

# **Sage Enterprise Management HR**

Ghana – Tax Changes August 2018  
V12

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# 1.0 Pay Plan Patch

## 1.1 Pay plan patch content

- Tax tables updated, and
- Non-resident percentage value updated


## 1.2 Update patch path

### 1.2.1 Payroll grids

**Access:** *Development > Utilities > Patches > Patch integration*

The file name is W\_GHA002\_2018R7.dat

### Patch list integration



**File**

Destination type \*  
 Client  Server

Patch

Patch integration  Comment overwrite  Deferred validation  Link synchronization  Synchronize windows

**Folders**

	Folder	Name	Release	Update	Date	Languages
1	REPOSX3	Folder for DEV X3	90	R090.000	15/08/2018	FRA;ENG

**Please note:**

Clients must be on R3 and all the previous pay plan patches must be loaded before integrating this patch.

## 2.0 Tax table update

The Ghana tax rates have changed, effective 1 August 2018 as per the Income Tax (Amendment) Act, 2018 which was assented by the President on 31 July 2018.

Annual tax tables effective 1 August 2018:

From	To	Taxable Income	Rate
0,00	3 132,00	3 132,00	0
3 132,01	3 972,00	840,00	5%
3 972,01	5 172,00	1 200,00	10%
5 172,01	38 892,00	33 720,00	17.5%
38 892,01	120 000,00	81 108,00	25%
120 000,01	and above	-	35%

Monthly tax tables effective 1 August 2018:

From	To	Taxable Income	Rate
0	261	261,00	0
261,01	331	70,00	5%
331,01	431	100,00	10%
431,01	3241	2 810,00	17.5%
3241,01	10 000,01	6 759,00	25%
10 000,01	and above	-	35%

### 2.1 Grids added

- GHA\_TAX1\_A Creation date: 08/01/18
- GHA\_TAX1\_M Creation date: 08/01/18
- GHA\_TAX2\_A Creation date: 08/01/18
- GHA\_TAX2\_M Creation date: 08/01/18

## 2.2 Legislation values updated

- Valid from: 08/01/2018
- NON\_RES (Tax Rate for Non-Resident) value updated from 20% to 25%.

### Important:

Create a new 'valid from' date from 08/01/2018 before integrating the patch.

The legislation values should be updated if you have values later than 08/01/2018.

### Legislation values

Validity start date \* 08/01/18 Valid to

MISCELLAN EMPLOYEE RAT EMPLOYER RAT STOPPAGE EXPENSE TAX INFO

GH6 40 Results Display: 25 1 2 Tax information

	Variable	Description	Value
1	766_45_EE	Act 766 45 Years Employee Cont	5.50
2	766_45_ER	Act 766 45 Years Employer Cont	13.00
3	766_NOR_EE	Act 766 Normal Employee Contr	5.50
4	766_NOR_ER	Act 766 Normal Employer Contr	13.00
5	CASUAL_W	Tax Rate for Casual Worker	5.00
6	JUNIOR_EMP	Qualifying Junior QEI Limit	18,000.00
7	L_FUEL	Fuel Only Maximum	250.00
8	L_MOTOR	Motor Vehicle Maximum	250.00
9	L_MOT_D_F	Motor, Driver & Fuel Maximum	600.00
10	L_MOT_FUEL	Motor Vehicle and Fuel Maximum	500.00
11	MAX_AGED	Maximum Dependants for Relief	2.00
12	MAX_CHILD	Maximum Children for Relief	3.00
13	MAX_INCOME	Maximum Income for total SSNIT	25,000.00
14	MAX_SSNIT	Age limit for SSNIT Contribute	60.00
15	NON_RES	Tax Rate for Non-Resident	25.00

## 3.0 Practical Application

### 3.1 Pay Plan Patch

The patch must be installed before processing in August. If the patch is only installed after August, it is advised that August should be processed again, before starting with September's processing.

### 3.2 Annual Bonus

If annual bonuses are paid out, it is advised to enter a "2" next to the variable BON\_INCOME on company level (tax info tab) to indicate that the annual basic salary (ABS) is based on a user defined ABS amount.

The annual basic salary to be used for the bonus can then be defined on the employee's payslip screen (tax info tab) next to the variable USER\_ABS.

### 3.3 Tax calculation

The pay plan consists of a strictly monthly tax calculation and a final recalculation at tax year end (or upon termination). The user needs to select the required tax calculation on the legal data tab in the first period of the tax year.

**Access:** Setup > Organizational structure > Companies > Legal data



If the company selected the tax calculation option "Final recalculation at tax year end" please take note that in certain scenarios it is advised to terminate the employee's contract at the end of July 2018 (with the final exit flag ticked) and create a new contract with a new contract chrono number in August 2018.

Who is affected:

Employees with the following tax statuses:

- Permanent/Temporary Residents whose monthly income is expected to be more than 3241 in the tax year (or annual income is expected to be more than 38 892),
- Permanent/Temporary Non-Resident
- Part-time Non-Resident