

Retirement Annuity

Disclaimer:

The Knowledge Base is our platform to share information with our customers and provide you with a 'help me, help myself' environment. The guides and documents provide step by step solutions to assist you with your queries based on the acquisition of solutions from previous enquiries.



- The information contained in these articles should be treated as guidelines.
- Some articles are version and build specific.
- Articles may not be applicable to all environments.
- If the proposed solution is not successful, please post your comments below or contact the Sage Pastel Payroll and HR Department directly on (011) 304 4300 or <u>support.pastelpayroll@sage.com</u>.

FAQ

Question:

How do I process a Retirement Annuity within Sage Pastel Payroll & HR?

Solution:

- 1. Make a backup of your data by going to File...Backup
- 2. Select the directory on your computer where Pastel Payroll must save the backup.
- 3. The following screen is displayed:

ile Backup - Sole Access Mode		×
Images ✓ Backup Images File Name 	Where To Backup To	Process Cancel New Folder

4. Select Process.

Note: Do not make Backups in your Company folder, always Backup to a separate folder.

5. Ensure that the employees you wish to process a Retirement Annuity for are **not processed**.

Process Payslips	×	
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Employee Code 002	Smith - Sandy (Weekly)	Status : Not Processed

Retirement Annuity contributed by both Employee and Employer, and is deducted from the Employer's bank Account

- 6. Go to Setup...Transactions.
- 7. Select the magnifying glass and search for **Transaction code 7100 Retirement Annuity.**
- 8. Select Enter.

9. On the right hand side, under processing rules, select "Affect Payslip" and "Print on Payslip"

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escription Retirement An	nuity		Reference	
date / Clear Totals		Processing Rules		
Year End		Affect Notional Pay (Wage)	Г
Never		Affect Payslip		
End of Specific Month	\sim	Print on Payslip		◄
End of Cycle		Pro-rata at Start / En	d	
Cycle Start Date	\checkmark	Compulsory Deducti	on	
Cycle Length in Months		Mandatory Transacti	on	
Jpdate Opening Balance w	ith:	Special Run Transact	ion	
Days Due C En	titlement	Stats. SA Transaction	Туре	\sim
Monthly	Wee	klv	Fortnightly	
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ayslip Retireme	nt Annuity			
ercentage 0.000	000 Amount	0.00	Copy to Wee	ekly
L Debit Code	GL Credit		Copy to Fortni	ghtly

- 10. Select Save
- 11. Go to Process...Payslips.
- 12. Select the employee in question and select the Default tab.
- For an employee contribution to the Retirement Annuity, enter Transaction code
 7100 Retirement Annuity and insert the employee's amount to contribute in the Amount field.
- 14. The employer's contribution will be inserted on **Transaction code 9400 Retirement Annuity**.
- 15. Enter the amount contributed by the company into the **Amount field**.
- 16. Insert **Transaction code 6400 Retirement Annuity Benefit** if the employer has contributed.

Employee	Code 001	Brown - Jol	nn (Monthl	y)								St
	<u>I</u> ncome	<u>D</u> eductions		Benefits Contributions			ntributions	is <u>L</u> eave			Def	<u>a</u> ult
Tran Code	Transaction Description	Job Code	Cost Centre	Processing Period	Quantity	Rate	Amount	Override	Balance	MTD Amount	YTD Amount	Re
5002	Hourly Wage	0001	0001		173.3600	28.8417	5,000.00			0.00	0.00	
6400	Retirement Annuity Benefi	1					200.00			0.00	0.00	
7100	Retirement Annuity						200.00			0.00	0.00	
8001	PAYE tax						0.00			0.00	0.00	
8045	UIF - Employee (Actual Pag	,					25.84			0.00	0.00	
9045	UIF- Company (Actual Pay	0001	0001				25.84			0.00	0.00	
9100	OID Contribution	0001	0001				3.92			0.00	0.00	
9400	Retirement Annuity	0001	0001				200.00			0.00	0.00	

Note: Transaction **6400 – Retirement Annuity Benefit** will populate the same value as the transaction **9400 – Retirement Annuity.**

If only the employee is contributing to the RA

17. You will insert **Transaction code 7100 – Retirement Annuity** with its value on the **Default tab** only.

If only the company is contributing

18. Insert **Transaction code 9400 – Retirement Annuity** with the amount of the contribution stipulated in the Amount field.

