

Quick Payroll

IRP5 SUBMISSION GUIDELINES TAX YEAR: 2012/2013

Table of Contents

P 2	Aim & Overview of guide.
P 4	File Preparation- Verifying update.
P 6	Phase 1- Creating a copy Company & new company for Tax year 2014.
P 10	Phase 1- IRP5 verification- ensuring file passing to SARS E@Syfile.
P 11	Phase 1- Configuring IRP 5 Setup
P 18	Phase 1 – Running EMP201 for the Tax year & Site report
P 19	Phase 2- Exporting Electronic Certificates for SARS E@syfile purposes.
P 21	Phase 3- Final Submission of EMP501, IRP 5, IT 3 to SARS & printing.

Aim of this guideline:

By law each employer must submit a year-end EMP501 and issue IRP5's/ IT3's to their staff by using SARS E@syfile software during March- May 2013 for Tax period March 2012 – Feb 2013.

SARS no longer accepts manual EMP501's. The method of submission is by making use of SARS E@syfile software.

This can be downloaded from: <https://secure.offline.sarsefiling.co.za/IFOnline/Controller?action=winEmp>

The primary aim of this guide is to assist you the employer to issue & print EMP501, IRP 5's & IT 3's for the Tax period 2013/02 by exporting electronic certificates from Quick Payroll which will be imported to SARS Easyfile.

Secondly this guideline will instruct you to create a new company data file for the new Tax Year 2014.



Ensure your Payroll is updated to Ver. 1.2.40. To verify version go to Help menu/ About Payroll.

Please phone QuickBooks registrations department should you not have Update 1.2.40: 0861 72 6657 (Option 2)

The registration department will email update 1.2.40 once they've verified your account. You will extract the update to your payroll directory- c:\Program Files\Quick Payroll & replace the existing application file.

QUICK PAYROLL- Tax Year-end guide (Period 1 March 2012- 28 Feb 2013).

There are three phases involved. Follow them carefully to ensure a trouble-free year- end experience.

Phase 1

Action:

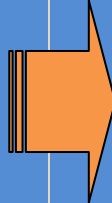
Performing a Month-end at the end of Feb 2013 & creating a Company which will be used in Phase 2 in Quick Payroll.

Programs:

Quick Payroll

When:

This should be done as soon as you've performed a month-end in Feb 2013



Phase 2

Action:

Exporting Electronic certificates from Copy Company to SARS E@syfile from Quick Payroll.

Programs:

Quick Payroll & SARS E@syfile

When:

This should be done as soon as SARS made available its latest release of E@syfile



Phase 3

Action:

Completing declaration of payments to SARS in E@syfile & submitting electronically/ manually via E-Filing.

Programs:

SARS E@syfile & SARS E-Filing

When:

The cut off or deadline for Final submission will be 31 May 2013 but is subject to change by SARS.

Updating Quick Payroll to Ver 1.2.40

1. Ensure that you're using the latest version of Quick Payroll- Ver. 1.2.40.
To verify this go to Help (Menu) / about Quick Payroll as seen in underneath example:



You will not be able to submit EMP501 submission in the required format unless you've update to Ver 1.2.40.

PLEASE NOTE: You must go from update 39 to 40.

Skipping updates may result in data fields not mapped correctly to new IRP5 template.

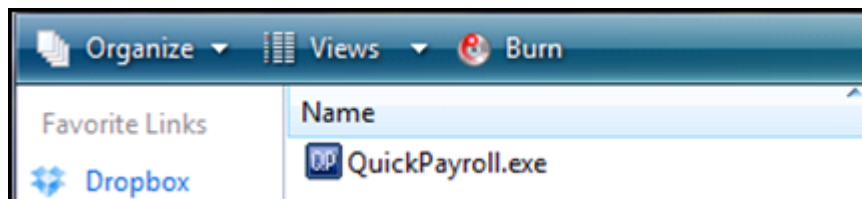
You would've received a mail shot announcing the opening of the Tax year-end season from where you could download update 1.2.40. If you haven't received this please contact registrations and request your update.

Applying update 1.2.40

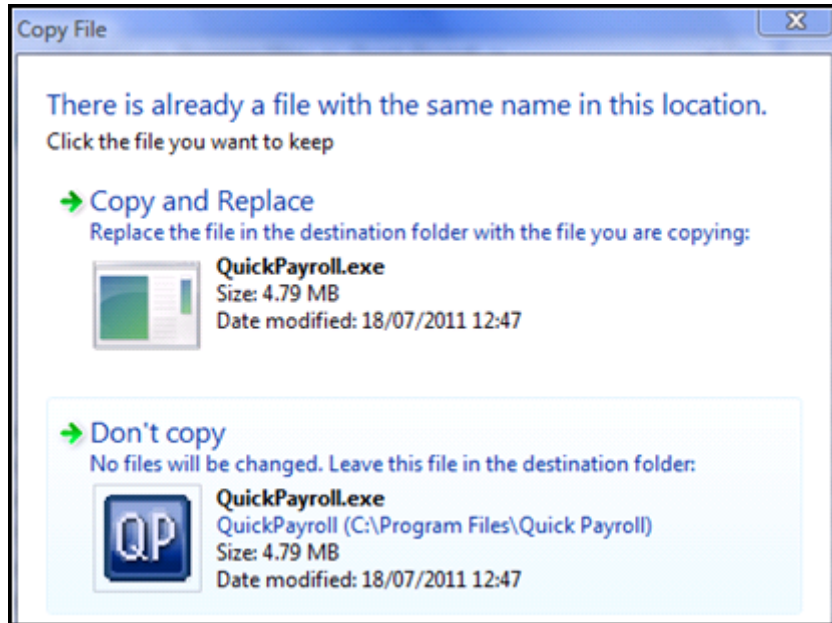
Save the attached update you received via email to your desktop.

