

## CHARTERED ACCOUNTANTS

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# MoneyTalk

## SARS e@syFILE for Employers

On the 1st July 2008, SARS (The South African Revenue Service) launched the new automated e-filing system for PAYE reconciliations which also includes the new look IRP5/IT3(a) certificates, both of which are generated using the new software. I have already installed the software, and submitted a manual batch of certificates (generated by the e@sayFile software) and a batch generated by importing from Pastel Payroll.

I have summarised below some of the more salient points for your information.

### SOFTWARE INSTALLATION

The software is available for download from the SARS eFiling website ([www.sarsefiling.co.za](http://www.sarsefiling.co.za)) or on disk from any SARS contact/call centre. I would strongly recommend the disk option as the download is 45megs zipped and takes considerable time to download (dependant on type and speed of connection). The advantage of the disk installation is the training video which is well presented and most informative – highly recommended (+ 30 minute viewing time).

### SOFTWARE VS eFILING SUBMISSION

Following on from telephonic discussion with SARS, they have suggested that we go the software route as, the eFiling system (online) is proving to be problematic. An additional benefit of using the software is that you can capture the information off-line and only connect once you are ready to upload (especially beneficial for dial-up clients).

### Some useful jargon ...

*Manual Submission* – describes the processing of manually capturing the information into the e@syFile Software to be uploaded to SARS on eFiling.

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*Electronic Submission* – describes the process of importing the data from your Payroll Software (i.e. Pastel / VIP) into e@syFile and preparing the reconciliation to be uploaded to SARS on eFiling.

*The information that follows in no way intends to serve as a comprehensive manual or instruction guide, but merely to impart some ticks/tips picked up whilst using the software.*

### GETTING STARTED

- Collect your program disk from SARS or download from the SARS website.
- Watch the training video.
- Install the software.
- Create your users. You will be required to create three users – admin, as well as an additional two users. You will need to create both users irrespective of the actual number of users required on the system.

I would suggest that you record your password in a safe place as, should you forget your password, SARS will not be able to assist you in accessing your information. (*Suggestion: If you are an owner managed business with restricted access to the software, then type your full password in the 'hint' box.*)

### MANUAL SUBMISSIONS

The manual certificates replace the old carbonised IRP5 / IT3(a) books.

- **EMPLOYER ADMIN**
  - Before creating any manual certificates you will need to add an employer under the 'Employer Admin' option.
  - The capture screen is self-explanatory, however, remember to capture your UIF and SDL reference numbers otherwise these amounts will not be included in the calculation on the 'reconciliation declaration' screen.
  - Once you have captured the company/employer information, click on the 'add employer' button in the bottom right hand corner.
- **MANUAL CERTIFICATES**

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The capture screen for the manual certificates is straight forward; however the following should be noted:

- Identity or passport number is mandatory.
- Main income source code required – may be selected from the drop down box.
- Where possible, include the employee's income tax reference number.
- You may now input a physical *or* postal address for an employee.
- Where you have more than one company (i.e. employer) make sure that when capturing the IRP5 that you select the correct 'employer' from the drop down box on the employer screen.
- Should you have a directive for an employee, you will also need to capture the directive number on the certificate.

When capturing the income and deductions, I would suggest that you work through the IRP5 methodically, capturing income, allowances, fringe benefits, total remuneration, deductions and employee tax deductions.

- Income codes – remember to use the correct code for directors/members remuneration (3615).
- The total income codes split the income between retirement /non-retirement funding, gross non-taxable income, gross annual payments and gross remuneration.

***It is vital that the split between retirement and non-retirement funding is correctly disclosed as, the information provided here will be used to prepopulate the employees tax return and if incorrectly coded will impact on their tax liability.***

- With regard to the income tax deductions, remember the split between SITE and PAYE. The maximum SITE deduction would be R3 060 (pro-rata for period worked if less than 12 months).

- **RECONCILIATION PROCESS**

Having completed the capture of the manual certificates, the next process is to prepare the reconciliation.

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- Select the 'reconciliation declaration' from the menu.
- Select the 'company name' and the correct 'transaction year'.
- You will note that the fields at the bottom of the screen will be pre-populated with the value of the certificates that you have just captured.
- You will need to capture the "EMP201" returns submitted each month in the space provided.

***Remember to exclude any payments made in respect of interest and/or penalties.***

- It may be a good idea to contact the SARS call centre on 0860 12 12 18 to and enquire if there are any monies or returns outstanding for the 2008 tax year in respect of PAYE/UIF/SDL. This will pre-empt any differences that SARS may have on submission of your reconciliation.
- Once all the returns have been captured, click on the 'Self Assess' button. This will total the returns captured and return any differences between the IRP5 certificates and the information captured. Remember to 'SAVE' the information captured.
- Once the information is correct, print out the IRP501 reconciliation and you can then submit online to SARS. Alternatively, you can save the certificates to disk, print the EMP501, sign and deliver to SARS.

### ***ELECTRONIC SUBMISSIONS***

The electronic submissions are much quicker in that the information is imported from your Payroll i.e. Pastel / VIP.

- You will not be required to create an employer profile as this information will automatically pull through from the payroll program.
- You will not be required to capture manual certificates as, again, these will pull through from the payroll program.
- However, you will be required to edit the IRP5/IT3(a) certificates to ensure that all the mandatory fields have been completed.
- You will however be required to complete the 'main income source field'.
- The reconciliation process is the same as for the manual certificates

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*This content was prepared by Saskia Watts CA (SA)*

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