

# The Account Management Guide

A guide to managing your SARS employer account

## CONTENTS

<b>1. Introduction</b> .....	<b>1</b>
<b>2. Overview</b> .....	<b>1</b>
<b>3. How to interpret your Employer Statement of Account (EMPSA)</b> .....	<b>3</b>
<b>3.1. Overview</b>	
<b>3.2. What is a Statement of Account (EMPSA)?</b>	
<b>3.3. When and how will the EMPSA be issued?</b>	
<b>3.4. How do I go about requesting my EMPSA online?</b>	
<b>3.5. What sort of detail will the Statement of Account (EMPSA) contain?</b>	
<b>3.6. Interpreting my statement</b>	
3.6.1. Transactions included in my Statement of Account (EMPSA)	
3.6.2. Interpreting the Summary Information: Employer Reconciliation section of the employer Statement of Account (EMPSA)	
3.6.3. Interpreting transactions that appear on your employer Statement of Account (EMPSA)	
<b>4. How to use the EMP201 return filing and adjustment process</b> .....	<b>15</b>
<b>4.1. Overview</b>	
4.1.1. What changes have been introduced and when do these come into effect?	
4.1.2. How will this new format Monthly Employer Declaration (EMP201) work?	
4.1.3. When and how will this new format Monthly Employer Declaration (EMP201) be issued?	
4.1.4. How do I go about requesting a manual Monthly Employer Declaration (EMP201)?	
4.1.5. How do I go about requesting the Monthly Employer Declaration (EMP201) for electronic submission?	
4.1.6. Filing your Monthly Employer Declaration (EMP201) and making payment using the payment reference number (PRN)	
4.1.7. How to revise your Monthly Employer Declaration (EMP201) manually	
4.1.8. How to revise your Monthly Employer Declaration (EMP201) electronically	
<b>5. How to allocate/reallocate payments</b> .....	<b>24</b>
<b>5.1. Overview</b>	
<b>5.2. Obtaining a payment listing</b>	
<b>5.3. Assigning unallocated payments to selected declarations</b>	
<b>5.4. Request a payment reallocation</b>	
<b>5.5. Confirmation of an allocation and reallocation request</b>	
5.5.1. Troubleshooting	

## 1. INTRODUCTION

This guide provides information to employers on account maintenance relating to payroll taxes (comprising PAYE, SDL and UIF). The following three sections are covered in this guide:

- Section 3: How to interpret your employer Statement of Account (EMPSA)
- Section 4: How to use the EMP201 return filing and adjustment process, and
- Section 5: How to allocate/reallocate payments.

Account management is about making sure that your financial (or tax) account is up to date and correct. In other words, that all the necessary tax filings are correctly reflected, payments have been correctly allocated, and that all charges to your account (including adjustments, interest and penalties) have been correctly calculated and recorded.

## 2. OVERVIEW

Up to now account management functions have been exclusively performed by SARS's internal staff. Employers were previously required to raise queries in writing and/or approach SARS in person to rectify account inaccuracies. SARS received many complaints about the ineffectiveness of this process.

These complaints related to processing delays, lost documents, incorrect interpretation of what was required to correct the account, and most importantly, a lack of feedback regarding the status of queries.

The modernisation of account management activities is aimed at transforming this process. The aim is to place employers in a position where they are able to manage their financial responsibilities independently, in an effective and efficient manner.

### How will this be achieved?

SARS has made provision for this with a number of new functions and tools:

- A new format Monthly Employer Declaration (EMP201) and payment reference number (PRN) enables you to change your declaration and reallocate your payments more easily
- A redesigned employer Statement of Account (EMPSA) that consolidates Pay-As-You-Earn (PAYE), Skills Development Levy (SDL) and Unemployment Insurance Fund (UIF) on a single statement with supporting explanations and notes for easier interpretation
- Online access to your financial accounts. Not only can you view and query transactions processed against your accounts, but you can now also adjust these transactions in real-time
- A case management system where you are able to log account errors or omissions which you are unable to fix yourself or which you would like to query, including a means to monitor and track SARS's progress in resolving your query.

As illustrated in this guide, account management should be a quick and simple process provided you used the PRN correctly when filing and paying. Each new format EMP201 form contains a unique nineteen digit PRN that must be used when making payment, changing declarations, and lodging queries. By using the PRN feature, you will also be able to adjust previously submitted declarations, reallocate credits on you accounts to other periods and link payments to the relevant EMP201.

If the PRN is used correctly, you should only need to use:

- The EMP201 to confirm that all EMP201 declarations submitted and payments made have been processed. If not bring it to SARS's attention by logging a case, and
- The EMP201 to reallocate payments should the need arise.

If however the PRN has been used incorrectly, your account will not reconcile. Although these transactions are easily identifiable on your EMP201, you will need to use the online account management function to fix these transactions or visit a SARS branch for assistance before you can benefit from the simplified EMP201 filing and payment process.

SARS values your contribution as an employer, and strives to ensure that the improvements we make impact you positively by empowering you to manage your accounts with ease. The new functionality SARS has introduced, and the guides we make available to you, is critical in assisting you to develop a thorough understanding of your tax obligations and how to fulfil these. SARS would appreciate your feedback with regard to the new functionality and the guides so that we can continue to provide you with the tools you need to simplify your tax responsibilities.

## 3. HOW TO INTERPRET YOUR EMPLOYER STATEMENT OF ACCOUNT (EMPSA)

At the end of this section you will be able to:

- Request a Statement of Account (EMPSA) for a specific period
- Determine if your account is up to date
- Identify unallocated payments
- Identify overpayments
- Identify underpayments
- Identify missing returns, and
- Identify incorrectly-allocated payments.

### 3.1. Overview

The employer Statement of Account (EMPSA) is integral to managing your account. Although similar to other account statements, the EMPSA also provides information that assists in determining your compliance status with SARS, such as whether or not outstanding returns and incorrectly referenced payments exist on your account(s).