1. Right click on the zipped attachment & extract the contents to c:\Program Files\Quick Payroll.
(Or open attachment & copy the contents of to c:\Program Files\Quick Payroll)

The file you will be copying or extracting to c:\Program Files\Quick Payroll is:



2. You will be prompted to replace your existing QuickPayroll.exe file: Choose to 'Copy & replace- all'.



3. Open Payroll as per normal.

Phase 1.

Preparing a copy company in Quick Payroll

- (a) The 'copy' company is a 'duplicate' set of your 'live' data file with restrictions. It allows the user to prepare the 'copy' file for E@syfile. Because it's a separate 'duplicate' file it will allow you to work on it even after performing a month-end for Feb 2013 on your 'live' data file.
- (b) A copy company will be flagged as "copy" (seen in the company details) and will no longer affect the counting of employees as per your licensing.

There are some restrictions in your copy company, they are as follows:

- You will not be able to add, edit or delete a PTT
- You will not be able to calculate
- You will not be able to capture hours
- You will not be able to do any period ends

Note: If any changes need to be made with reference to the restrictions above then it will have to be done in the 'live' data file before creating a 'copy' company.

Ensure that a month-end roll over has been followed for Feb 2013 on your live company before you continue with creating a 'copy' company data file. This includes week, fortnight and month ends.

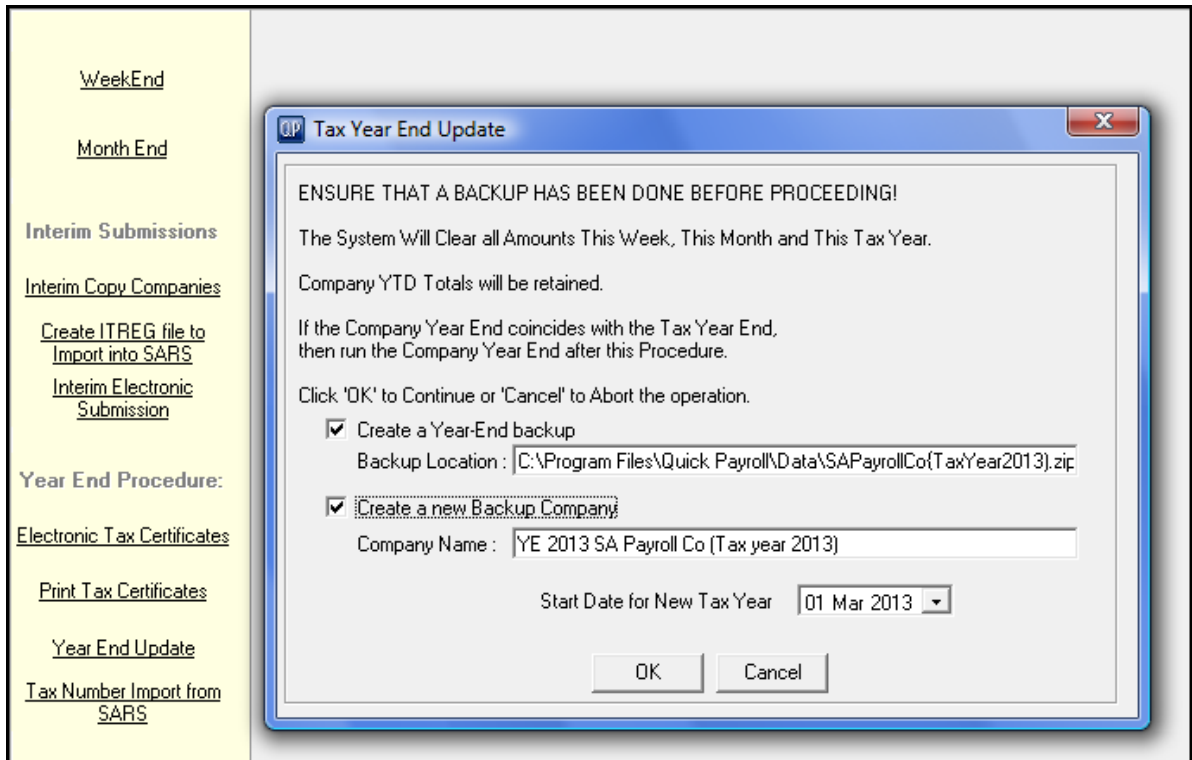
Note: When editing any of the employee's ensure that **all figures** should be in the year to date column.

There should be no amounts under the 'this week' or 'this month' column.

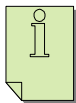
Note: Do a backup of your Payroll data before doing a Month-end for Feb 2013.

STEPS

- 1.1 In Quick Payroll perform a normal Month- end for February 2013 as you would normally do for every other month. You will see that the run date will roll over to March 2013.
- 1.2 Go then to Period Ends/ Year End update as shown underneath:



(The employer will continue working with the same company file for the remainder of Tax 2014. You will notice that the balances have been cleared on all the employees. You may now delete discharged employees from the previous Tax year to make space for new recruits).



