

Release 6.2a – Patch File

March 2024

1. DRC Tax Tables

The Finance Law N°23/056 of 10 December 2023 for the 2024 tax year has been promulgated by the President. This law is effective as of 1 January 2024.

Please take note of the following changes applicable to payroll:

- Employers are expected to file the annual return by the 15th of February and no longer the 15th of January.
- Changes were made to the compensation of foreign employees. The remuneration for these employees may under no circumstances, be less than the guaranteed interprofessional minimum salary of the employees' home country.
- Gratuities given to salaried employees in cash accompanied by official testimonials and other honours they receive, are exempt from tax.
- The minimum tax value has been changed. The monthly IRPP cannot be less than 2,500.00 CFCA (formerly set at 2,000.00 CFCA).

Please Note:

This change has been applied to the Tax Tables.

- Permanent and non-permanent bonuses, snacks and other benefits paid to state officials and officials shall be taxed on remuneration at the rate of 3%.

Please Note:

You need to create a Deduction Line and Method of Calculation to accommodate this change. This is not available on the Tax Tables.

- Permanent and non-permanent bonuses, snacks and other benefits paid to members of political and similar institutions, the list of which is determined by regulation, are taxed on remuneration at the rate of 15%.

Please Note:

You need to create a Deduction Line and Method of Calculation to accommodate this change. This is not available on the Tax Tables.

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2. Kenya: Post-Retirement Medical Fund Relief

The Finance Act of 2023 introduced a new relief called the Post-Retirement Medical Fund (PRMF) Relief, effective 1 January 2024. The relief is calculated as the lower of:

- 15% of the amount of contribution paid, or
- KES 60,000 per annum.

Please Note:

We note that although the relief is contained in the legislation, the Kenya Revenue Authority (KRA) has not provided us with a definitive confirmation that the relief may be granted on the payroll.

Furthermore, the PRMF relief has not been incorporated into the P10 iTax template. As a result, the P10 return does not provide for a field to claim this relief.

We therefore **caution employers** from claiming this relief on the payroll.

Employers who choose to claim the relief on payroll do so **at their own risk** and are aware that it might not be possible to claim the relief on the P10 return.

This may result in **tax differences** between the tax calculated on the payroll and what is submitted on the tax return.

Steps:

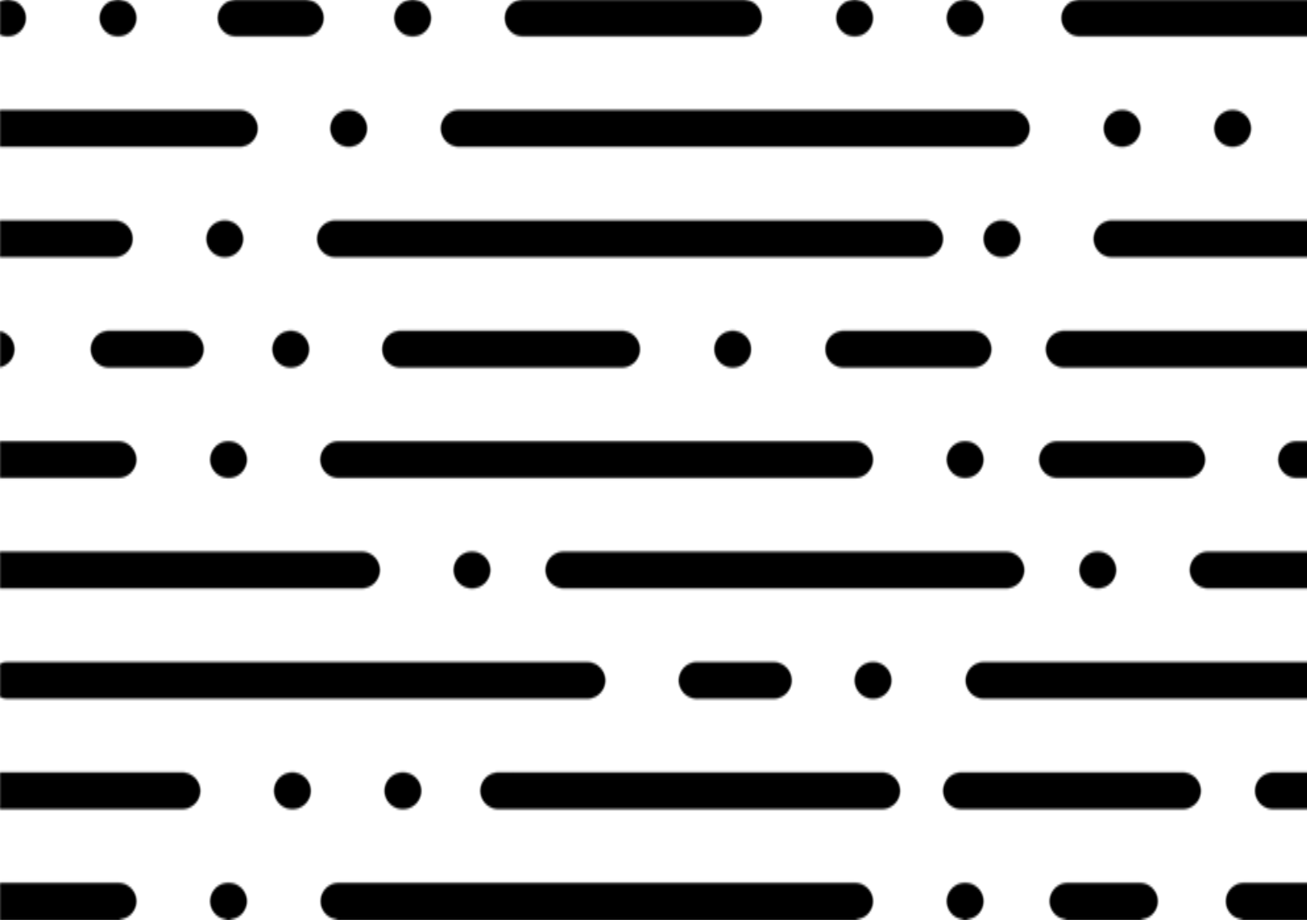
- Create a Deduction Line to accommodate this relief
- Access the **Africa Tax Rule Linking** from the **Main Menu** click on Payroll > Definitions > Africa Tax Rule Linking > <OK> - Link to the applicable Tax Rule.