### 3.2. What is the employer Statement of Account (EMPSA)?

The EMPSA provides a summary of all financial transactions processed against your account which relate to Pay-As-You-Earn (PAYE), Skills Development Levy (SDL) and Unemployment Insurance Fund (UIF).

Where previously you would have received three separate statements, the EMPSA now combines these statements to give you a consolidated view of all PAYE, SDL and UIF transactions for a particular transaction year (i.e. the twelve month period from 1 March to 28 February).

Financial transactions that normally appear on the EMPSA include all Monthly Employer Declaration (EMP201) returns submitted, payments made, audit assessments, adjustments made due to the reconciliation process (Employer Reconciliation Declaration [EMP501]), as well as additional charges relating to penalties and interest.

The EMPSA identifies transactions which were processed for specific tax periods. For example, the EMPSA issued for the 2011 tax year covers the twelve tax periods from March 2010 to February 2011. All EMP201s filed and payments made in respect of these tax periods will reflect on the EMPSA, and, where late payments were made, penalties and interest will have accrued. Once you have filed your Employer Reconciliation Declaration (EMP501) for the 2011 transaction year, any difference between the EMP201 submitted and the EMP501 will reflect on this EMPSA.

### 3.3. When and how will the EMPSA be issued?

The EMPSA has been introduced with effect from the 2011 employer transaction year (March 2010 to February 2011). Employers registered on eFiling and e@syFile™ Employer will receive an EMPSA on a monthly basis while employers who file their EMP201 and PAYE returns manually will receive an EMPSA by post quarterly.

For the 2008 to 2010 transaction years, the employer will need to request an EMPSA using eFiling, e@syFile™ Employer or by contacting the SARS Contact Centre on 0800 00 SARS (7277). Requests pertaining to transaction years prior to 2008 must be made in person at a SARS branch.

### 3.4. How do I go about requesting my EMPSA online?

e@syFile™ Employer is an offline application available for download from the SARS website whereas eFiling is an online application. Both applications are free and enable employers to request an EMPSA for a specific EMP501 transaction year or for a limited number of tax period(s).

These applications are powerful tools that enable you to effectively manage your account.

**Note: Visit [www.sars.gov.za](http://www.sars.gov.za) for step-by-step guides to requesting an employer Statement of Account (EMPSA) electronically.**

### 3.5. What sort of detail will the Statement of Account (EMPSA) contain?



**PAYROLL TAXES**  
**EMPSA**  
**Statement of Account**

Enquiries should be addressed to SARS:

**Contact Detail**

**A**

Employer  
Address  
Address  
Postal Code

ALBERTON  
1528

Tel: 0800 00 7277      Website: www.sars.gov.za

**Details**

Reference number: **7123456789**  
Date: **2010/04/30**  
Statement period: **2010/03/01** to **2010/03/31**

Always quote this reference number when contacting SARS

**Summary Information: Employer Reconciliation**

TRANSACTION YEAR 2011	0.00
UNALLOCATED PAYMENTS	0.00
<b>CLOSING BALANCE</b>	<b>0.00</b>

**Transaction details**

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/04/05	7123456789LE0000015	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/04/07	7123456789LE0000015	PAYMENT	-120.00	-100.00	-10.00	-10.00	0.00
		BALANCE: TAX PERIOD 201003		0.00	0.00	0.00	0.00
		CUMULATIVE BALANCE		0.00	0.00	0.00	0.00
Unallocated payments excluded from the cumulative balance							

**Ageing - Transactions are aged according to the original due date, including all related interest and penalties**

Current	30 Days	60 Days	90 Days	120 Days	Total
0.00	0.00	0.00	0.00	0.00	0.00

**Compliance Information**

<b>Active SDL Reference</b>	L123456789	<b>Seta Code (SDL)</b>	SETA CODE 01 CHAMBER CODE 1234
<b>Outstanding EMP501 Reconciliations</b>	2011	<b>Outstanding EMP201</b>	2009/12
<b>Selected For Audit</b>			

**Section A** of the EMPSA contains the employer's address, SARS contact details, PAYE reference number, date and statement period, and the summary information relating to the transactions posted to the account. The summary information section allows you to quickly assess the status of your account. For a more detailed explanation, please refer to 3.6.

**Section B** of the EMPSA contains all your transaction details. Transactions will be listed by:

- **Date:** This is the date on which the transaction occurred or payment was made
- **Transaction reference:** This field contains the reference number of the transaction posted to your account. This reference should be used when querying the transaction or when requesting supporting documents/calculations relating to the transaction. In the case of payments and declarations this reference will be the payment reference number (PRN)

- **Transaction description:** Contains a description of the transaction processed and/or information pertaining to the transaction
- **Transaction value:** Gives you the total of the transaction processed, which may include PAYE, SDL and UIF
- **Transaction allocation information:** Breaks down the total transaction value allocated to PAYE, SDL and UIF
- **Account balance:** The account balance indicates the balance per tax period, and then accumulates the separate balances to give you the **Cumulative Balance**. The employer can use this to gauge the effect on the account
- Just beneath the individual **Transaction Details** table is the **Unallocated payments excluded from the cumulative balance** table. This table lists all the payments which have not been assigned to a tax period. Unallocated payments will result in your account being incorrect and will:
  - » Prevent the issuing of Tax Clearance Certificates
  - » Cause SDL payments not to be transferred to your Sector Education and Training Authority (SETA)
  - » Result in the initiation of unnecessary debt recovery actions and audits, and
  - » Result in additional administration for you as an employer.

It is therefore important that these transactions are immediately investigated and corrective action taken. The primary reasons for unallocated payments occurring include:

- » Specifying an incorrect payment reference number (PRN) when making payment
- » Not filing your Monthly Employer Declaration (EMP201) with the associated PRN, or where the relevant EMP201 must still be processed
- » Instances where the payment made exceeds the value declared on the EMP201.

**Section C** of the EMPSA contains details of the ageing information with regard to the transactions listed.

**Section D** of the EMPSA lists all the compliance information for the employer, including outstanding EMP201s and Employer Reconciliation Declarations (EMP501s).

