

Sage X3 HR and Payroll

South Africa

Tax Year End Changes
V12

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1.0 Patch content

1.1 Patch content

- Enhanced Tax Year End validations
- Grouping of companies
- Employee work address enhancements
- Updated tax certificates for 2020 tax year
- Updated tax extracts to accommodate enhancements

1.2 Patch information

We strongly recommend the customers to be updated to the following versions before the Tax Year End patches are loaded:

- Version 9: HR U9.0.14
- Version 12: 12.0.18 (2019R3)

If you are unable to update to the recommended versions, it will be the customers responsibility to ensure the Tax Year End patches for 2019 were successfully integrated as well as the Bi-Annual patches for the 2020 submission year.

All patches must be integrated in sequence to both the reference and daughter folders

2.0 Extract validation message changes

2.1 Validation messages added

IRP5 Code	Description	Changes
2010	Trading or Other Name	Trading or Other name cannot be longer than 90 characters in length.
2025	Employer Contact Person: First Name	No SARS contact has been defined for this company.
2036	Employer Contact Person: Surname	Employer contact person surname contain more than 30 characters.
3125	Employee contact E-mail	Employee e-mail address cannot be longer than 70 characters.
3136	Employee Bus Tel No	Employee business number is mandatory where nature of person is not 'N'.
3150	Employee Physical Work Address Details -: Postal Code	Employee postal code field may not contain any special characters. Please check the field on the selected work address from where it defaults.
3213	Employee Address Details - Residential: Street Number	Employee street number field on residential address may not contain special characters.
3254	Employee Postal Address Details - Postal Code	Employee postal code field on postal address must be 4 characters long.
3261	Employee Postal Address Details Postal Code	Employee Postal code field on postal address must be 4 characters long.
4150	Reason code for IT3(a)	Reason code for IT3(a) (4150), Value 3 or 03 is only valid if code 3616/3666 or 3620/3670 have been completed.
4150	Reason code for IT3(a)	Reason code for IT3(a) (4150), Value 7 or 07 is only valid if code 3619/3669 has been completed.
7007	ETI Hours	The ETI hours (ETI_ACTUAL) may not be less than zero for March.
7007	ETI Hours	The ETI hours (ETI_ACTUAL) may not be less than zero for April.
7007	ETI Hours	The ETI hours (ETI_ACTUAL) may not be less than zero for May.
7007	ETI Hours	The ETI hours (ETI_ACTUAL) may not be less than zero for June.
7007	ETI Hours	The ETI hours (ETI_ACTUAL) may not be less than zero for July.
7007	ETI Hours	The ETI hours (ETI_ACTUAL) may not be less than zero for August.

7007	ETI Hours	The ETI hours (ETI_ACTUAL) may not be less than zero for September.
7007	ETI Hours	The ETI hours (ETI_ACTUAL) may not be less than zero for October.
7007	ETI Hours	The ETI hours (ETI_ACTUAL) may not be less than zero for November.
7007	ETI Hours	The ETI hours (ETI_ACTUAL) may not be less than zero for December.
7007	ETI Hours	The ETI hours (ETI_ACTUAL) may not be less than zero for January.
7007	ETI Hours	The ETI hours (ETI_ACTUAL) may not be less than zero for February.

2.2 Validation messages changed

IRP5 Code	Description	Changes
3040	First Two Names	Added date of birth or identity/passport number to the validation.
3050	Initials	Added date of birth or identity/passport number to the validation.
4118	Employment Tax Incentive (ETI)	Asylum Seeker Permit is not AS. If the employee is an Asylum seeker, then this validation should not appear.
4120	Additional Medical expenses	Include 3810 Medical aid fringe benefit in the check. Employee's IRP5 code 4120 cannot be specified if there is no value for Medical Scheme Contributions (code 4005 or code 3810).

