X3 HR & Payroll

Year-end Process

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1.0   Background

A tax record is necessary for the following two reasons:

- To be able to print tax certificates correctly for a previous tax year in the current tax year, and
- To update certain fields automatically for a new tax year.

Each active employee should have a tax record per tax year. A tax record is created each time a new contract (new contract chrono number) is created, as well as when a payroll user rolls into a new tax year.

When certain changes are made on the employment contracts, the tax records must update with the latest information.

The 'year-end program' tool is used to create tax records, and can be used in the following circumstances:

- To create tax records for the current tax year only (take-on purposes), and/or
- To perform a tax year-end run.

2.0   Diagram
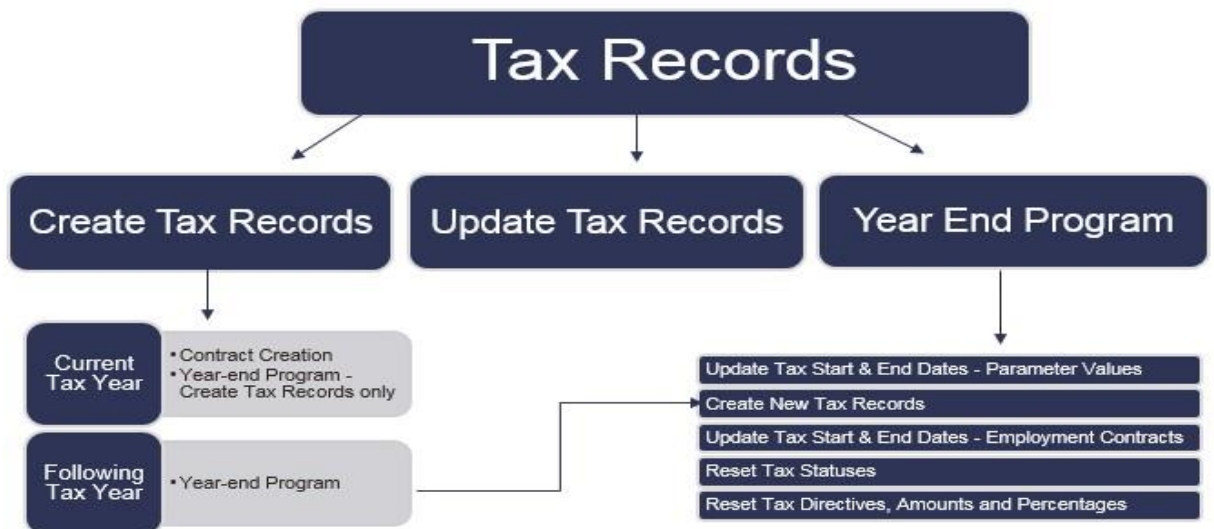
3.0   Create a Tax Record

A tax record is created in the following circumstances:

•   When a new contract with a new contract chrono is created (contract creation).
     Access: Personnel administration > Personnel data forms > Employment contract

•   When the user wants to do a take-on for the current tax year.
     Access: Payroll > Payslips > Tools > Year end program > Create Tax Records Only

•   When the user rolls forward into the next tax year.

     Access: Payroll > Payslips > Tools > Year end program > OK

> Please note that if a future contract (following tax year) is created in the current tax year, the tax cycle end date must be changed manually on the contract. The final exit should also not be checked.

Tax records will display on the employee record.

   Access: Personnel administration > Personnel data forms > Employees > Additional tab

Tax and UIF info

|		Contract	IRP5 start d...	IRP5 end date	Y...	Tax certificate information	Tax status	Lega...	Directive numb...	Deemed
1		PTA00000035	07/01/20	02/28/21	2021	7777777774202102SGEX3ZA0000002	Statutory tables	No		
2		PTA00000035	03/01/21	02/28/22	2022	7777777774202208SGEX3ZA0000002	Statutory tables	No		

4.0   Create Tax Records Only

If the payroll user has existing employee information on the payroll before the 'year-end program' was released for the specific country, the function below will create tax records for the employees for the current tax year. A tax year-end run will not be performed yet, and therefore contract fields will not update to the new tax year.