**Section E** of the EMPSA comprises general notes pertaining to interpreting the EMPSA.

## 3.6. Interpreting my statement

### 3.6.1. Transactions included in my Statement of Account (EMPSA)

The EMPSA has been designed to show all transactions that are related to a specific EMP501 employer transaction year. These transactions are shown in the **Transaction Details** section (B above) of the EMPSA.

An EMP501 employer transaction year covers a standard period that runs from the start of March to the end of February. For example, the EMPSA issued for the 2011 transaction year covers the March 2010 to February 2011 tax period. The EMPSA therefore provides a clear indication of your financial position and status vis-à-vis a particular EMP501 reconciliation period.

Transactions that are automatically assigned to a tax period would ordinarily include the Monthly Employer Declaration (EMP201), penalties and interest charges imposed as a result of the underpayment/late payment, and any additional charges resulting from the annual reconciliation. These transactions are grouped on the EMPSA by tax period. For example:

- **Period 2010/04** will reflect all EMP201s filed for the April 2010 tax period and any related penalty, interest, and or EMP501/Reconciliation Declaration Adjustment (EMP701) adjustments that has been recorded against this tax period, whereas
- **Period 2010/05** will reflect all EMP201s filed for the May 2010 tax period and any related penalty, interest, and or EMP501/EMP701 that has been recorded against this tax period.

Payments are, however, only assigned to a tax period if the payment reference number (PRN) can be matched to an EMP201 payment reference number (PRN). If not, these payments will not be reflected in a tax period but listed separately in the **Unallocated payments excluded from the cumulative balance** table. All payments that have not yet been assigned to a tax period at the time of processing the EMPSA will be included in this table, irrespective of when these payments were made.

Since each tax period is displayed separately on the EMPSA with its own balance, it is easy to determine your financial position and therefore level of compliance with regard to each tax period. The EMPSA sums up these individual balances under the heading **Transaction Year** which is displayed in the **Summary Information: Employer Reconciliation** section. This provides you with an overall balance for the particular transaction year.

Of course the accuracy of this balance will be influenced by the existence of any unallocated payments. The total value of these payments are shown separately in the **Summary Information: Employer Reconciliation** section under the heading **Unallocated Payments**.

### 3.6.2. Interpreting the Summary Information: Employer Reconciliation section of the employer Statement of Account (EMPSA)

The balances reflected in the **Summary Information: Employer Reconciliation** section highlight the state of your account.

Summary Information: Employer Reconciliation	
TRANSACTION YEAR 2011	45.00
UNALLOCATED PAYMENTS	0.00
<b>CLOSING BALANCE</b>	<b>45.00</b>

- A debit balance in the **Transaction Year [year]** field indicates that you owe money to SARS for the transaction year reflected. In the example above, the employer owes money to SARS for the 2011 transaction year, and the debt is accruing interest. You will be able to identify the specific tax periods to which debt relates by looking at the **Transaction Detail** section of the EMPSA. At this point you also need to determine if this debt arose due to a missing or unallocated payment(s). If this is the case, you need to correctly allocate these payments in order to correct your account balance.
- A credit balance in the **Unallocated Payments** field indicates that a payment (or any portion thereof) could not be assigned to a specific EMP201. This would occur in instances where you paid more than the value of the Monthly Employer Declaration (EMP201), did not file your EMP201 return, or did not specify the correct payment reference number (PRN) when making payment. As indicated previously, these payments will not be taken into consideration when calculating penalties and interest, and on receipt of the annual Employer Reconciliation Declaration (EMP501). It is critical that you follow up on all **Unallocated Payments** to ensure that these payments are correctly assigned.

Summary Information: Employer Reconciliation	
TRANSACTION YEAR 2011	0.00
UNALLOCATED PAYMENTS	-30.00
<b>CLOSING BALANCE</b>	<b>-30.00</b>

### 3.6.3. Interpreting transactions that appear on your employer Statement of Account (EMPSA)

Below is an explanation of some of the critical transactions that may be displayed on your EMPSA:

- **Example 1:** How to determine if your account is up to date
- **Example 2:** How to identify unallocated payments
- **Example 3:** How to identify overpayments (excess credits)
- **Examples 4 and 5:** How to identify underpayments (outstanding debts)
- **Example 6:** How to identify missing returns
- **Examples 7 and 8:** How to identify incorrectly-allocated payments
- **Example 9:** The impact of making payments on account using the 00000000 PRN.

Sections 4 and 5 of this guide provide step-by-step instructions on how to correct these errors and/or omissions:

- **Section 4:** How to use the Monthly Employer Declaration (EMP201) return filing and adjustment process. This section will demonstrate how to resolve the issues identified in examples 3 to 6, and

- Section 5: How to allocate/reallocate payments. This section will demonstrate how to resolve the issues identified in examples 2, 7 and 8.

**Note: that these are only examples which attempt to give you an understanding of the transactions that may appear on your EMPSA.**

Examples 1-7 below are based on the following employer Statement of Account (EMPSA):



## PAYROLL TAXES

### Statement of Account

## EMPSA

Enquiries should be addressed to SARS:

**Contact Detail**

Employer  
Address  
Address  
Postal Code

ALBERTON  
1528

Tel: 0800 00 7277      Website: www.sars.gov.za

**Details**

Reference number: **7123456789**  
Date: **2010/12/31**  
Statement period: **2010/03/01** to **2010/11/30**

