

FREQUENTLY ASKED QUESTIONS

MANUAL COMPLETION AND SUBMISSION OF EMP201

1 PURPOSE

- The purpose of these FAQs is to assist employers in understanding the monthly completion and submission process for EMP201's.

2 SCOPE

- The target audience are employers who complete and submit their EMP201's via the post or at SARS drop boxes.

3 REFERENCES

3.1 LEGISLATION

TYPE OF REFERENCE	REFERENCE
Legislation and Rules Administered by SARS	Fourth Schedule to the Income Tax Act No. 58 of 1962: Paragraphs 13, 14 and 30. Income tax Act No. 58 of 1962: Section 69(1)(a) and 89sex
Other Legislation	None
International Instruments	None

3.2 CROSS REFERENCES

DOCUMENT NUMBER	DOCUMENT TITLE	APPLICABILITY
AS-PAYE-05	Guide For Employers In Respect Of Employee's Tax	All
AS-PAYE-05-G1-A2	Fortnightly tax deduction tables	All
AS-PAYE-05-G1-A2	Fortnightly tax deduction tables	All
AS-PAYE-05-G1-A3	Monthly tax deduction tables	All
AS-PAYE-05-G1-A4	Annual tax deduction tables	All
AS-PAYE-05-G2	Guide for Employers in respect of Fringe Benefits	All
AS-PAYE-05-G3	Guide for Employers in respect of Allowances	All
AS-PAYE-20-G1	Guide for Completion and Submission of monthly EMP201	All
AS-PAYE-20-FAQ(1)	FAQ-Completion and Submission of EMP201 via e@syFile™ Employer	All
AS-SDL-01	Quick reference guide on SDL	All
AS-UIF-01	Quick reference guide on UIF	All
FIN-CH-04	Cash Hall incoming payments	All

4 DEFINITIONS AND ACRONYMS

Fourth Schedule	<ul style="list-style-type: none"> Fourth Schedule to the Income Tax Act
Commissioner	<ul style="list-style-type: none"> The Commissioner for the South African Revenue Service
EMP201	<ul style="list-style-type: none"> Monthly employer declaration
Manual Employer	<ul style="list-style-type: none"> Employer completing an EMP501 reconciliation and employees' tax certificates manually (by hand)
Month	<ul style="list-style-type: none"> A calendar month
PAYE	<ul style="list-style-type: none"> For the purpose of income codes, means that the specific income is subject to the deduction of employees' tax
PAYE	<ul style="list-style-type: none"> Pay As You Earn
Revised EMP201	<ul style="list-style-type: none"> An EMP201 reconciliation completed after the previous completed EMP201 reconciliation has been rejected by SARS
PRN	<ul style="list-style-type: none"> Payment References Number
SARS	<ul style="list-style-type: none"> South African Revenue Service
SDL	<ul style="list-style-type: none"> Skills Development Levy
Tax year	<ul style="list-style-type: none"> Starting on 1 March of each year and ending on 28 February the next year

Transaction Year	<ul style="list-style-type: none"> The tax year during which the employer deducted and paid employees' tax in respect of remuneration paid or payable to an employee. This could include employees' tax on remuneration which under certain circumstances accrued during a previous tax year
UIF	<ul style="list-style-type: none"> Unemployment Insurance Fund
2010 ADOBE EMP201 format	<ul style="list-style-type: none"> Static form converted into an Adobe format which is prescribed by the Commissioner for purposes of submitting all monthly declaration after 20 March 2010

5 FREQUENTLY ASKED QUESTIONS

QUESTION	ANSWER
How can I obtain an EMP201?	<ul style="list-style-type: none"> The following channels can be used by an employer to request an EMP201 Adobe format declaration: <ul style="list-style-type: none"> SARS Contact Centre 0800 00 SARS (7277) Written request SARS branch. eFiling- where you can register, complete and submit your EMP201 electronically. The prescribed EMP201 return will be: <ul style="list-style-type: none"> Automatically supplied (posted) on a monthly basis by SARS to non-eFiling employers for declaration and payment purposes Supplied to eFiling employers on eFiling when requested through the relevant function on eFiling.
How do I complete the EMP201?	<ul style="list-style-type: none"> Each month the employer needs to declare the PAYE, SDL and UIF liability amounts to SARS. The employer must complete the EMP201 form accordingly for a specific month and make payment to SARS. For a step-by-step explanation on how to complete the EMP201, please refer to AS-PAYE-20-G1 (Guide for Completion and Submission of monthly EMP201) on the SARS website www.sars.gov.za.
What happens if I did not complete the correct information for example the correct trading name or PAYE reference number?	<ul style="list-style-type: none"> When the EMP201 is not completed in full and where the required documentation has not been furnished, the EMP201 will be rejected. The EMP201 will then be deemed as not submitted.
What happens if I declared the amount less or more of what I am supposed to pay and I have submitted the EMP201 form and now I what to pay the correct amount?	<ul style="list-style-type: none"> Increase payment declaration: When an employer has declared less than the amount he / she actually paid and needs to adjust the EMP201 declaration by increasing the payment declaration for the specific period to reflect the actual payment, the following must be done: <ul style="list-style-type: none"> Complete a new EMP201 for the specific period where the correction needs to be made Use the same PRN and period as the initial declaration to ensure that the previous EMP201 declaration is replaced by this new declaration Complete the full amounts (NOT the difference between the amounts completed on the current and previous declaration). Decrease payment declaration: When an employer has declared more than the amount he / she actually paid and needs to adjust the EMP201 declaration by decreasing the payment declaration for the specific period to reflect the actual payment and it will result in a credit, the following must be