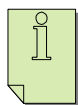
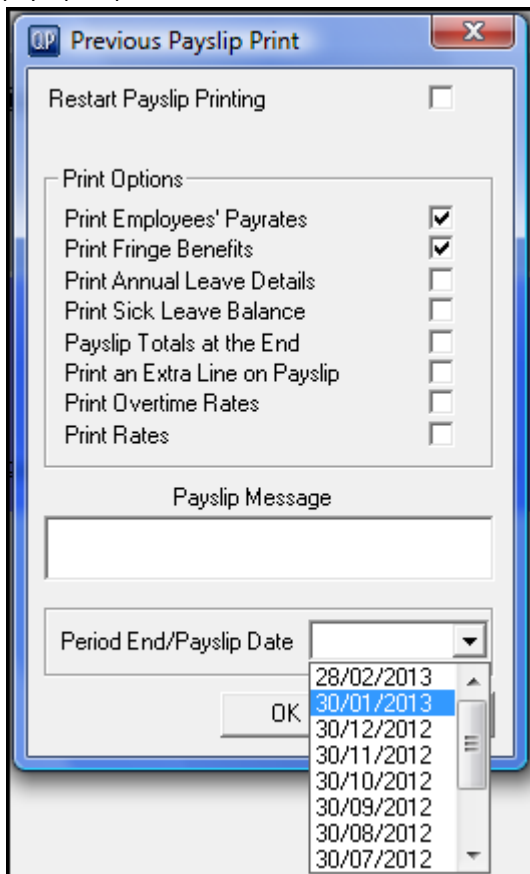
Be sure to apply the Tax2014 tables that was emailed to you. Tax2014 tables + procedures will be made available through a download link.

However to complete the Year-end Process you will have to open the Copy Company file. The copy Company File will not take any employee places & will not prevent you from adding new customers to your actual current Company File.

1.3 Open the Year End Company Payroll created in step 1.2:



1.4 In the Copy Company, make sure you have all the relevant months for the tax year 2013 by calling up the payslip re-print screen:



It is important that **all** the months should be present. If you notice a month is missing you will have to find the actual filed printed payslips & edit the totals per employee per PTT to correct the Year to date amounts.

This is how you would for example edit the basic Pay for an employee:

Note: This applies to all PTT's.

The above employee's Basic Pay for the Tax Year should be R 60,000 & not R 55,000.

You can edit the actually amount circled in green to R 60,000. By doing this you are replacing the missing month.

1.5 Ensure there are no amounts in the Amounts- this- month- column for all employees.

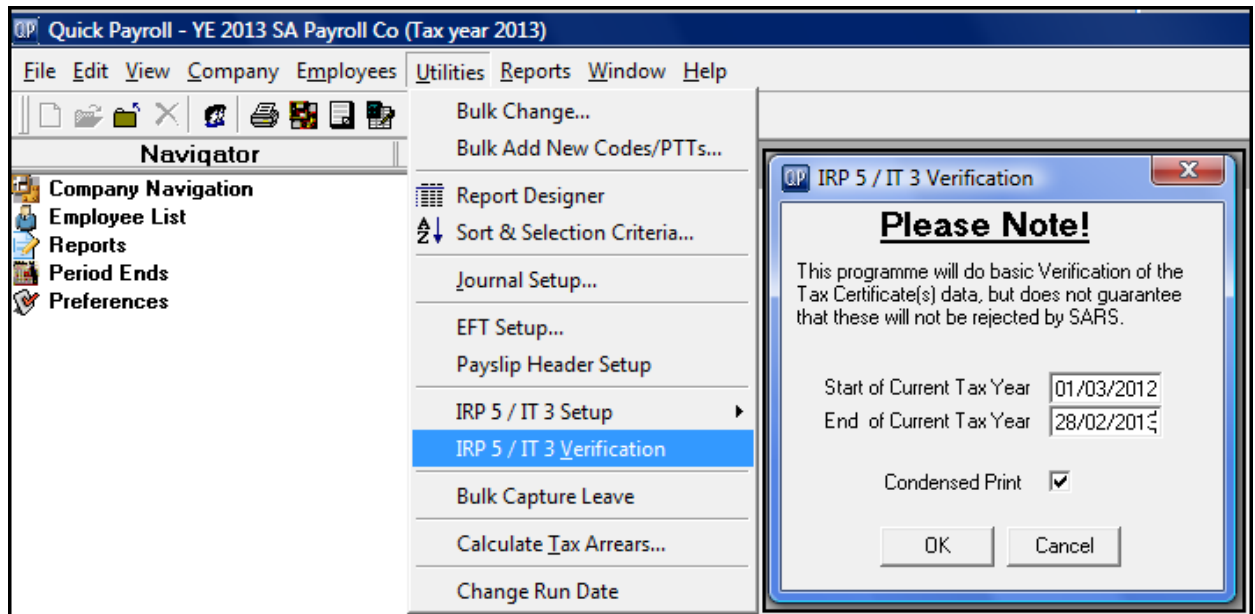
You have already performed a month end for Feb 2013 so all the amounts for the tax year 2013 should be in the Year to Date column. The only amounts you want will be in the 'This-Tax-Year' Column for all employees.


PTT No	Description	Param 1	Param 2	Taxable	Bonus	This Week	This Month	This Tx Year
1	Basic Pay	21.67	5000.00	Yes	No	0.00	0.00	55000.00
2	O/Time 1.50	0.00	1.50	Yes	No	0.00	0.00	0.00
3	O/Time 2.00	0.00	2.00	Yes	No	0.00	0.00	0.00
10	Leave Pay	0.00	0.00	Yes	No	0.00	0.00	0.00
11	Bonus	0.00	0.00	Yes	Yes	0.00	0.00	0.00
Totals						0.00	0.00	55000.00