Always quote this reference number when contacting SARS

**Summary Information: Employer Reconciliation**

TRANSACTION YEAR 2011	296.82
UNALLOCATED PAYMENTS	-392.00
<b>CLOSING BALANCE</b>	<b>-95.18</b>

**Transaction details**

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/04/07	7123456789LE0000015	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/04/07	7123456789LE0000015	PAYMENT	-120.00	-100.00	-10.00	-10.00	0.00
		<b>BALANCE: TAX PERIOD 201003</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2010/05/07	7123456789LE0000025	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/05/08		PENALTY	12.00	10.00	1.00	1.00	132.00
2010/12/31		INTEREST (2010/05/08-2010/12/31)	1.20	1.00	0.10	0.10	133.20
		<b>BALANCE: TAX PERIOD 201004</b>		<b>111.00</b>	<b>11.10</b>	<b>11.10</b>	<b>133.20</b>
2010/06/07	7123456789LE0000027	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/06/07	7123456789LE0000027	PAYMENT	-120.00	-100.00	-10.00	-10.00	0.00
		<b>BALANCE: TAX PERIOD 201005</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2010/07/07	7123456789LE0000036	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/07/08		PENALTY	12.00	10.00	1.00	1.00	132.00
2010/07/08	7123456789LE0000036	PAYMENT	-132.00	-110.00	-11.00	-11.00	0.00
		<b>BALANCE: TAX PERIOD 201006</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2010/08/07	7123456789LE0000041	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/08/08		PENALTY	12.00	10.00	1.00	1.00	132.00
2010/08/15		INTEREST (2010/08/08-2010/08/15)	1.20	1.00	0.10	0.10	133.20
2010/08/15	7123456789LE0000041	PAYMENT	-132.00	-110.00	-11.00	-11.00	1.20
2010/08/31		INTEREST (2010/08/16-2010/08/31)	1.20	1.00	0.10	0.10	2.40
2010/08/31	7123456789LE0000041	PAYMENT	-2.40	-2.00	-0.20	-0.20	0.00
		<b>BALANCE: TAX PERIOD 201007</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2010/09/07	7123456789LE0000057	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/09/07	7123456789LE0000057	PAYMENT	-100.00	-100.00	0.00	0.00	20.00
2010/09/08		PENALTY	2.00	0.00	1.00	1.00	22.00
2010/12/31		INTEREST (2010/09/08-2010/12/31)	0.20	0.00	0.10	0.10	22.20
		<b>BALANCE: TAX PERIOD 201008</b>		<b>0.00</b>	<b>11.10</b>	<b>11.10</b>	<b>22.20</b>
2010/10/07	7123456789LE0000057	DECLARATION	127.00	105.00	11.00	11.00	127.00
2010/10/08		PENALTY	12.70	10.50	1.10	1.10	139.70
2010/12/31		INTEREST (2010/10/08-2010/12/31)	1.72	1.50	0.11	0.11	141.42
		<b>BALANCE: TAX PERIOD 201009</b>		<b>117.00</b>	<b>12.21</b>	<b>12.21</b>	<b>141.42</b>
		<b>BALANCE: TAX PERIOD 201010</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
		<b>BALANCE: TAX PERIOD 201011</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
		<b>CUMULATIVE BALANCE</b>		<b>228.00</b>	<b>34.41</b>	<b>34.41</b>	<b>296.82</b>
<b>Unallocated payments excluded from the cumulative balance</b>							
2010/03/20	7123456789LE0000000	PAYMENT	-20.00				
2010/05/07	7123456789LE00042010	PAYMENT	-120.00				
2010/06/07	7123456789LE00000027	PAYMENT	-10.00				
2010/10/07	7123456789LE00000507	PAYMENT	-127.00				
2010/12/07	7123456789LE00000089	PAYMENT	-115.00				

**Ageing - Transactions are aged according to the original due date, including all related interest and penalties**

Current	30 Days	60 Days	90 Days	120 Days	Total
0.00	0.00	0.00	141.42	155.40	296.82

**Compliance Information**

<b>Active SDL Reference</b>	L123456789	<b>Seta Code (SDL)</b>	SETA CODE 1234 CHAMBER CODE 1234
<b>Outstanding EMP501 Reconciliations</b>	2011	<b>Outstanding EMP201</b>	2010/10, 2010/11
<b>Selected For Audit</b>			

**3.6.3.1 Example 1: Perfectly balanced tax periods. Your Monthly Employer Declaration (EMP201) is in order and you were fully compliant for the tax period**

This indicates that your account is correct and fully paid up. An example of this is illustrated in the March 2010 tax period where the balance is reflected as a zero.

**Transaction details**

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/04/07	7123456789LE0000015	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/04/07	7123456789LE0000015	PAYMENT	-120.00	-100.00	-10.00	-10.00	0.00
		<b>BALANCE: TAX PERIOD 201003</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

In this example the payment reference number (PRN) displayed in the **Transaction Reference** column matches the corresponding EMP201 reference for that period for an equivalent value. There is therefore no payment transaction (reference: 7123456789LE0000015) reflected in the **Unallocated payments excluded from cumulative balance** section. Since the payment was made by the due date, no interest and penalty charges have been imposed.

**3.6.3.2 Example 2: Unallocated payments. The Monthly Employer Declaration (EMP201) filed and the payment reference number (PRN) used are different**

This is an example of an unreconciled account. In the April 2010 example, an EMP201 was submitted using the reference 7123456789LE0000025. No payment is reflected for the period and as a result interest and a penalty charges have been imposed for the underpayment.

A review of the **Unallocated payments excluded from the cumulative balance** section reveals that a payment was in fact made by the due date to the value of the declaration. The reason why this payment was not allocated is because it was made using the old "period-based" reference as the payment reference number (PRN), i.e. 7123456789LE00042010, instead of the PRN which appears on the EMP201 (7123456789LE0000025).

This is illustrated in the detailed transaction and unallocated payment sections of the EMP201:

2010/05/07	7123456789LE0000025	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/05/08		PENALTY	12.00	10.00	1.00	1.00	132.00
2010/12/31		INTEREST (2010/05/08-2010/12/31)	1.20	1.00	0.10	0.10	133.20
		<b>BALANCE: TAX PERIOD 201004</b>		<b>111.00</b>	<b>11.10</b>	<b>11.10</b>	<b>133.20</b>

2010/05/07	7123456789LE00042010	PAYMENT	-120.00				
------------	----------------------	---------	---------	--	--	--	--

If this occurs, you can correct the payment reference number using eFiling or e@syFile™ Employer, or by visiting a SARS branch. Section 4 of this guide explains how to go about this.

