010/07/08	7123456789LE0000041	PAYMENT	-120.00	-100.00	-10.00	12.12
2010/09/30		INTEREST (2010/07/09-2010/09/30)	0.12	0.10	0.01	12.24
BALANCE: TAX PERIOD 201006				10.20	1.02	12.24

Outstanding returns

All outstanding returns are reflected under **Compliance Information** on the EMPSA. As indicated above, if no Monthly Employer Declaration (EMP201) was filed the accompanying payment cannot be allocated. In this instance, the payment will be reflected under **Unallocated payment excluded from the cumulative balance**. In the example (July 2010), the employer failed to submit an EMP201 for the July tax period, and hence there is no EMP201 declaration transaction reflected for this tax period. This outstanding return is reflected under **Compliance Information**. The employer then made a payment for the July period on the due date. However, the payment could not be allocated to the July tax period because there is no corresponding EMP201 against which the payment can be matched (i.e. an EMP201 containing the same payment reference number as that of the payment). The payment is therefore reflected under **Unallocated payment excluded from the cumulative balance**.

		BALANCE: TAX PERIOD 201007	0.00	0.00	0.00	0.00
		BALANCE: TAX PERIOD 201008	0.00	0.00	0.00	0.00

2010/09/07	7123456789LE0000057	PAYMENT	-127.00			
------------	---------------------	---------	---------	--	--	--

Outstanding EMP501 Reconciliations	2011	Outstanding EMP201	2010/07, 2010/08
------------------------------------	------	--------------------	------------------

Applying the SARS payment rules correctly

Employers may either allocate a payment themselves by indicating the specific Monthly Employer Declaration (EMP201) to which the payment should be assigned (by specifying the appropriate PRN) or by requesting that SARS allocate the payment to any outstanding balances reflected on the account at the time of payment. The latter option is referred to as a “payment on account” and is specified by using 00000000 as the last eight digits on the payment reference (PRN). SARS will allocate the payment according to SARS payment allocation rules. If the payment could not be fully allocated, any excess credit will be reflected under the **Unallocated payments excluded from the cumulative balance** section of the EMPSA. The payment reference number is shown here as an example.

2010/03/20	7123456789LE00000000	PAYMENT	-20.00			
------------	----------------------	---------	--------	--	--	--

5. How do I go about resolving account inaccuracies?

This section provides you with additional information on how to resolve account inaccuracies.

- Requesting an EMPSA for a different period

Any transaction, such as a payment, made in respect of a tax period falling outside the period covered by the Statement of Account (EMPSA), will not appear in the transaction listing. For example, a payment made in June 2010 in respect of the December 2009 tax period will appear on the EMPSA for the 2010 transaction year. If an EMPSA is required for an earlier or different tax period, you may request it electronically using e@syFile™ Employer or eFiling. Alternatively, call the SARS Contact Centre or visit the nearest SARS branch for assistance if you are not registered for eFiling or e@syFile™ Employer.

- Unallocated and incorrectly allocated payments

An online function has been provided on e@syFile™ Employer and eFiling for employers to rectify unallocated payments. This function will also provide you with a means to request SARS to change allocations that have been incorrectly performed. Alternatively, visit the nearest SARS branch for assistance if you are not registered for eFiling or e@syFile™ Employer. For a detailed guide, please visit www.sars.gov.za.

- For more information regarding SARS payment rules please go to www.sars.gov.za and select “I want to make a payment...” to view the SARS payment rules.

PAYE

EMPSA

A simple overview of the Statement of Account

1. What is a Statement of Account (EMPSA)?

As part of its modernisation efforts to equip taxpayers with the necessary tools to ensure that they are able to keep their tax accounts up to date and in order, SARS will now provide employers with a detailed Statement of Account (EMPSA).