3.0 Grouping of Companies

3.1 Changes made on GESHRTAX (RSA Tax Submission)

Access: Payroll > Statutory exports > RSA Tax Submission (GESHRTAX)

The following changes were made on the RSA Tax submission screen:

The screenshot shows the 'Tax extract' screen. At the top, there are fields for 'Tax extract template' (SAMPLEGROUPING), 'Extract type' (SAPS TAX SUBMISSION - YEAR END), 'Tax year' (2020), 'Status' (SAVED), 'Live run' (checkbox), and 'Test run' (checkbox). Below these are 'Date executed' and 'Executed by user'. The 'Criteria' section is expanded, showing 'Company' (TK.MB) and 'Primary company' (empty) highlighted with red boxes. Other fields include 'Department', 'From employee', 'Employee work address selection', 'Site', 'Profile', and 'To employee'.

- The user will now be able to select a grouped company in the company selection field. All companies in the grouping must be of ZAF legislation otherwise the system will not allow you to continue as the extract is only run for South African companies.
- Once you have selected a grouped company, a new mandatory field becomes available. Only companies assigned to the grouped company will be available for selection on the lookup list. You can however type in the information as well.
- The rest of the fields on the selection screen, will also only show information for the grouped companies. Fields not linked to a company, will only show information for ZAF or All legislations.
- The primary company's information will be used to populate the employer section in the extract and all the employer validations will also be done using this same information.
- If all the companies in the grouping does not have the same tax number, the user will receive a warning message. The user will be able to cancel and select another company or exit to make changed to the company screen. This is however just a warning and the extract will be created if the user continues. We advise against this as the certificate numbers will be created using the PAYE number of the company selected as the primary company.
- Groupings can be selected for Tax year end, Bi-annual submission, ITREG, Termination run and resubmissions.

3.2 Reports affected

The following reports will include grouping of companies and the reports are also updated with the new IRP 5 codes.

- IRP5 certificates – The extract is selected as a report parameter, and because the extract is generated for a grouping of companies, the grouping will be included in the report.
- IRP5 recon report – The extract is selected as a report parameter, and because the extract is generated for a grouping of companies, the grouping will be included in the report.
- Termination run report – You will be able to select a grouped company to run this report as well.
- EMP 201 and EMP501 was previously changed to include grouping of companies.

4.0 Employee work address enhancement

4.1 Enhancement for employee work address on GESHRTAX (RSA Tax Submission)

Access: Payroll > Statutory exports > RSA Tax Submission (GESHRTAX)

The screenshot displays the 'Tax extract' configuration page. At the top, the breadcrumb trail is 'All > Payroll > Statutory exports'. The page title is 'Tax extract'. Below the title, there are four circular icons. The main form area is titled 'Tax extraction' and contains several input fields: 'Tax extract template' with the value 'TAXYEARENDGN', 'Extract type' with a dropdown menu showing 'IRPS TAX SUBMISSION - YEAR END', 'Tax year' with the value '2020', 'Status' with the value 'SAVED', 'Live run' with an unchecked checkbox, and 'Test run' with a checked checkbox. There are also fields for 'Date executed', 'Executed by user', and 'Print certificates'. Below the form, there are two tabs: 'Input' and 'Validation'. Under the 'Input' tab, there is a section titled 'Criteria' with several dropdown menus: 'Company', 'Site', 'Profile', 'From employee', and 'To employee'. A red box highlights the 'Employee work address selection' dropdown menu, which is currently set to 'Employee'.

Purpose:

The purpose of the change is to allow the user to select the source for the work address that is used for employees. By using Site or Company level work addresses, the effort is reduced to make corrections to a work address if something is not correct (instead of making corrections on each employee).

The following change was made to the Tax extract:

- The option to select the work address source for the employee was added. The user has the option to select Employee, Site or Company.
- If Employee is selected, the address with type 'Work' on the employee will be used to populate the work address for each employee.
- If Site is selected, the address with type 'Work' on the site of the employee will be used to populate the work address for each employee.
- If Company is selected, the address with type 'Work' on the company of the employee will be used to populate the work address for each employee.

5.0 Tax Certificates

The following changes were made to the Tax certificates:

- Income codes 3607/3657, 3833/3883 and 3834/3884 were added.
- Deduction/Contribution codes 4582/4583, 4584, 4585 and 4586 were added.
- An option in the report parameter to sort by Certificate number or employee number was added.
- The wording for 'Period employed from' and 'Period employed to' were changed to 'Certificate tax period start' and 'Certificate tax period end'.