Once the payment is correctly allocated, the penalty and interest charged will be automatically corrected. Please note that the value and the date on which payment was made in relation to the relevant EMP201 will determine whether or not the penalty and interest is fully reversed or reduced. In this example, the payment was made on the due date according to the value of the EMP201, and therefore no penalties or interest should be payable. Once the correction has been made, the period will be restated as follows:

2010/05/07	7123456789LE0000025	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/05/07	7123456789LE0000025	PAYMENT	-120.00	-100.00	-10.00	-10.00	0.00
		<b>BALANCE: TAX PERIOD 201004</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### 3.6.3.3 Example 3: Overpayments (excess credit). A payment was made for a higher value than the Monthly Employer Declaration (EMP201) filed

The May 2010 tax period illustrates an example of an overpayment. The payment was made on time using the correct payment reference number (PRN), i.e. 7123456789LE0000027.

However, due to the employer making an overpayment, there is a credit reflected under **Unallocated payment excluded from the cumulative balance**. The credit is under the same payment reference, i.e. 7123456789LE0000027, and is for the amount of R10.

2010/06/07	7123456789LE0000027	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/06/07	7123456789LE0000027	PAYMENT	-120.00	-100.00	-10.00	-10.00	0.00
<b>BALANCE: TAX PERIOD 201005</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2010/06/07	7123456789LE0000027	PAYMENT	-10.00				

**Note: These excess payments do not accrue credit interest.**

SARS does not refund credits on your account unless the full value of the payment was made in error. In these instances we will either transfer the payment to the correct tax account or refund you the amount.

If this is not the case, you must either allocate the overpayment to an existing debt or use it in a future EMP201 declaration by re-filing your EMP201 using the same PRN. Section 4 of this guide explains how to go about this.

Once the EMP201 has been re-filed for the following tax period using PRN 7123456789LE0000027, the account will be rectified as illustrated below.

2010/06/07	7123456789LE0000027	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/06/07	7123456789LE0000027	PAYMENT	-120.00	-100.00	-10.00	-10.00	0.00
<b>BALANCE: TAX PERIOD 201005</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2010/07/07	7123456789LE0000036	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/10/31	7123456789LE0000027	ADDITIONAL DECLARATION	10.00	10.00	0.00	0.00	130.00
2010/06/07	7123456789LE0000027	PAYMENT	-10.00	-10.00	0.00	0.00	120.00

### 3.6.3.4 Example 4: Settling an underpayment. Late payment adjusted to take account of penalty and interest charges being imposed

In this example, the employer made a late payment but increased the value of the payment to take account of the penalty and interest charges that will be imposed. Since the correct payment reference number (PRN) was specified, the payment was correctly allocated to the outstanding balance for the tax period.

2010/07/07	7123456789LE0000036	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/07/08		PENALTY	12.00	10.00	1.00	1.00	132.00
2010/07/08	7123456789LE0000036	PAYMENT	-132.00	-110.00	-11.00	-11.00	0.00
<b>BALANCE: TAX PERIOD 201006</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

The full payment was allocated to the tax period against which the specific Monthly Employer Declaration (EMP201) PRN was recorded, and to the relating penalties and interest.

### 3.6.3.5 Example 5: Settling an underpayment. An underpayment has occurred due to interest and penalty charges being imposed

Where interest and penalties are charged due to a late payment, the payment will first be offset against these charges before it is assigned to any tax declared on the Monthly Employer Declaration (EMP201). Most employers do not increase their payments to take this into account, and as a result an underpayment will occur for the particular tax period.

This is illustrated in the July 2010 period example. Although the EMP201 was correctly filed and the payment was made using the correct payment reference number (PRN), the payment was late. As a result, penalty and interest charges were imposed. The payment was then offset against the penalty and interest charges before it was assigned to the tax amount. This has resulted in an underpayment for this particular tax period which will continue to accrue interest until it is settled.

If these additional charges have been incorrectly imposed, a dispute must be lodged. If, however, these charges have been correctly imposed, the employer is required to make an additional payment to settle the debt. This additional payment must be made using the EMP201 PRN for the tax period to which the additional payment must be allocated, which in this example is 7123456789LE00000041. We will allocate the payment to the extent to which there is an outstanding balance on the tax period. Of course, if the payment exceeds the outstanding balance for that tax period, the excess payment will be treated as unallocated as illustrated in example 3.6.3.3.

2010/08/07	7123456789LE0000041	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/08/08		PENALTY	12.00	10.00	1.00	1.00	132.00
2010/08/15		INTEREST (2010/08/08-2010/08/15)	1.20	1.00	0.10	0.10	133.20
2010/08/15	7123456789LE0000041	PAYMENT	-132.00	-110.00	-11.00	-11.00	1.20
2010/08/31		INTEREST (2010/08/16-2010/08/31)	1.20	1.00	0.10	0.10	2.40
2010/08/31	7123456789LE0000041	PAYMENT	-2.40	-2.00	-0.20	-0.20	0.00
<b>BALANCE: TAX PERIOD 201007</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### 3.6.3.6 Example 6: Missing Monthly Employer Declaration (EMP201). Payment has been made but no EMP201 was filed

All outstanding returns are reflected under **Compliance Information** on the EMP201. As indicated above, if no EMP201 was filed the accompanying payment cannot be allocated. In this instance, the payment will be reflected under **Unallocated payment excluded from the cumulative balance**.

In the example, the employer failed to submit an EMP201 for the October and November tax periods. As a result there are no EMP201 declarations reflected in the detailed transaction section of the EMP201 for these tax periods. These outstanding returns are reflected under **Compliance Information**.

Compliance Information			
<b>Active SDL Reference</b>	L123456789	<b>Seta Code (SDL)</b>	SETA CODE 1234 CHAMBER CODE 1234
<b>Outstanding EMP501 Reconciliations</b>	2011	<b>Outstanding EMP201</b>	2010/10, 2010/11
<b>Selected For Audit</b>			

The employer then made a payment for the November period on the due date. However, the payment could not be allocated to the November tax period because there is no corresponding EMP201 against which the payment can be matched (i.e. an EMP201 containing the same payment reference number (PRN) as that of the payment). The payment is therefore reflected under **Unallocated payment excluded from the cumulative balance**, as illustrated below (PRN: 7123456789LE00000089).