   Access: Payroll > Payslips > Tools > Year end program > Create tax records only

- Select the applicable company and click on "Create tax records only". The following message will display:

> **Question**
> This will only create tax records for the current tax year. It will NOT perform a tax year end run. Continue?
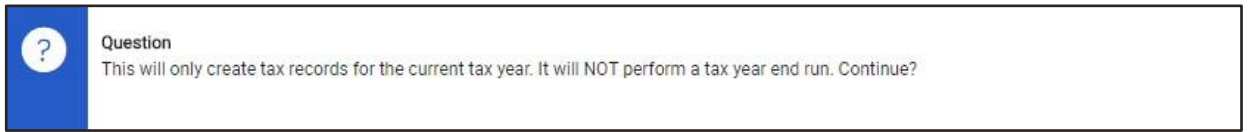
Select "Yes".

The following message will state the number of records created:

> **Sage**
> 1 Tax records created.

Click on "OK".

Click on "Close page".

- If you try to create tax records for the current year for the same company more than once and no new records were created, the system will display a message indicating that no records were created:

> **Sage**
> 0 Tax records created.
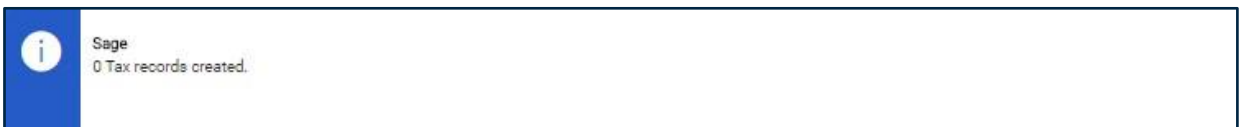
Click on "OK".

Click on "Close page".

- If you select 'No', a message will display indicating that the process was aborted by the user and that no records were created.

> **Information message**
> Process aborted by user.

5.0   Year End Program

The year-end program will do the following:

- Update the tax year start & end date on parameter values to the new tax year.
- Create new tax records.
- Update the tax year start & end date on employment contracts to the new tax year.
- Reset tax statuses.
- Reset employee tax directive numbers, amounts and percentages.

5.1   Create new Extraction periods for the following year

The user will not be able to roll over their companies until there are Extraction periods set up for the following tax year. The 'Active flag' should not be activated (checked) yet. This is only done after the roll over process was completed.

Access: Time management > Parameter definition > Extraction periods

If you run the Tax year end program without creating Extraction periods for the following tax year, a message will display, and the process will be aborted.

Log Reading F54715

		7 Results Display: 25
		02/23/18 07:55:22 (JOCAR) Year end program
1		Year end program
2		---
3		Run date: 23/02/2018
4		---
5		The follow extraction periods do not have record for the next cycle
6		CP01
7		Process aborted.
8		

5.2 Create new tax records for the following tax year

New tax records will only be created for all the active employees in the new tax year. For employees with a termination date in the previous tax year (with or without the final exit tick), no records will be created.

5.3 Update the tax year start & end date on employment contracts for the new tax year

The "tax cycle start date" and "tax cycle end date" fields on the employment contract will update. Therefore, as soon as the user runs the Year end program, the dates will automatically update to the new tax cycle start and end dates. The extraction period linked to this contract, will determine which dates are used.

> **Access:** Personnel administration > Personnel data forms > Employment contract > Payroll tab

Tax and UIF info

IRP5 start date *	IRP5 end date *	Tax status
03/01/2021	02/28/2022	Statutory tables
Deemed remuneration	**Directive number**	**Directive percentage**

5.4 Reset employee tax directive numbers, amounts and percentages

The directive number, directive amount and directive percentage fields on the employment contract will reset as soon as the user runs the year end program.

