

Sage X3 HR & Payroll - V9 & V12

# South Africa

# Tax year end submission 2022/2023

Sage

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# Patches

## Patch contents

- Updated tax extract and validations for the 2022-2023 tax year end submission
- Reports

## Patch information

We recommend that your system(s) be updated to the following versions before you load the Bi-Annual Submission patches:

- Version 9: HR U9.0.28
- Version 12: 12.0.32 (2022 R4)

If you are unable to update to the recommended versions, it is important to ensure all previous tax extract patches are integrated.

## Patches

- Version 9: V9\_Tax Year End\_2022-2023.zip
- Version 12: V12\_Tax Year End\_2022-2023.zip

# Extract updates

## Employee directive information

### Legislative changes

A new code **3234** was added with description 'Directive Type Indicator'.

This code indicates whether the directive is a lump sum directive, or a fixed PAYE rate/amount directive, excluding par 2(2B).

The value may only be "L" for lump sum directives and "F" for fixed PAYE rate/amount directives.

Where **lump sum directives** are issued for source codes as defined in the validation rules, all the directive information fields **MUST** be completed.

- The directive income source code can only be one of the following source codes:
  - 3608/3658, 3614/3664, 3707/3757, 3718/3768, 3719/3769, 3720/3770, 3721/3771, 3723/3773, 3901/3951, 3902/3952, 3903/3953, 3904/3954, 3905/3955, 3907/3957, 3908, 3909, 3915, 3920, 3921, 3922, 3923, 3924

Where **fixed PAYE rate/amount directives** (excluding par 2 (2B)) are issued, **ONLY** the directive number and directive type indicator must be completed.

When more than one directive number is used on one certificate for a transaction year as from 2022 going forward, the directive related codes must be repeated as a group for every directive number, for example:

- **For lump sum directives** – 3230, directive number, 3234, directive type indicator, 3231, directive issued date, 3232, directive income source code, 3233, directive income amount, 3230, directive number, 3234, directive type indicator, 3231, directive issued date, 3232, directive income source code, 3233, directive income amount
- **For fixed PAYE rate/amount directives** – 3230, directive number, 3234, directive type indicator, 3230, directive number, 3234, directive type indicator

## Extract changes

### Directive Type Indicator – code 3234

A new code was added to the extract to indicate if the directive is a lump sum directive, or a fixed PAYE rate/amount directive.

Value must be **"L"** if 3232 (Directive Income Source Code) is equal to one of the following:

3608/3658 ; 3614/3664 ; 3707/3757 ; 3718/3768 ; 3719/3769 ; 3720/3770 ; 3721/3771 ; 3723/3773 ; 3901/3951 ; 3907/3957 ; 3908 ; 3909 ; 3915 ; 3920 ; 3921 ; 3922 ; 3923 ; 3924

- Where the value of code **3232 = "L"**, the directive number(s) as entered on the employee directives screen, will be used to populate the directive number (code 3230).
- Where the value of code **3232 = "L"**, all directive information codes will be completed and can be repeated up to five times.

Value must be **"F"** if the employee's **Tax status** field is:

- 2 – (Directive Percentage)
  - 6 – (Directive Director Percentage)
  - 16 – (Tax directive fixed amount IRP3)
  - 17 – (Director directive fixed amount IRP3)
  - 20 – (Non-resident non-executive director (Tax Directive))
- Where the value of code **3232 = "F"**, the directive number(s) as entered on the employment contract screen (Payroll tab), will be used to populate the directive number (code 3230).
  - Where the value of code **3232 = "F"**, only the directive number (code 3230) and directive type indicator (code 3234) will be completed.

## Validation changes

The following validation was added:

IRP5 Code	Description	Rule	Message
3234	Directive Type Indicator	If Directive Number (code 3230) is not completed, then this field must not be completed.	If Employee directive type indicator (code 3234) is completed, then Employee directive number (code 3230) is mandatory.

# Employee remuneration information

## Legislative changes

The following new codes were added for long service awards:

### Long Service Cash Award – code 3622/3672

A Long Service Cash Award given to an employee that complies with the initial 15 years and any subsequent 10 years unbroken period of service requirement - par (vii) of the proviso under par (c) of “gross income” in section 1 of the Income Tax Act.

The full value (before excluding any amount) of a Long Service Cash Award that qualifies for the R5000 exclusion, must be declared under this code (3622/3672).

### Long Service Award – code 3835/3885

A Long Service Award given to an employee that complies with the initial 15 years and any subsequent 10 years unbroken periods of service requirement.

The full value (before excluding any amount) of a Long Service Award consisting of taxable benefits that qualifies for the R5000 exclusion, must be declared under this code (3835/3885).