2010/12/31		INTEREST (2010/10/08-2010/12/31)	1.72	1.50	0.11	0.11	141.42
<b>BALANCE: TAX PERIOD 201009</b>				<b>117.00</b>	<b>12.21</b>	<b>12.21</b>	<b>141.42</b>
<b>BALANCE: TAX PERIOD 201010</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>BALANCE: TAX PERIOD 201011</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>CUMULATIVE BALANCE</b>				<b>228.00</b>	<b>34.41</b>	<b>34.41</b>	<b>296.82</b>
<b>Unallocated payments excluded from the cumulative balance</b>							
2010/03/20	7123456789LE00000000	PAYMENT	-20.00				
2010/05/07	7123456789LE00042010	PAYMENT	-120.00				
2010/06/07	7123456789LE00000027	PAYMENT	-10.00				
2010/10/07	7123456789LE000000507	PAYMENT	-127.00				
2010/12/07	7123456789LE000000089	PAYMENT	-115.00				

This situation may be rectified by filing the necessary EMP201s for October and November. If the EMP201 for November is filed with the same PRN as the payment, the allocation will be automatically corrected and the payment removed from the **Unallocated payment excluded from the cumulative balance** section and assigned to the tax period to which the EMP201 relates. Penalties and interest will accrue for the October balance, since no payment was made towards the debt. This is illustrated below.

2010/12/31	7123456789LE00000095	DECLARATION	135.00	110.00	15.00	10.00	135.00
2010/11/08		PENALTY	13.50	11.00	1.50	1.00	148.50
2010/12/31		INTEREST (2010/11/08-2010/12/31)	1.35	1.10	0.15	0.10	149.85
<b>BALANCE: TAX PERIOD 201010</b>				<b>122.10</b>	<b>16.65</b>	<b>11.10</b>	<b>149.85</b>
2010/12/31	7123456789LE00000089	DECLARATION	115.00	95.00	10.00	10.00	115.00
2010/12/07	7123456789LE00000089	PAYMENT	-115.00	-95.00	-10.00	-10.00	0.00
<b>BALANCE: TAX PERIOD 201011</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>CUMULATIVE BALANCE</b>				<b>122.22</b>	<b>28.86</b>	<b>23.31</b>	<b>174.39</b>
<b>Unallocated payments excluded from the cumulative balance</b>							
2010/03/20	7123456789LE00000000	PAYMENT	-20.00				

If, however, the PRN on the EMP201 filed differs from the PRN used to make the payment, a situation will arise as in example 3.6.3.2. The PRN will need to be adjusted as shown in this example. Please follow the steps outlined in Section 4 of this guide in order to avoid this additional step.

### 3.6.3.7 Example 7: Incorrectly allocated payments. The employer makes a payment using the incorrect payment reference number (PRN) over different tax periods

In the scenario illustrated below, the employer submitted a Monthly Employer Declaration (EMP201) for the August tax period but underpaid, which resulted in interest and penalty charges being imposed. The employer then submitted an EMP201 for the September tax period using the same PRN as the EMP201 for the August tax period. Payment was made for the September tax period using the incorrect PRN.

2010/09/07	7123456789LE0000057	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/09/07	7123456789LE0000057	PAYMENT	-100.00	-100.00	0.00	0.00	20.00
2010/09/08		PENALTY	2.00	0.00	1.00	1.00	22.00
2010/12/31		INTEREST (2010/09/08-2010/12/31)	0.20	0.00	0.10	0.10	22.20
		<b>BALANCE: TAX PERIOD 201008</b>		<b>0.00</b>	<b>11.10</b>	<b>11.10</b>	<b>22.20</b>
2010/10/07	7123456789LE0000057	DECLARATION	127.00	105.00	11.00	11.00	127.00
2010/10/08		PENALTY	12.70	10.50	1.10	1.10	139.70
2010/12/31		INTEREST (2010/10/08-2010/12/31)	1.72	1.50	0.11	0.11	141.42
		<b>BALANCE: TAX PERIOD 201009</b>		<b>117.00</b>	<b>12.21</b>	<b>12.21</b>	<b>141.42</b>

2010/10/07	7123456789LE0000057	PAYMENT	-127.00				
------------	---------------------	---------	---------	--	--	--	--

This payment must now be allocated to the EMP201 for the September tax period but because the employer used the same PRN as that for the August tax period, the payment will first be allocated to outstanding balances for the August period. Once the PRN is correctly allocated to the EMP201, the payment will be allocated to all outstanding balances, starting from the oldest tax period onwards.

2010/09/07	7123456789LE0000057	DECLARATION	120.00	100.00	10.00	10.00	120.00
2010/09/07	7123456789LE0000057	PAYMENT	-100.00	-100.00	0.00	0.00	20.00
2010/09/08		PENALTY	2.00	0.00	1.00	1.00	22.00
2010/10/07		INTEREST (2010/09/08-2010/10/07)	0.10	0.00	0.05	0.05	22.10
2010/10/07	7123456789LE0000057	PAYMENT	-22.10	0.00	-11.05	-11.05	0.00
		<b>BALANCE: TAX PERIOD 201008</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2010/10/07	7123456789LE0000057	DECLARATION	127.00	105.00	11.00	11.00	127.00
2010/10/07	7123456789LE0000057	PAYMENT	-104.90	-104.90	0.00	0.00	22.10
2010/10/08		PENALTY	2.21	0.01	1.10	1.10	24.31
2010/12/31		INTEREST (2010/10/08-2010/12/31)	0.23	0.01	0.11	0.11	24.54
		<b>BALANCE: TAX PERIOD 201009</b>		<b>0.12</b>	<b>12.21</b>	<b>12.21</b>	<b>24.54</b>

### 3.6.3.8 Example 8: Incorrectly allocated payments. Applying the SARS payment rules correctly

Payments will be allocated according to the 19-digit payment reference number (PRN) specified. From an internet banking perspective, this reference is captured in the **Recipient** or **Beneficiary Reference** field. There are two options available:

- If you want your payment to be allocated to a specific Monthly Employer Declaration (EMP201), use the PRN specified on the EMP201 you would like to pay, or
- If you want SARS to allocate the payment to any outstanding balances reflected on the account at the time of payment, use 00000000 as the last eight digits on the PRN. This is referred to as a "payment on account".