The EMPSA will be issued for Payroll Taxes and provides a summary of all financial transactions processed against the employer’s account which relate to Pay-As-You-Earn (PAYE), Skills Development Levy (SDL) and Unemployment Insurance Fund (UIF). Financial transactions that would usually appear on the EMPSA include all Monthly Employer Declaration (EMP201) returns submitted, payments made, audit assessments, adjustments made due to the reconciliation process (Employer Reconciliation Declaration [EMP501]), as well as additional charges relating to penalties and interest.

Where previously employers received three separate statements, the EMPSA now combines these statements to give employers a consolidated view of all their PAYE, SDL and UIF transactions. Transaction discrepancies are also highlighted to enable employers to manage their accounts more effectively.

2. When and how will the EMPSA be issued?

The EMPSA has been introduced with effect from the 2011 employer transaction year (March 2010 to February 2011). Employers registered on eFiling and e@syFile™ Employer will receive an EMPSA on a monthly basis whilst employers who file their EMP201 and PAYE returns manually will receive an EMPSA by post on a quarterly basis.

For the 2008 to 2010 transaction years, the employer must request an EMPSA using eFiling, e@syFile™ Employer or by contacting the SARS Contact Centre on 0800 00 SARS. Requests pertaining to earlier transaction years must be made at a SARS branch.

3. What sort of detail will the EMPSA contain?

The EMPSA (illustrated below) is made up of three basic sections:

- A header section that contains your address, contact details for SARS, the PAYE reference number, date and statement period, as well as a summary of the financial transactions appearing on the statement (illustrated below as A)
- A detailed transaction section reflecting all transactions processed against your account with all unallocated payments and ageing transactions listed separately (illustrated below as B), and
- A compliance section which indicates whether there are any outstanding EMP201 or EMP501 returns (illustrated below as C).

Detailed notes are also provided on the EMPSA.



Employer
Address
Address
Postal Code

PAYROLL TAXES

EMPSA

Statement of Account

Enquiries should be addressed to SARS:

Contact Detail

ALBERTON
1528

Tel: 0800 00 7277 Website: www.sars.gov.za

Details

Reference number: 7123456789
Date: 2010/04/30
Statement period: 2010/03/01 to 2010/03/31

Summary Information: Employer Reconciliation

TRANSACTION YEAR 2011 0.00
UNALLOCATED PAYMENTS 0.00
CLOSING BALANCE 0.00

Transaction details

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/04/05	7123456789LE0000015	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/04/07	7123456789LE0000015	PAYMENT	-120.00	-100.00	-10.00	-10.00	0.00
		BALANCE: TAX PERIOD 201003		0.00	0.00	0.00	0.00
2010/05/07	7123456789LE0000025	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/05/08		PENALTY	12.00	10.00	1.00	1.00	132.00
2010/09/30		INTEREST (2010/05/08-2010/09/30)	1.20	1.00	0.10	0.10	133.20
		BALANCE: TAX PERIOD 201004		111.00	11.10	11.10	133.20
2010/06/07	7123456789LE0000027	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/06/07	7123456789LE0000027	PAYMENT	-120.00	-100.00	-10.00	-10.00	0.00
		BALANCE: TAX PERIOD 201005		0.00	0.00	0.00	0.00
2010/07/07	7123456789LE0000041	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/07/08		PENALTY	12.00	10.00	1.00	1.00	132.00
2010/07/08		INTEREST (2010/07/08-2010/07/08)	0.12	0.10	0.01	0.01	132.12
2010/07/08	7123456789LE0000041	PAYMENT	-120.00	-100.00	-10.00	-10.00	12.12
2010/09/30		INTEREST (2010/07/09-2010/09/30)	0.12	0.10	0.01	0.01	12.24
		BALANCE: TAX PERIOD 201006		10.20	1.02	1.02	12.24
		BALANCE: TAX PERIOD 201007		0.00	0.00	0.00	0.00
		BALANCE: TAX PERIOD 201008		0.00	0.00	0.00	0.00
		CUMULATIVE BALANCE		121.20	12.12	12.12	145.44