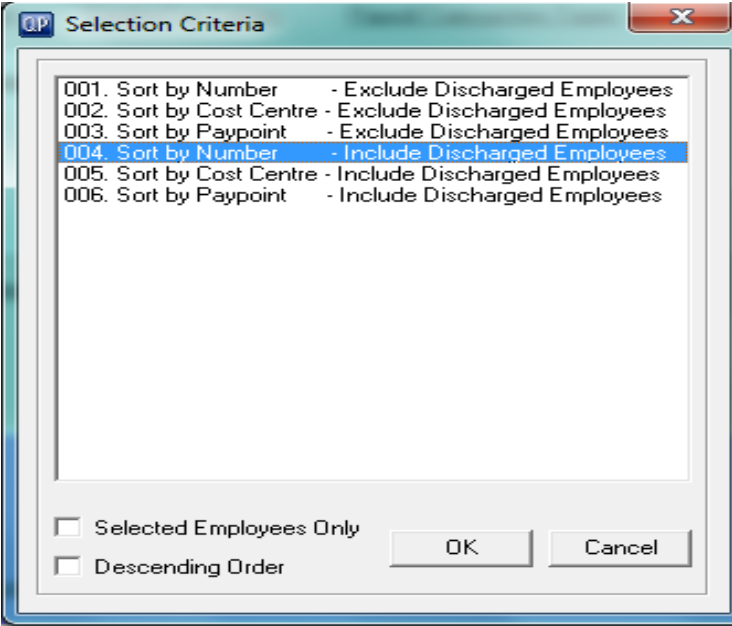
Note: This applies to all PTT.

QUICK PAYROLL- Tax Year-end guide (Period 1 March 2012- 28 Feb 2013).

1.7 Ensure that all your ID numbers, Tax numbers & Employee information is correct by doing a IRP 5/ IT 3 Verification:



 Remember to include employees in this report that was discharged between March 2012 & Feb 2013:



The 'Selection Criteria' dialog box shows a list of options:

- 001. Sort by Number - Exclude Discharged Employees
- 002. Sort by Cost Centre - Exclude Discharged Employees
- 003. Sort by Paypoint - Exclude Discharged Employees
- 004. Sort by Number - Include Discharged Employees
- 005. Sort by Cost Centre - Include Discharged Employees
- 006. Sort by Paypoint - Include Discharged Employees

At the bottom, there are checkboxes for 'Selected Employees Only' and 'Descending Order', along with 'OK' and 'Cancel' buttons.

Only continue to Step 1.8 once the IRP 5 Verification report shows a blank report.
A blank report signifies that there are no problems with the format of your employees information.

Tax Numbers ‘Register for Tax’

All employees should have Tax numbers allocated to them. A tax number consists of 10 digits and won't have any characters in the number. For example 00/000000/00 will be incorrect but 0000000000 will be correct.

If you have a new employee that joined after Aug 2012 and still haven't registered them for Tax; in other words employee did not form part of the Aug Bi-Annual submission you will have to indicate within Payroll that they still need to be registered for Tax under the employee's details.

Step 1.8. Completing the IRP 5 setup under your Utilities menu:

The point and purpose of the IRP5 configuration is to setup tax employee certificates that will be transferred to SARS E@syfile.

The IRP5 setup consist out of the following sections tabs that needs to be mapped.

- File Header
- Normal Income
- Allowances
- Fringe Benefits
- Lump Sums
- Deductions+
- Company contributions

The following IRP5 setup is configured for the following set of PTT's.

All Payroll Transaction Types			
PTT No	Description	Parameter 1	Parameter 2
1	Basic Pay	0.00	0.00
2	O/Time 1.50	0.00	1.50
3	Cellphone Allow	0.00	0.00
4	Commision	0.00	0.00
5	Car Allowance	0.00	80.00
10	Leave Pay	0.00	0.00
11	Bonus	0.00	0.00
101	Med Credit-4116	0.00	0.00
102	Med Aid -3810	0.00	0.00
201	P.A.Y.E	0.00	0.00
202	U.I.F	0.00	0.00
203	DTSV	0.00	40.00
204	Med Aid -4005	0.00	0.00
205	Provident Fund	0.00	7.50
206	Garnishee's	0.00	0.00
207	Pension Fund	0.00	0.00
402	U.I.F	0.00	0.00
403	Skills Levy	0.00	1.00
404	wCA	0.00	0.00
405	Med Aid -4474	0.00	0.00
406	Provident fund	0.00	7.50
407	Pension Fund	0.00	0.00