Any **payments on account** will be allocated to the oldest debt first. If the payment could not be fully allocated, any excess credit will be reflected under the **Unallocated payments excluded from the cumulative balance** section of the EMP201.

The payment will appear as an unallocated payment on the EMP201 in instances where there are insufficient outstanding balances on the employer account to allow for the payment to be fully allocated.

In the example below, a **payment on account** was made on 2010/11/05 for a total amount of R34.54. On this date, an outstanding balance of R24.54 was payable for the September 2010 tax period and the payment value was allocated in order to clear the debt. The R10.00 portion of the payment which exceeded the debt at the time is displayed under the **Unallocated payments excluded from the cumulative balance** section of the EMP201.



## PAYROLL TAXES

**EMP5A**

### Statement of Account

Enquiries should be addressed to SARS:

#### Contact Detail

 Employer  
 Address  
 Address  
 Postal Code

 ALBERTON  
 1528

Tel: 0800 00 7277

Website: www.sars.gov.za

#### Details

 Reference number: **7123456789**

 Date: **2010/11/30**

 Statement period: **2010/09/01** to **2010/10/31**

 Always quote this reference number  
 when contacting SARS

#### Summary Information: Employer Reconciliation

TRANSACTION YEAR 2011	141.42
UNALLOCATED PAYMENTS	-127.00
<b>CLOSING BALANCE</b>	<b>14.42</b>

#### Transaction details

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/10/07	7123456789LE0000059	DECLARATION	127.00	105.00	11.00	11.00	127.00
2010/10/07	7123456789LE0000059	PAYMENT	-104.90	-104.90	0.00	0.00	22.10
2010/10/08		PENALTY	2.21	0.01	1.10	1.10	24.31
2010/11/05		INTEREST (2010/10/08-2010/11/05)	0.23	0.01	0.11	0.11	24.54
2010/11/05	7123456789LE0000000	PAYMENT	-24.54	0.00	-12.21	-12.21	0.00
		<b>BALANCE: TAX PERIOD 201009</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2010/11/07	7123456789LE0000061	DECLARATION	127.00	105.00	11.00	11.00	127.00
2010/11/08		PENALTY	12.70	10.50	1.10	1.10	139.70
2010/11/30		INTEREST (2010/11/08-2010/11/30)	1.72	1.50	0.11	0.11	141.42
		<b>BALANCE: TAX PERIOD 201010</b>		<b>117.00</b>	<b>12.21</b>	<b>12.21</b>	<b>141.42</b>
		<b>CUMULATIVE BALANCE</b>		<b>117.00</b>	<b>12.21</b>	<b>12.21</b>	<b>141.42</b>
<b>Unallocated payments excluded from the cumulative balance</b>							
2010/11/05	7123456789LE0000000	PAYMENT	-10.00				
2010/11/06	7123456789LE0000000	PAYMENT	-117.00				

#### Ageing - Transactions are aged according to the original due date, including all related interest and penalties

Current	30 Days	60 Days	90 Days	120 Days	Total
0.00	141.42	0.00	0.00	0.00	141.42

#### Compliance Information

<b>Active SDL Reference</b>	L123456789	<b>Seta Code (SDL)</b>	SETA CODE 1234 CHAMBER CODE 1234
<b>Outstanding EMP501 Reconciliations</b>	2011	<b>Outstanding EMP201</b>	2009/12
<b>Selected For Audit</b>			

On 2010/11/06 another **payment on account** was made for a total amount of R117.00 but no outstanding balances existed when the payment was received and, as a result, SARS was unable to allocate the payment. You will see an outstanding balance which only arose after the EMP201 was processed.

Once the employer has requested that SARS allocate the payment made on 2010/11/05 specifically to the September and October tax periods, and has corrected the PRN for the payment made on 2010/11/06, both payments will be allocated and the account correctly stated.



## PAYROLL TAXES

**EMPSA**

### Statement of Account

Enquiries should be addressed to SARS:

 Employer  
 Address  
 Address  
 Postal Code

 ALBERTON  
 1528

Tel: 0800 00 7277

Website: www.sars.gov.za

### Contact Detail

### Details

 Reference number: **7123456789**  
 Date: **2010/11/30**  
 Statement period: **2010/09/01** to **2010/10/31**

 Always quote this reference number  
 when contacting SARS

### Summary Information: Employer Reconciliation

TRANSACTION YEAR 2011	0.00
UNALLOCATED PAYMENTS	0.00
CLOSING BALANCE	0.00

### Transaction details

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/10/07	7123456789LE0000059	DECLARATION	127.00	105.00	11.00	11.00	127.00
2010/10/07	7123456789LE0000059	PAYMENT	-104.90	-104.90	0.00	0.00	22.10
2010/10/08		PENALTY	2.21	0.01	1.10	1.10	24.31
2010/11/05		INTEREST (2010/10/08-2010/11/05)	0.23	0.01	0.11	0.11	24.54
2010/11/05	7123456789LE0000000	PAYMENT	-24.54	0.00	-12.21	-12.21	0.00
		<b>BALANCE: TAX PERIOD 201009</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2010/11/07	7123456789LE0000061	DECLARATION	127.00	105.00	11.00	11.00	127.00
2010/11/05	7123456789LE0000000	PAYMENT	-10.00	-10.00	0.00	0.00	117.00
2010/11/06	7123456789LE0000061	PAYMENT	-117.00	-95.00	-11.00	-11.00	0.00
		<b>BALANCE: TAX PERIOD 201010</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
		<b>CUMULATIVE BALANCE</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Unallocated payments excluded from the cumulative balance</b>							