Employee	Code 001	Brown - Joh	n (Monthly	()								Stat
	Income	<u>D</u> eductions		<u>B</u> enefi	<u>B</u> enefits <u>C</u> ontributions				<u>L</u> eav	/e	Def <u>a</u> ult	
Tran Code	Transaction Description	Job Code	Cost Centre	Processing Period	Quantity	Rate	Amount	Override	Balance	MTD Amount	YTD Amount	Refer
5002	Hourly Wage	0001	0001		173.3600	28.8417	5,000.00			0.00	0.00	
6400	Retirement Annuity Benefi	1					200.00			0.00	0.00	
7100	Retirement Annuity						200.00			0.00	0.00	
8001	PAYE tax						0.00			0.00	0.00	
8045	UIF - Employee (Actual Pay	,					25.84			0.00	0.00	
9045	UIF- Company (Actual Pay	0001	0001				25.84			0.00	0.00	
9100	OID Contribution	0001	0001				3.92			0.00	0.00	
9400	Retirement Annuity	0001	0001				200.00	<u> </u>		0.00	0.00	
				_								
				_								
				-								
												1

19. Along with this transaction, you will insert **Transaction code 6400 – Retirement Annuity Benefit**.

Employ	ee Code 001	Brown - Jo	hn (Monthl	y)								Sta
	<u>I</u> ncome	Deductions		<u>B</u> enefits		<u>C</u> o	ntributions		Leav	/e	Def	ault
Tran Code	Transaction Descriptio	n Job Code	Cost Centre	Processing Period	Quantity	Rate	Amount	Override	Balance	MTD Amount	YTD Amount	Refe
5002	Hourly Wage	0001	0001		173.3600	28.8417	5,000.00			0.00	0.00	
6400	Retirement Annuity Be	nefit					200.00			0.00	0.00	
7100	Retirement Annuity						200.00			0.00	0.00	
8001	PAYE tax						0.00			0.00	0.00	
8045	UIF - Employee (Actua	l Pay					25.84			0.00	0.00	
9045	UIF- Company (Actual	Pay 0001	0001				25.84			0.00	0.00	
9100	OID Contribution	0001	0001				3.92			0.00	0.00	
9400	Retirement Annuity	0001	0001				200.00			0.00	0.00	
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Private RA Employee contributions

- 20. Go to Setup...Transactions.
- 21. Select the magnifying glass and search **Transaction code 7100 Retirement Annuity.**
- 22. Select Enter.
- 23. On the right hand side, under Processing rules, make sure "Affect Payslip" and "Print on Payslip" are deselected. Save the changes.

Setup Transactions -	- Sole Access I	Mode			×					
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Basic Details										
Code 7100					Block					
Template 7100	Retirem	nent Annuity - C	urrent - Deductio	n Tax-deduct	ible					
Description Retire	Description Retirement Annuity Reference									
Update / Clear Tota Ýear End Never End of Specific I C End of Specific I Cycle Start Date Cycle Length in I Update Opening I C Days Due	Month Months Balance with:- C Entitlen	v v	Processing Rule Affect Notiona Affect Payslip Print on Payslip Pro-rata at Staa Compulsory D Mandatory Tra Special Run Tr Stats. SA Trans	es Il Pay (Wage) p rt / End eduction insaction ansaction action Type						
Month	ly	We	ekly	Fo	ortnightly					
Payslip	Retirement A	nnuity								
Percentage	0.000000	Amount	0.	00	Copy to Weekly					
GL Debit Code		GL Credit	:	С	opy to Fortnightly					
				[Calculation Totals					

- 24. Select the employee in question and select the **Default tab**.
- 25. For an employee contribution to the Retirement Annuity, enter **Transaction code 7100 – Retirement Annuity** and insert the employee's amount to contribute in the **Amount field.**

Process Pay	yslips												×
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Employee	Code 001		Brown - Joh	n (Monthl	y)								Status : New
	<u>I</u> ncome]	<u>D</u> eductions		<u>B</u> enefi	nefits <u>C</u> ontributions			<u>L</u> eav	e	Def <u>a</u> ult		
Tran Code	Transaction Descri	iption	Job Code	Cost Centre	Processing Period	Quantity	Rate	Amount	Override	Balance	MTD Amount	YTD Amount	Reference
5002	Hourly Wage		0001	0001		173.3600	28.8417	5,000.00			0.00	0.00	
6400	Retirement Annuit	v Benefit						200.00			0.00	0.00	
7100	Retirement Annuit	by .						200.00			0.00	0.00	
8001	PAYE tax	· · · · ·						0.00			0.00	0.00	
8045	UIF - Employee (A	ctual Pay						25.84			0.00	0.00	
9045	UIF- Company (Ad	tual Pav	0001	0001				25.84			0.00	0.00	
9100	OID Contribution		0001	0001				3.92			0.00	0.00	
9400	Retirement Annuit	tv	0001	0001				200.00			0.00	0.00	
		/											
								I		· I			
Hourly Wa	ige, Demo Job Code 1	l, Demo (Cost Centre										
Total Gros	s Income 2,384.4	40			Т	otal Deducti	ons 22	5.84			1	Total Nett Pay	2,158.56

If the company contributes to a Private Retirement Annuity:

- 1. Go to Setup...Transactions.
- 2. Select New.



- 3. Insert any transaction code between 1000 and 4999.
- 4. Insert transaction template as **Transaction code 5210 Regular Taxable Income**.
- 5. Insert any transaction description.