Tax Elements		Tax Tables			Version Number:
Code	Description	Linked to	Rule or Calculation	Element Type	
PRMR001	M Post Retirement Medical Relief		Lesser of (Total & Linked Amount1 * 0.1500 &	Tax Rebate (1)	
PRMR002	A Post Retirement Medical Relief		Lesser of (Total & Linked Amount1 * 0.1500 &	Tax Rebate (2)	
PRMR003	W Post Retirement Medical Relief 52		Lesser of (Total & Linked Amount1 * 0.1500 &	Tax Rebate (3)	
PRMR004	B Post Retirement Medical Relief 26		Lesser of (Total & Linked Amount1 * 0.1500 &	Tax Rebate (4)	
PRMR005	W Post Retirement Medical Relief 53		Lesser of (Total & Linked Amount1 * 0.1500 &	Tax Rebate (5)	
PRMR006	B Post Retirement Medical Relief 27		Lesser of (Total & Linked Amount1 * 0.1500 &	Tax Rebate (6)	

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3. Issues Resolved

Area	Issue	Detail
Issues Resolved		
<p>RS A : IRP 5 Printing</p>	<p>Exclusion Reason Code 04 was incorrect for Foreign Income Employees .</p>	<p>In Release 6.1a in September 2023, there was a change to the IT3a Reason Codes (4) for employees with Tax Status "No Tax" and Income against Taxable IRP 5 codes. If this scenario occurred, a warning message was printed on the Validation Report.</p> <p>This resulted in employees with Tax Status "No Tax", flagged for Foreign Income and income against Taxable IRP 5 Codes to also trigger this warning - which is incorrect. The IT3a Reason Code for these employees is a 05.</p> <p>We have amended this so that employees flagged for Foreign Income (FI), with Tax Status "No Tax" and income against Taxable IRP 5 Codes, will not display a warning message.</p>
<p>RS A : OID Report</p>	<p>AS C II Report selection printed PD F.</p>	<p>When selecting to print the OID Report to an AS C II File, a PD F File was creating instead.</p>
<p>RS A : OID Report</p>	<p>Totals for Sorting were incorrect.</p>	<p>When sorting the OID Report by Analysis Codes and selecting to print totals per group e.g.: Department, the Grand Total of all the Analysis Codes by which you sorted, was incorrect, due to the way rounding was applied.</p>



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