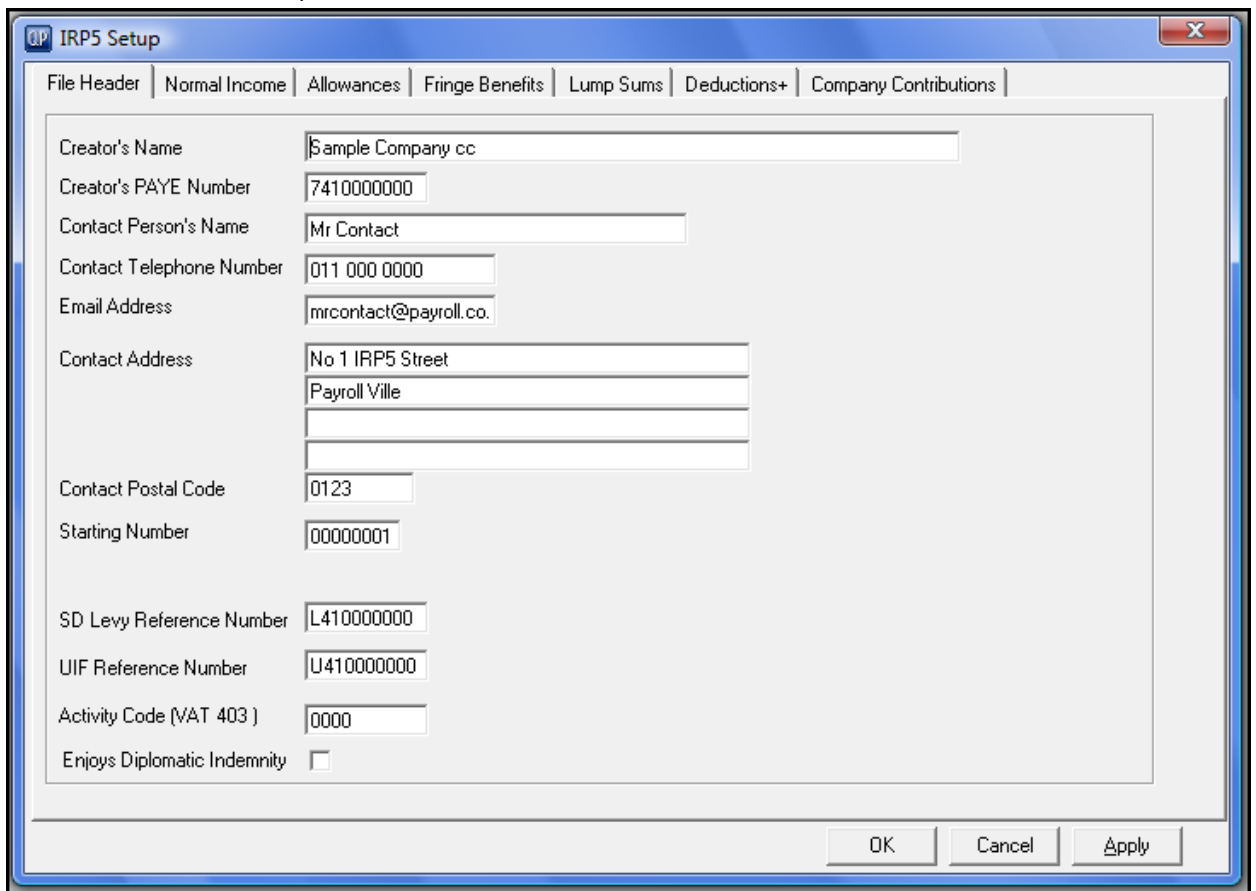
FILE HEADER

Information under the File header tab is used to populate Employer information within SARS E@syfile.

(Extraction SARS E@Syfile 6.2.2- Employer Information section)



File Header information is specific to the Trade name linked to the PAYE ref number.



CREATORS NAME:

Trading Name linked to PAYE ref no.

PAYE NUMBER:

If you're not sure what number to use refer to the PAYE Ref no stated on the monthly EMP201 submissions.

Starting Number:

Payroll will merge two sets of certificates together if you have a monthly Payroll & weekly wages payroll providing they have a common PAYE number.

For this reason both sets cannot have the same certificate range.

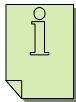
Monthly – Starting number : 000000001

Weekly- Starting number : 100000001

Fortnightly- Starting number : 200000001

Activity Code (VAT403): See Appendix A of this document.

Each company will have a corresponding trade vat code classifying them for Tax purposes.



Be sure to use the same classification code that was used during your Bi-Annual August 2012 Mid-year submission.

An important step to follow is mapping Payroll PTT's to SARS Source codes.

Normal Income tab:

A screenshot of a software dialog box titled "IRP5 Setup". The "Normal Income" tab is selected. The dialog contains several rows of input fields for mapping income types to SARS source codes. The "Income Taxable (3601/3651)" field contains "001 002". The "Annual Payment Taxable (3605/3655)" field contains "010 011". The "Commission/Contracting Income (3606/3656)" field contains "004". Other fields are empty. At the bottom, there are "OK", "Cancel", and "Apply" buttons.

Income Type	SARS Source Code
Income Taxable (3601/3651)	001 002
Income Non-Taxable (3602/3652)	
Pension Taxable (3603/3653)	
Annual Payment Taxable (3605/3655)	010 011
Commission/Contracting Income (3606/3656)	004
Arbitration Award Taxable (3608/3658)	
Annuity from Retirement Fund 3610/(3660)	
Purchased Annuity - Taxable (3611/3661)	
Restraint of Trade (3613/3663)	
Other Retirement Lump Sums (3614)	

QUICK PAYROLL- Tax Year-end guide (Period 1 March 2012- 28 Feb 2013).

In this example, Basic Pay (PTT 001) and overtime (PTT 002) are reported as 'Taxable income (3601/3651)'. To specify this, simply enter the PTT number next the applicable source description. For example: 001 002 next to the Income Taxable.

Allowances tab

The screenshot shows the 'IRP5 Setup' dialog box with the 'Allowances' tab selected. The dialog contains several rows of allowance categories, each with a corresponding input field for a PTT number. The following table summarizes the visible data:

Allowance Category	PTT Number
Travel / Car allowance (3701/3751)	005
Reimbursive Travel Taxable (3702/3752)	
Re-imburse Travel Non-taxable (3703/3753)	
Subsistence allowance Taxable (3704/3754)	
Share options exercised (3707/3757)	
Public office allowance (3708/3758)	
Other allowances - taxable (3713/3763)	003
Other allowances - non-taxable (3714/3764)	
Foreign Travel - Taxable (3715/3765)	
Broad-based Employee share plan (3717/3767)	
Director/Employee equity instruments (3718/3768)	

In this example Car allowances PTT 005 is linked to 'Travel/ Car allowance (3701/3751)'.

Cellphone allowance PTT 003 is linked to 'Other allowances- taxable (3713/3763)'.