Setup Transactions -	Sole Access Mode				×					
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Basic Details										
Code 1000					Block					
Template 5210	Regular Paym	ent - Incom	ne							
Description RA co	ompany contributior	ı	Reference							
Update / Clear Tota Year End Never End of Specific I End of Cycle Cycle Start Date Cycle Length in I Update Opening I Days Due	Month Months Balance with: © Entitlement	~	Processing Rule Affect Notiona Affect Payslip Print on Paysli Pro-rata at Sta Compulsory D Mandatory Tra Special Run Tr Stats. SA Trans	es al Pay (Wage) p rt / End eduction ansaction ansaction ansaction Type	► ► ► ► ► ► ► ► ► ► ► ► ► ► ► ► ► ► ►					
Monthl	y	Weel	kly	Fo	ortnightly					
Payslip	RA company contri	bution								
Percentage	0.000000	Amount	0.	.00	Copy to Weekly					
GL Debit Code		GL Credit		Co	opy to Fortnightly					
					<u>Calculation</u> Totals					

- 6. Under **Processing Rules**, "**Print on Payslip**" and "**Affect Payslip**" must be selected.
- 7. Save the transaction.
- 8. Go to the employee's Payslip, select the **Default tab.**
- 9. Insert the transaction created and insert the value the Employer contributes into the **Amount field.**

Process Payslips X													
	C 📲 C	′ Q (1 AL			🍰 🖬			\$	8			
Employee	Code 001	Brown	ı - John (Mont	:hly)								Status : New	
	Income	Deduc	tions	Benef	nefits Contributions Lea					e Default			
Tran	Transaction Descripti	on Job C	ode Cost	Processing	Quantity	Rate	Amount	Override	Balance	MTD	YTD Amount	Reference	
1000	RA company contribu	ution 0001	0001	Penda			1 000 00			Amount	0.00		
5002	Hourly Wage	0001	0001		173.3600	28.8417	5.000.00			0.00	0.00		
8001	PAYE tax						0.00			0.00	0.00		
8045	UIF - Employee (Actu	al Pay					33.84			0.00	0.00		
9045	UIF- Company (Actua	al Pay 0001	0001				33.84			0.00	0.00		
9100	OID Contribution	0001	0001				6.75			0.00	0.00		
RA compa	ny contribution, Demo J	ob Code 1, [)emo Cost Ce	ntre 1									
Total Gros	s Income 3,384.40			Т	otal Deducti	ons 33.	84			Ī	Fotal Nett Pay	3,350.56	

Private RA and Employer pays the RA

Note: If there are employee who have Private RAs as well as employees who have RAs owned by the Employer, the Employer paid RA will be processed on 7100 – Retirement Annuity.

The Private Annuity will be setup as follows:

- 1. Go to Setup...Transactions.
- 2. Select New.



Insert any transaction code between 1000 and 4999.

- 3. Insert transaction template as Transaction code 7100 Retirement Annuity
- 4. Insert any transaction description.

Setup Transacti	ons - Sole Access	Mode			×					
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Basic Details -										
Code	1001				Block					
Template	7100 Retiren	nent Annuity - Cu	rrent - Deduction	Tax-deductib	le					
Description	Retirement Annuit	/		Referen	ce					
Update / Clear	Totals		Processing Rules							
Year End			Affect Notional Pay (Wage)							
O Never	ifi a Marath	м	Affect Payslip							
C End of Spe		· ·	Print on Payslip							
Cuele Start [)et a	~	Pro-rata at Start	/ End						
Cycle Lengt	h in Months									
-Undate Oper	ving Balance with-		Mandatory Transaction							
C Davs Due	Entitler	ment	Special Run Tran	saction						
			Stats. SA Transac	tion Type	~					
Mo	onthly	Wee	kly	For	tnightly					
Payslip	Retirement A	nnuity								
Percentage	0.000000	Amount	0.00) C	opy to Weekly					
GL Debit Cod	e	GL Credit		Cop	by to Fortnightly					
				C	alculation Totals					

5. Under **Processing Rules**, "**Print on Payslip**" and "**Affect Payslip**" must not be selected.

- 6. Save the transaction.
- 7. Go to the employee's Payslip, select the **Default tab.**
- 8. Insert the transaction created and insert the value the Employer contributes into the **Amount field.**

Proc	ess Pays	lips											×
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Em	ployee C	ode 001	Brown - Joł	ın (Monthly)								Status : New
	ļ	ncome	<u>D</u> eductions		<u>B</u> enefi	nefits <u>C</u> ontributions				Leav	/e	Def <u>a</u> ult	
T	ran ode	Transaction Description	Job Code	Cost Centre	Processing Period	Quantity	Rate	Amount	Override	Balance	MTD Amount	YTD Amount	Reference
10	001	Retirement Annuity						200.00			0.00	0.00	
5	002	Hourly Wage	0001	0001		173.3600	28.8417	5,000.00			0.00	0.00	
8	001	PAYE tax						0.00			0.00	0.00	
8	045	UIF - Employee (Actual	Pay					23.84			0.00	0.00	
9	045	UIF- Company (Actual I	Pay: 0001	0001				23.84			0.00	0.00	
9	100	OID Contribution	0001	0001				3.92	<u> </u>		0.00	0.00	
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Ret	irement /	Annuity											
Tot	al Gross	ncome 2,384.40			Т	otal Deducti	ions 2	23.84			1	Fotal Nett Pay	2,360.56