## Extract changes

**New codes** 3622/3672 and 3835/3885 were added to the extract.

The **value of code 3622/3672** is the total of the following pay plan totals:

- 3622\_YTD + 3622\_YTDP + 3622\_YTDM

The **value of code 3835/3885** is the total of the following pay plan totals:

- 3835\_YTD + 3835\_YTDT

### Gross non-taxable employment income – code 3696

- Where the total of the values declared under codes 3622/3673 and 3835/3885 is **less** than or **equal** to R5000, the sum of these amounts will be included in code 3696 as non-taxable income.

### Gross employment income (taxable) – code 3699

- Where total of the values declared under codes 3622/3673 and 3835/3885 is **greater** than R5000, the sum of these amounts will be included in code 3699 as taxable income.

## Exempt foreign income – code 4587

- The following totals have been included in the total value of 4587 (the portions that are not already exempt from tax):
  - 3622\_YTDP
  - 3622\_YTDM
  - 3835\_YTDT

## Validation changes

The following validations were added:

IRP5 Code	Description	Rule	Message
3696	Employee gross non-taxable income	Code 3622/3672 (Excl) and 3835/3885 (Excl) to be added under this code only if the sum of 3622/3672 and 3835/3885 does not exceed R5,000.	The value of code 3622 plus code 3835 may not exceed R5000.
3699	Employee gross taxable income	If the sum of 3622/3672 (PAYE) and 3835/3885 (PAYE) value exceeds R5,000, the full amount must be included under this code.	The value of code 3622 plus code 3835 may not be less than R5000.

# Employment tax incentive information (ETI)

## Legislative changes

All rules applicable to ETI relief were removed.

## Extract changes

All rules applicable to ETI relief were removed.

## Validation changes

The following validations were adjusted according to the ETI values:

IRP5 Code	Description	Rule	Message
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 1, then value cannot be greater than R1500 for tax period 01	If Code 7005 is 1, then code 7004 cannot be greater than R1500 for March
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 1, then value cannot be greater than R1500 for tax period 02	If Code 7005 is 1, then code 7004 cannot be greater than R1500 for April
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 1, then value cannot be greater than R1500 for tax period 03	If Code 7005 is 1, then code 7004 cannot be greater than R1500 for May
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 1, then value cannot be greater than R1500 for tax period 04	If Code 7005 is 1, then code 7004 cannot be greater than R1500 for June
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 1, then value cannot be greater than R1500 for tax period 05	If Code 7005 is 1, then code 7004 cannot be greater than R1500 for July
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 1, then value cannot be greater than R1500 for tax period 06	If Code 7005 is 1, then code 7004 cannot be greater than R1500 for August
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 1, then value cannot be greater than R1500 for tax period 07	If Code 7005 is 1, then code 7004 cannot be greater than R1500 for September
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 1, then value cannot be greater than R1500 for tax period 08	If Code 7005 is 1, then code 7004 cannot be greater than R1500 for October
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 1, then value cannot be greater than R1500 for tax period 09	If Code 7005 is 1, then code 7004 cannot be greater than R1500 for November



7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 1, then value cannot be greater than R1500 for tax period 10	If Code 7005 is 1, then code 7004 cannot be greater than R1500 for December
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 1, then value cannot be greater than R1500 for tax period 11	If Code 7005 is 1, then code 7004 cannot be greater than R1500 for January
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 1, then value cannot be greater than R1500 for tax period 12	If Code 7005 is 1, then code 7004 cannot be greater than R1500 for February
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 2, then value cannot be greater than R750 for tax period 01	If Code 7005 is 2, then code 7004 cannot be greater than R750 for March
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 2, then value cannot be greater than R750 for tax period 02	If Code 7005 is 2, then code 7004 cannot be greater than R750 for April
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 2, then value cannot be greater than R750 for tax period 03	If Code 7005 is 2, then code 7004 cannot be greater than R750 for May
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 2, then value cannot be greater than R750 for tax period 04	If Code 7005 is 2, then code 7004 cannot be greater than R750 for June
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 2, then value cannot be greater than R750 for tax period 05	If Code 7005 is 2, then code 7004 cannot be greater than R750 for July
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 2, then value cannot be greater than R750 for tax period 06	If Code 7005 is 2, then code 7004 cannot be greater than R750 for August
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 2, then value cannot be greater than R750 for tax period 07	If Code 7005 is 2, then code 7004 cannot be greater than R750 for September
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 2, then value cannot be greater than R750 for tax period 08	If Code 7005 is 2, then code 7004 cannot be greater than R750 for October
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 2, then value cannot be greater than R750 for tax period 09	If Code 7005 is 2, then code 7004 cannot be greater than R750 for November
7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 2, then value cannot be greater than R750 for tax period 10	If Code 7005 is 2, then code 7004 cannot be greater than R750 for December
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7004	Monthly Calculated ETI	If YoA >= 2023 and ETI qualifying 12-month cycle indicator (code 7005) is equal to 2, then value cannot be greater than R750 for tax period 12	If Code 7005 is 2, then code 7004 cannot be greater than R750 for February