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	<p>done to reallocate such credit:</p> <ul style="list-style-type: none"> ▫ Complete a new EMP201 for the specific period where the correction needs to be made ▫ Use the PRN relating to the payment which resulted in the excess amount (credit) and the period relating to the month to which the excess amount must be allocated to. ▫ If a previous EMP201 for the relevant period to which the credit must be allocated was already previously submitted, the full amounts (NOT the difference between the amounts completed on the current and previous declaration) must be completed. ▫ If no previous EMP201 for the relevant period to which the credit must be allocated was previously submitted, the amount equal to the credit amount must be completed accordingly. ▫ Use the same PRN and period as the initial declaration to ensure that the previous EMP201 declaration is replaced by this new declaration
<p>What happens if I submit an old format EMP201?</p>	<ul style="list-style-type: none"> • The old EMP201 form will no longer be accepted by SARS as from 1 July 2010. • You will be required to request the new EMP201 Adobe format.
<p>When do I submit my EMP201?</p>	<ul style="list-style-type: none"> • The employer who pays or becomes liable to pay any remuneration to any employee: <ul style="list-style-type: none"> ▫ Shall deduct or withhold employees' tax from that remuneration ▫ Shall pay the amount so deducted or withheld to SARS within seven days after the end of the month during which the amount was deducted or withheld. <p>Note: Where the employer ceases to be an employer, the seven day requirement as indicated above will be from the date the employer ceased to be an employer.</p> <ul style="list-style-type: none"> • <i>Section 89sex</i> prescribes that where the seventh day falls on a Saturday, Sunday or public holiday, the payment must be made no later than the last business day falling prior to such Saturday, Sunday or public holiday.
<p>How do I submit my EMP201?</p>	<ul style="list-style-type: none"> • The following channels can be used by an employer to submit an EMP201 declaration: <ul style="list-style-type: none"> ▫ eFiling- if registered for e-filing ▫ Post ▫ SARS branch.
<p>How do I make a payment in respect of my declaration?</p>	<ul style="list-style-type: none"> • Employers can make use of the following payment methods: <ul style="list-style-type: none"> ▫ eFiling ▫ EFT (electronic fund transfer) via Internet banking ▫ At a branch of an approved banking institution ▫ At a SARS branch. • eFiling: Provides a far more convenient, reliable and accurate electronic payment facility. eFiling is supported by all four commercial banks, namely ABSA, FNB, Nedbank and Standard Bank. For more information on making payments via the eFiling channel, please refer to www.sarsefiling.co.za. • EFT: Payments can be made directly to SARS using the internet banking services offered by ABSA, FNB, Nedbank and Standard Bank, Investec,

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	<p>CitiBank, and Mercantile Bank. In all instances it is imperative that the correct PRN is provided to ensure that tax payments are easily identified and correctly allocated by SARS.</p> <ul style="list-style-type: none"> • Banking institutions: Payments can be made at any ABSA, FNB, Nedbank or Standard Bank branch. These payments must comply with the same PRN requirements as Internet banking payments. • SARS branch: Payments can be made during office hours at any SARS branch. For ease of processing, employers should ensure that the EMP201 duly completed and signed, is attached to all payments. <p>Note: For more information on payment rules and acceptable payment tenders (e.g. cheque, etc.), please refer to AS-FIN-04 which is available on the SARS website www.sars.gov.za.</p>
What happens if I completed the EMP201 but I did not allocate the amount according to the tax type?	<ul style="list-style-type: none"> • A greyed out return will be issued by SARS. • The EMP201 will be issued with the relevant payment/ or allocation information.
Will I be penalised if I do not submit on time?	<ul style="list-style-type: none"> • Where the employer fails to pay the employees' tax for which he / she is liable within the period allowable for payment thereof, such employer shall be liable to pay a penalty equal to 10% of such amount. <p>Note: SARS may, having regard to the circumstances, remit the whole or any part of the penalty imposed. This will be considered upon application by the employer.</p>
What happens if I don't submit on time?	<ul style="list-style-type: none"> • Employers will be liable for penalty and interest.
How will I know that I am being charged for penalty and interest?	<ul style="list-style-type: none"> • SARS will issue an EMPSA to the employer to update them of their account(s).
What is an EMPSA?	<ul style="list-style-type: none"> • Employers statement of account.
If I am charged for penalty and interest what amount will I be liable for?	<ul style="list-style-type: none"> • Employer who fail to make payment before or on due date are liable for 10% equal to amount owing to SARS. • Interest will be charged on the daily basis at the prescribed rate.
What is the prescribed interest rate?	<ul style="list-style-type: none"> • To view the table of rates go to www.sars.gov.za.
What happens when I capture an incorrect amount on the EMP201?	<ul style="list-style-type: none"> • An error message will be displayed on the screen and the employer would not be able to continue unless he / she rectify the error.
Is it compulsory to fill in the penalty and interest field(s) on the EMP201?	<ul style="list-style-type: none"> • No, it is not compulsory. The purpose of these fields is to provide the employer the opportunity to allocate and pay the penalty and interest amounts in advance in cases where he / she knows penalty and interest will be imposed for the specific month.

6 DOCUMENT MANAGEMENT

Designation	Name / Division
Business Owner	GE: Enterprise Business Enablement
Policy Owner	GE: Enterprise Business Enablement
Author	Charmaine Kgoedi
Detail of change from previous revision	Including changes to EMP201 process and form
Template number and revision	POL-TM-12 - Rev 4