> **Access:** Personnel administration > Personnel data forms > Employment contract > Payroll tab

Tax and UIF info

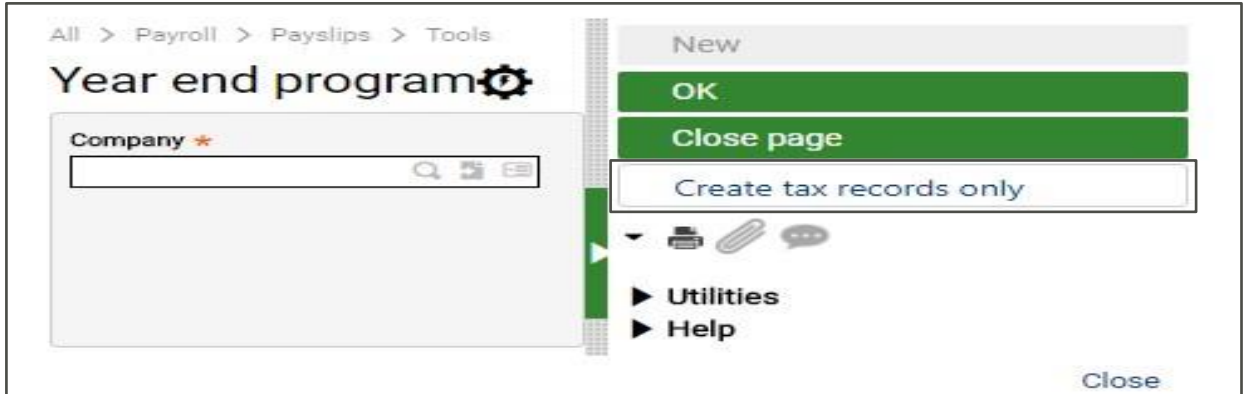| IRP5 start date *	IRP5 end date *	Tax status
03/01/2021	02/28/2022	Statutory tables

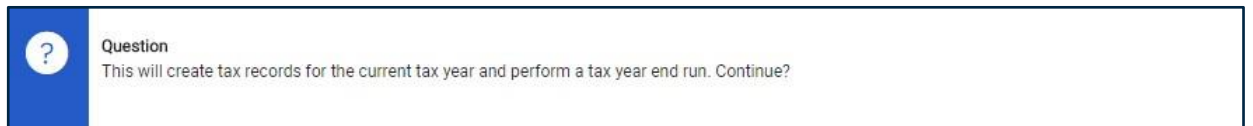| Deemed remuneration	Directive number	Directive percentage

Access: Payroll > Payslips > Tools > Year end program

Select the applicable company and click on "OK".

If the payroll user clicks on "OK", a tax year end run will be performed and the IRP5 start and end dates on the contract fields will be updated to the new tax year as defined on the extraction periods linked to the contract.

The following message will display:

> **Question**
> This will create tax records for the current tax year and perform a tax year end run. Continue?

If the user selects "No", the process will be aborted.
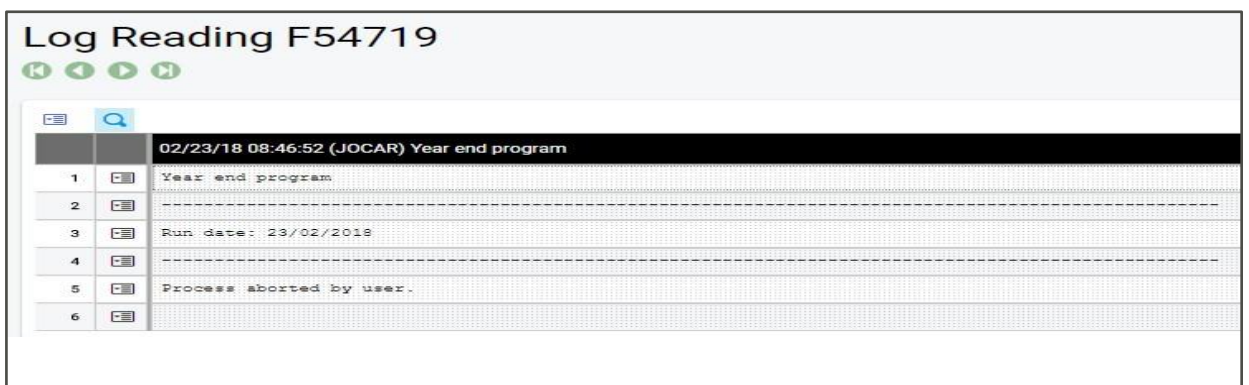
- The user can also select "Yes" to continue with the process.