Fringe Benefits tab

Benefit Type	Code	Value
General Fringe Benefits	(3801/3851)	
Right of use of a motor vehicle	(3802/3852)	
Free or cheap or holiday accommodation	(3805/3855)	
Free or cheap services	(3806)	
Payment of employee's debt	(3808)	
Bursaries & scholarships	(3809)	
Medical aid (portion exceeding limits)	(3810/3860)	102
Non-Taxable Bursaries or scholarship	(3815/3865)	
Medical Services Cost	(3813/3863)	

If the company contributed to employees medical aid then the PTT with calculation type 'Med Aid F/B 'benefit (normally PTT102) setup as Fringe benefit will be linked to Medical aid (portion exceeding limits) (3810/3860)'.

(The Medical Aid Tax Credit will be linked to source code 4116- under Company Contributions)

Deductions+

Field	Value
Current pension contribution (4001)	
Arrear pension contribution (4002)	207
Current provident fund contribution (4003)	205
Donations deducted from the employee's remuneration (4030)	
Medical aid contribution (4005)	204
Med Aid contributions o.b.o. spouse/children (4024)	
Current retirement annuity contribution (4006)	
Arrear retirement annuity contribution (4007)	
PAYE / Tax deductions (4102)	201
Income replacement policies premium (4018)	
PAYE on retirement fund lump sum and severance benefit (4115)	
Target Drive	c:\
File Name (Cannot be more than 8.3)	IRP5M.13

In the above example Pension fund, Provident fund, Medical Aid employee contribution & PAYE have been mapped by specifying the Payroll PTT to the SARS corresponding source code.

Target Drive:

You can either specify c:\ Drive or directory folder to have the file created to the local disk.

File Name:

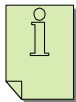
This is the name of the file that will be imported to SARS E@syfile. The name must consist of **IRP5M.YY** where the 'YY' represents the last 2 digits of the tax year & the 'M' represents whether it's a monthly company (In the event of a Wages company you would be using 'W' or 'F' for Fortnightly).

Therefore, if you have two payroll companies, one that is weekly and one that is monthly, you will have two exports in your chosen location, namely IRP5M.13 and IRP5W.13.

Company Contributions tab:

Contribution Type	Value
* Pension fund contributions	407
* Provident fund contributions	406
Medical Aid contributions (4474)	405
Employers medical aid contributions in respect of pensioners or their dependants (4493)	
Employee and Employer UIF Contribution (4141)	202 402
Employee SDL Contribution (4142)	403
Medical Tax Credit for PAYE purpose (4116)	101

* Will not reflect on IRP5 only to calculate RFI and Non RFI



Both UIF Employee deduction & UIF Company contribution gets listed under the Company Contribution tab. SDL will be mapped under this tab also.

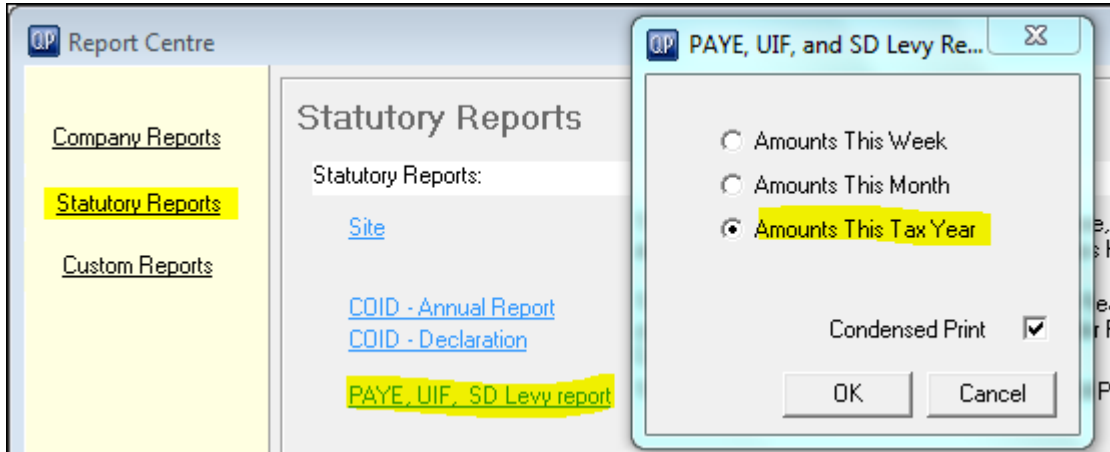
Apply & Ok when finished.

QUICK PAYROLL- Tax Year-end guide (Period 1 March 2012- 28 Feb 2013).

1.9. You don't have to wait till you imported your electronic certificates to SARS E@syfile to see whether your data reconciles with your monthly payments to SARS. You can verify whether that contents of your Payroll data corresponds with SARS EMP201 payments by running the following two reports:

Report #1 In the Copy Company go to Reports/ Statutory Reports & choose the PAYE, UIF & SDL (EMP201) Report.

NB Be sure to choose Amounts for this Tax year when running the report & choose include discharged employees for the year when running report.



The totals PAYE, UIF & SDL must agree with EMP201 payments.

The screenshot shows a payroll report window titled 'YE 2013 SA Payroll Co (Tax year 2013)'. The report is titled 'PAYE, UIF and SD Levy Report' and is sorted by 'EmpNo'. The data is as follows:

Emp. No.	Employee Name	PAYE	Taxable Earnings	UIF Ded	UIF Comp	UIF Remuneration	SD Levy Amt	SD Levy Remuneration
002	Surname First Name	2576.00	118800.00	1236.00	1236.00	123600.00	1098.00	118800.00
Grand Total		2576.00	118800.00	1236.00	1236.00	123600.00	1098.00	118800.00

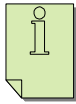
The window includes a 'Print Report' button and a 'Close' button.

Report #2 In the copy Company run the 'Site' report from the same location as the EMP201 for the Tax year.