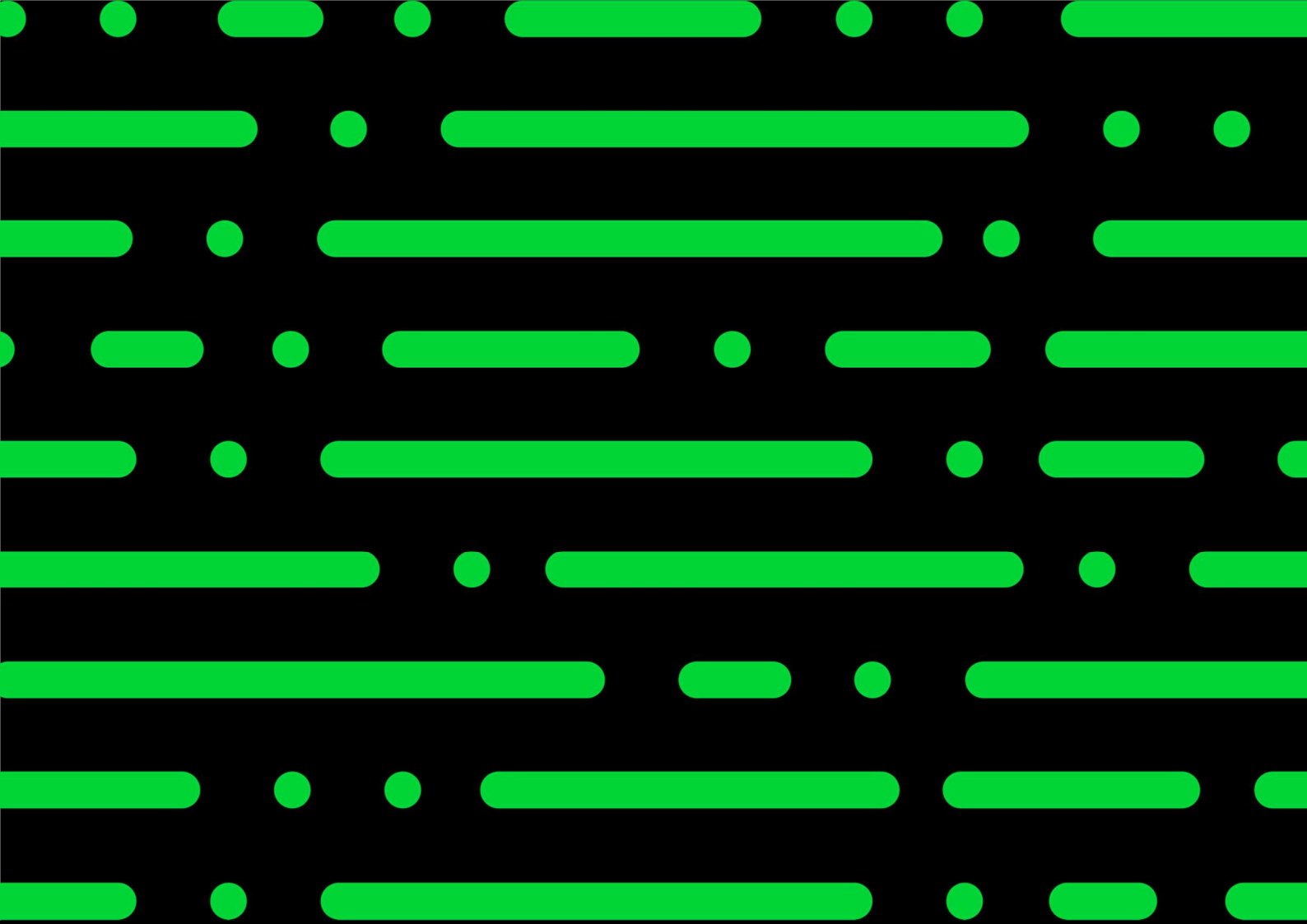
# Report updates

## IRP5 Recon report

New IRP5 codes applicable from the 2023 Year of Assessment were added.

## Tax certificates

New IRP5 codes applicable from the 2023 Year of Assessment were added.



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