Unallocated payments excluded from the cumulative balance

Current	30 Days	60 Days	90 Days	120 Days	Total
0.00	0.00	0.00	0.00	0.00	0.00

Compliance Information

Active SDL Reference	L123456789	Seta Code (SDL)	SETA CODE 01 CHAMBER CODE 1234
Outstanding EMP501 Reconciliations	2011	Outstanding EMP201	2009/12
Selected For Audit			

A

B

C

4. What are the important things I need to look for when reviewing my statement

This quick guide provides a brief overview of the sort of things that you need to take into account when reviewing your statement. For a detailed Guide to Interpreting the Statement of Account (EMPSA), including how to resolve transaction errors or omissions, please visit www.sars.gov.za.

The Statement of Account (EMPSA) identifies transactions which were processed in the specific tax periods displayed on the EMPSA. For example, the EMPSA issued to you together with this leaflet is for the current transaction year, covering all tax periods which have already passed (March 2010 to October 2010). All Monthly Employer Declarations (EMP201s) filed and payments made in respect of **these tax periods** will reflect on the EMPSA, and where late payments were made, penalties and interest will have accrued. Once you have filed your Employer Reconciliation Declaration (EMP501), it will reflect on the EMPSA in instances where there is a difference between the EMP201 submitted and the EMP501.

The following is a brief explanation of some of the transactions that could be displayed on your EMPSA. Please note that these are only examples which attempt to give you an understanding of the transactions.



PAYROLL TAXES

EMPSA

Statement of Account

Enquiries should be addressed to SARS:

Contact Detail

ALBERTON
1528

Tel: 0800 00 7277 Website: www.sars.gov.za

Details

Reference number: 7123456789
Date: 2010/09/30
Statement period: 2010/03/01 to 2010/08/31

Summary Information: Employer Reconciliation

TRANSACTION YEAR 2011 145.44
UNALLOCATED PAYMENTS -277.00
CLOSING BALANCE -131.56

Transaction details

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/04/07	7123456789LE0000015	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/04/07	7123456789LE0000015	PAYMENT	-120.00	-100.00	-10.00	-10.00	0.00
		BALANCE: TAX PERIOD 201003		0.00	0.00	0.00	0.00
2010/05/07	7123456789LE0000025	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/05/08		PENALTY	12.00	10.00	1.00	1.00	132.00
2010/09/30		INTEREST (2010/05/08-2010/09/30)	1.20	1.00	0.10	0.10	133.20
		BALANCE: TAX PERIOD 201004		111.00	11.10	11.10	133.20
2010/06/07	7123456789LE0000027	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/06/07	7123456789LE0000027	PAYMENT	-120.00	-100.00	-10.00	-10.00	0.00
		BALANCE: TAX PERIOD 201005		0.00	0.00	0.00	0.00
2010/07/07	7123456789LE0000041	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/07/08		PENALTY	12.00	10.00	1.00	1.00	132.00
2010/07/08		INTEREST (2010/07/08-2010/07/08)	0.12	0.10	0.01	0.01	132.12
2010/07/08	7123456789LE0000041	PAYMENT	-120.00	-100.00	-10.00	-10.00	12.12
2010/09/30		INTEREST (2010/07/09-2010/09/30)	0.12	0.10	0.01	0.01	12.24
		BALANCE: TAX PERIOD 201006		10.20	1.02	1.02	12.24
		BALANCE: TAX PERIOD 201007		0.00	0.00	0.00	0.00
		BALANCE: TAX PERIOD 201008		0.00	0.00	0.00	0.00
		CUMULATIVE BALANCE		121.20	12.12	12.12	145.44

Unallocated payments excluded from the cumulative balance

Current	30 Days	60 Days	90 Days	120 Days	Total
0.00	0.00	0.00	12.24	133.20	145.44

Compliance Information

Active SDL Reference	L123456789	Seta Code (SDL)	SETA CODE 1234 CHAMBER CODE 1234
Outstanding EMP501 Reconciliations	2011	Outstanding EMP201	2010/07, 2010/08
Selected For Audit			