The screenshot shows a 'SITE ADJUSTMENT REPORT' table. The data is as follows:

EMPL#	NAME	TAX PRDS	TXBLE EARN	BONUS	ANNUAL EQ.	S.I.T.E	P.A.Y.E	TOTAL TAX	ACTUAL TAX	DIFFERENCE
002	Surname F	12.0000	118800.00	0.00	118800.00	0.00	2576.00	2576.00	2576.00	0.00
1	EMPLOYEE(S)					0.00	2576.00	2576.00	2576.00	

The site report will show you the Total Tax the employer should have deducted from their employees & also what they did deduct. As a matter of interest it will indicate what the staff member will get back or will have to pay in.



The 'Site' Report will also show the tax periods each employee worked.

Be sure that these are true & correct as it will have an effect on the Difference between Total Tax & Actual Tax deducted.

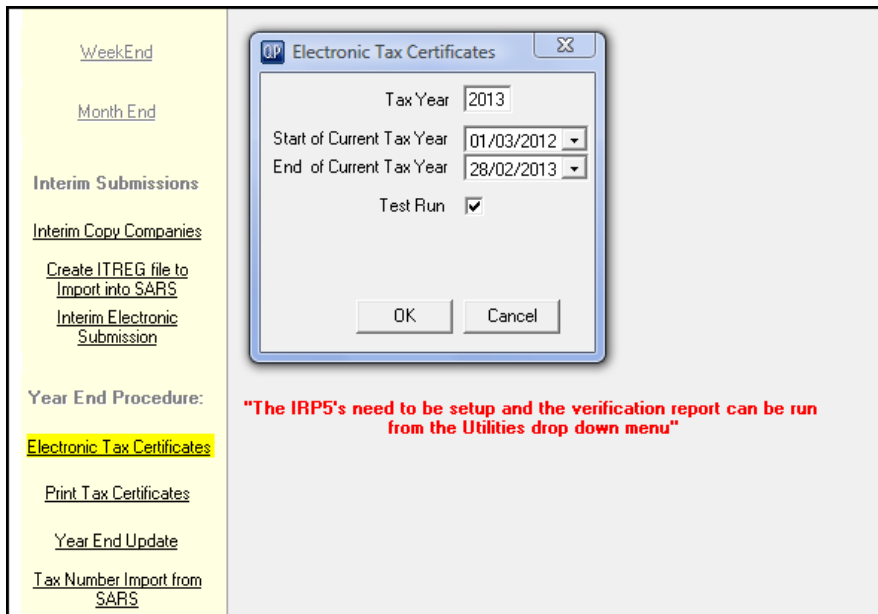
Once you are satisfied that (i) the reports are true & correct (ii) IRP 5 setup has been completed (iii) IRP 5 Verification has been completed & that no problems were found (iv) No months are missing by observing the previous payslip drop down menu then you can proceed exporting your electronic tax certificates to SARS E@syfile.

Phase 2

Exporting Electronic certificates from Copy Company to SARS E@syfile from Quick Payroll.

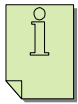
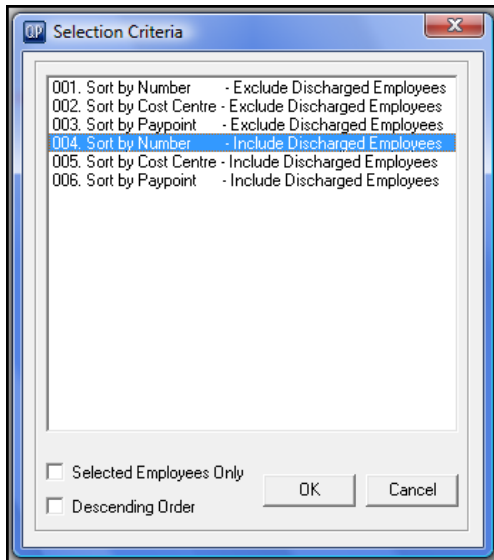
(Remember: You will export from the copy company you created in Phase 1 & not from your 'current' 2014 file).

2.1 Exporting Electronic Certificates.



Go to Period Ends & click on Electronic Tax Certificates. Choose the correct dates 01/03/2012 to 28/02/2013 & be sure to tick the Test Run at first.

QUICK PAYROLL- Tax Year-end guide (Period 1 March 2012- 28 Feb 2013).



Include discharged employees during the year when exporting the electronic tax certificates.

Once accepted by SARS E@syfile then you will repeat step 2.1 but un-tick the Test Run to re-export.

The location of the export file is specified and setup under the Deductions+ tab under IRP5 Setup for South Africa. The target drive needs to be local.