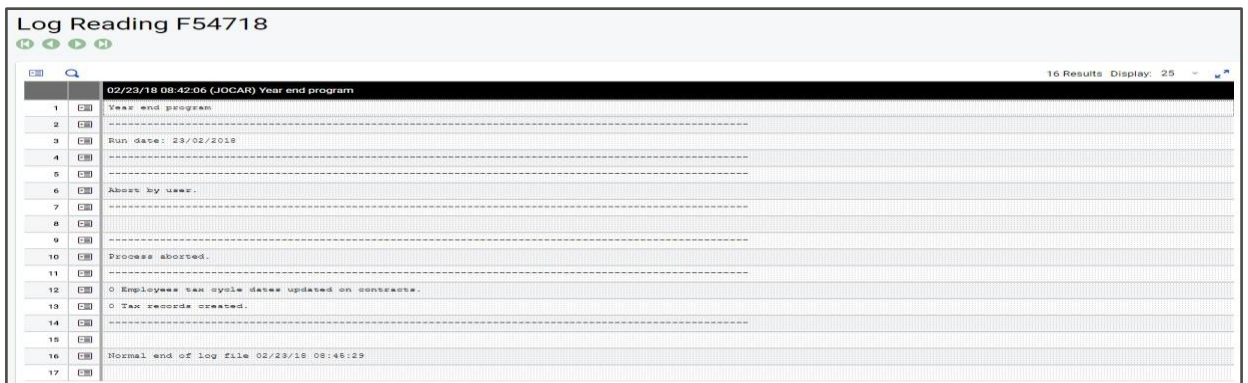If any of the payslips are not posted yet, the following message will display stating the number of payslips not posted (for the current company as well as other companies on the system).

? Question
There are 1 payslip(s) that have not been posted for company TAX1 and 2701 for other companies. Do you want to continue?

- If the user selects "No", the process will be aborted.

Log Reading F54718

		02/23/18 08:42:06 (JOCAR) Year end program
1		Year end program
2		---
3		Run date: 23/02/2018
4		---
5		---
6		Abort by user.
7		
8		
9		---
10		Process aborted.
11		---
12		0 Employees tax cycle dates updated on contracts.
13		0 Tax records created.
14		---
15		
16		Normal end of log file 02/23/18 08:46:29
17		

16 Results Display: 25

- If the user selects "Yes" the system will perform the roll over to the new tax year.
  A warning message will display if there are unposted:

i Sage
Please note that if cycle parameters are updated, it will prevent posting of payslips at a later stage.

Click on "Ok". The roll over to the new tax year will now be done.

Please note that if the user selects "Yes" and a year-end still needs to be performed for another company at a later stage, the parameters will still be updated. In such a case, the user will have to manually change back the parameters when needed.

Click on "Close page".

- If the user tries to perform a year-end for the same company for the second time in one tax year, the following log reading will display:
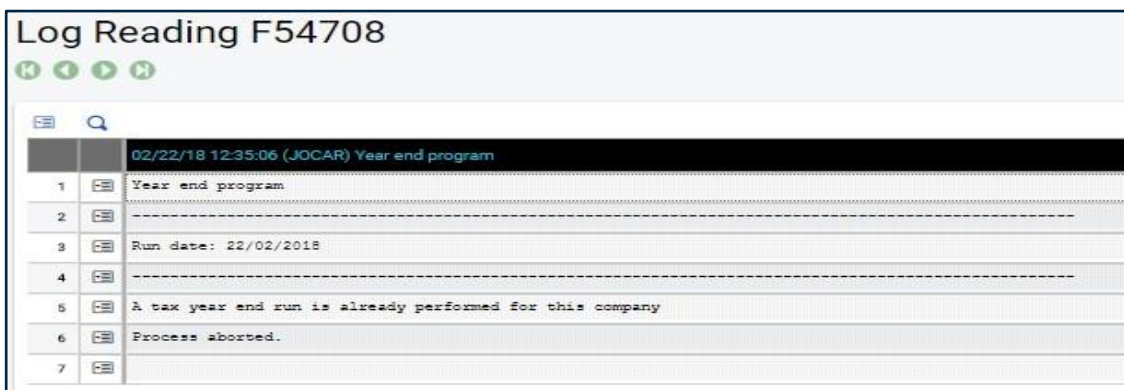
Click on "Close page"

5.5 Activate the Extraction periods for the following tax year

Before you start processing in the following tax year, you will need to activate the applicable Extraction period by checking the 'Active flag'.