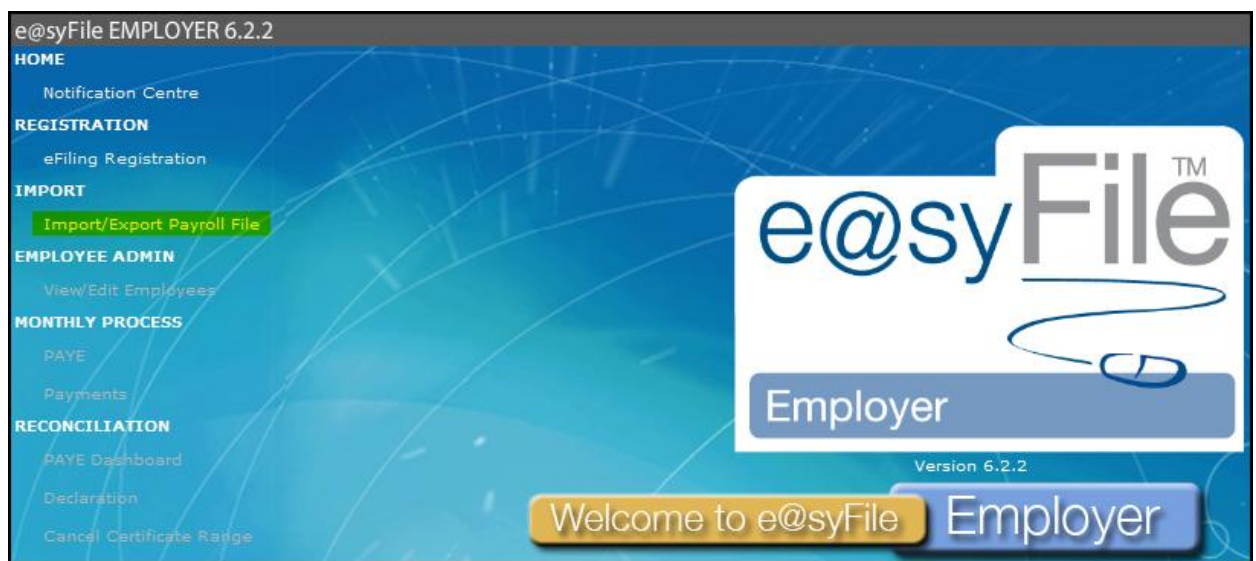
Phase 3

Completing declaration of payments to SARS in E@syfile & submitting electronically/ manually via E-Filing.

(It is unclear at this stage when SARS would expect the EMP501 submissions to be submitted.

Normally this is done by 31 May every year. This date might be subject to change by SARS.)

3.1 Open SARS E@syfile & go to Import/ Export Payroll File from the IMPORT selection menu:



3.2 E@syfile will prompt you once import was done successfully. In which case you will repeat 2.1- Exporting electronic certificates- unticking the Test run box.

However if SARS E@syfile did not accept the import go UTILITIES and consult Import File Log. You might have to open your Year End 2013 Sample Company File & correct a mistake, re-export & import to E@syfile. This process will have to be repeated until your electronic import has been accepted.

3.2 Upon a successful import SARS E@syfile will prompt you to verify Employer Admin details. This is where you will be prompted to provide necessary information of the employer that will appear on the EMP501 & IRP 5/ IT 3's such as banking details of employer, telephone number & address etc.

QUICK PAYROLL- Tax Year-end guide (Period 1 March 2012- 28 Feb 2013).

EMPLOYER ADMIN
*On this screen you are able to create or edit an employer.
Employer details entered and saved will be used to manage and complete employee tax certificates.*

ADD EMPLOYER
EDIT EMPLOYER

Employer Information

Select a Company to update employer details

Company Name:

Nature of Person:

Trading or Other name:

Surname/Registered name:

Reference Numbers: PAYE: SDL: UIF:

Initials:

Date Of Birth:

ID Number:

Passport Number:

Country of Issue:

CK Number: Income Tax Reference:

VAT Reference Number:

Activity within Major Division:

Quick Navigation
Prev Next

Employer Address and Phone Information

Employer Bank Information

Employer Contact Details - Representative

Employer Contact Details - Contact Person

Employer Contact Details - Tax Practitioner

Cancel all Changes Update Employer

CHANGE EMPLOYER

3.3 SARS Easyfile will allow the employer to view & edit employee's under the Employee Admin section.

You can also edit and manage source codes by editing imported Tax certificates for employees.

QUICK PAYROLL- Tax Year-end guide (Period 1 March 2012- 28 Feb 2013).

3.4 The next step is to complete the declaration under the heading ‘Reconciliation’.

This is where the monthly payments to SARS match up with the totals carried over from Payroll.

EMPLOYER SELF ASSESSMENT
 Select a company and relevant transaction year to start the self assessment. Click the 'Self Assess' button when all relevant fields are filled in.

Company Filter: **EMP501 STATUS**
NOT SUBMITTED

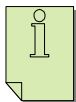
Company Name: **SAMPLE COMPANY CC - 7060743939** Period of Reconciliation: **201302**

PAYE Reference No: **7060743939** SDL Reference No: **L060743939**

UIF Reference No: **U060743939**

Summary of Employer Liability	Month	PAYE	SDL	UIF	Total Monthly Liability	Total Payments
	March	0	0	0	0	0
	April	0	0	0	0	0
	May	0	0	0	0	0
	June	0	0	0	0	0
	July	0	0	0	0	0
	August	0	0	0	0	0
	September	0	0	0	0	0
	October	0	0	0	0	0
	November	0	0	0	0	0
	December	0	0	0	0	0
	January	0	0	0	0	0
	February	0	0	0	0	0
	Total	0	0	0	0	0
Difference - Liability & Certificate Values		0	0	0	0	
Total value of Tax Certificates		2576	1038	2472		
Total Value of Electronic Tax Certificates		2576				
Total Value of Manual Tax Certificates		0				

Declared Liability: Due by/to you:



Note. The Declaration screen does not allow entering of cents.

3.5 Once you’ve ‘self assessed’ & click on ‘ready to file’ in the declaration screen you will have to submit the EMP501 return to SARS either electronically or manually. To do this go to ‘Submit to SARS’ under the ‘Submissions’ tab. Be sure to have your E-filing user name & password ready when choosing to submit EMP501 electronically.

IRP5’s can be printed by going to UTILITIES> Generate IRP5/ IT3(a) PDF’s.

Generate IRP5 / IT3(a) PDF's

TAX CERTIFICATE GENERATION

On this screen you are able to generate your IRP5/IT3(a) tax certificates
 Please select the documents you wish to generate by clicking on the Generate

Type	Reference	Company	Year	Status	Generate

<End of Guideline for Tax 2013>