### Ageing - Transactions are aged according to the original due date, including all related interest and penalties

Current	30 Days	60 Days	90 Days	120 Days	Total
0.00	0.00	0.00	0.00	0.00	0.00

### Compliance Information

<b>Active SDL Reference</b>	L123456789	<b>Seta Code (SDL)</b>	SETA CODE 1234 CHAMBER CODE 1234
<b>Outstanding EMP501 Reconciliations</b>	2011	<b>Outstanding EMP201</b>	2009/12
<b>Selected For Audit</b>			

### 3.6.3.9 Example 9: Automatically-allocated payments on account using 00000000 in the PRN

The employer made a payment using a PRN with 00000000 on 20 March 2010. The payment was automatically allocated to outstanding debits for September 2009, and the remaining amount is displayed on the 2011 transaction year EMPSA. The full amount for the payment was R44.00, of which R24.00 has been allocated to the outstanding debit that existed for the September 2009 tax period as at the date of the payment.

At the time that the employer requests the EMPSA for the specific tax period in the 2010 transaction year, the unallocated payments will display according to the date as at which the EMPSA is requested. The R20.00 unallocated payment remaining from the R44.00 paid is displayed here.

### Unallocated payments excluded from the cumulative balance

2010/03/20	7123456789LE0000000	PAYMENT	-20.00				
------------	---------------------	---------	--------	--	--	--	--

The partial allocation to the September 2009 tax period can be seen on the 2010 EMPSA as displayed below:



## PAYROLL TAXES

## EMPSA

### Statement of Account

Enquiries should be addressed to SARS:

#### Contact Detail

ALBERTON  
1528

Tel: 0800 00 7277

Website: www.sars.gov.za

Employer  
Address  
Address  
Postal Code

#### Details

Reference number: **7123456789**

Date: **2010/12/31**

Statement period: **2009/09/01** to **2009/09/30**

Always quote this reference number  
when contacting SARS

#### Summary Information: Employer Reconciliation

TRANSACTION YEAR 2010	0.00
UNALLOCATED PAYMENTS	-392.00
<b>CLOSING BALANCE</b>	<b>-392.00</b>

#### Transaction details

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2009/10/07	123456789	RETURN	100.00	100.00	0.00	0.00	100.00
2009/10/07	23456789	RETURN	10.00	0.00	10.00	0.00	110.00
2009/10/07	3456789	RETURN	10.00	0.00	0.00	10.00	120.00
2009/10/07	1234567	PAYMENT	-100.00	-100.00	0.00	0.00	20.00
2009/10/08		PENALTY	2.00	0.00	1.00	1.00	22.00
2010/03/20		INTEREST (2009/09/08-2010/03/20)	2.00	0.00	1.00	1.00	24.00
2010/03/20	7123456789LE00000000	PAYMENT	-24.00	0.00	-12.00	-12.00	0.00
		<b>BALANCE: TAX PERIOD 201009</b>		<b>0.0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
		<b>CUMULATIVE BALANCE</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

#### Unallocated payments excluded from the cumulative balance

2010/03/20	7123456789LE00000000	PAYMENT	-20.00				
2010/05/07	7123456789LE00042010	PAYMENT	-120.00				
2010/06/07	7123456789LE00000027	PAYMENT	-10.00				
2010/10/07	7123456789LE00000507	PAYMENT	-127.00				
2010/12/07	7123456789LE00000089	PAYMENT	-115.00				

#### Ageing - Transactions are aged according to the original due date, including all related interest and penalties

Current	30 Days	60 Days	90 Days	120 Days	Total
0.00	0.00	0.00	0.00	0.00	0.00

#### Compliance Information

<b>Active SDL Reference</b>	L123456789	<b>Seta Code (SDL)</b>	SETA CODE 1234 CHAMBER CODE 1234
<b>Outstanding EMP501 Reconciliations</b>	2011	<b>Outstanding EMP201</b>	2009/12
<b>Selected For Audit</b>			

**Note: Section 4 and 5 of this guide will now assist you in resolving the issues illustrated above.**

## 4. HOW TO USE THE EMP201 RETURN FILING AND ADJUSTMENT PROCESS

At the end of this section you will be able to:

- File your Monthly Employer Declaration (EMP201) and make payment using the payment reference number (PRN)
- Revise EMP201s
- Use overpayments (excess credits) by revising your EMP201
- Re-allocate payments using your EMP201
- Resolve missing/duplicated EMP201s.

### 4.1. Overview

In terms of the Income Tax Act 58 of 1962, employers are required to:

- Deduct the correct amount from employees
- Pay those amounts to SARS no later than the 7th of the next month
- Declare such amounts paid to SARS on a Monthly Employer Declaration form (EMP201 form).

A number of changes have been introduced in order to simplify this process and place the employer in a position to manage his/her own account so that he/she is easily able to fulfil the requirements in terms of the Act.

#### 4.1.1. What changes have been introduced and when do these come into effect?

The following changes were introduced to the EMP201 form and process from March 2010:

- The old format EMP201 has been replaced with a new simplified EMP201 Adobe form and process:
  - » The new format EMP201 also serves as a remittance advice which links the declared amounts for PAYE, SDL and UIF (the tax allocation) to the payment by means of a unique payment reference number (PRN). This unique PRN is pre-populated on each EMP201 form
  - » The EMP201 form will enable an employer to adjust a previously-submitted declaration or reallocate credits, whether it is for the current period or prior period, for PAYE, SDL and/or UIF
  - » SARS will no longer issue EMP201 forms automatically in the electronic channels. Forms must be requested via the electronic channel.
- The old format EMP201 is no longer accepted with effect from 1 July 2010
- The three different banking accounts for PAYE, SDL and UIF have been consolidated into the PAYE account (Beneficiary ID: SARS - PAYE) which now requires only one payment to be made.
- New payment rules have been introduced to support this single payment. With effect from 1 July 2010 employers will not be able to make a payment unless it complies with these rules. For further information, please refer to the SARS Payment Rules on [www.sars.gov.za](http://www.sars.gov.za).

#### 4.1.2. How will this new format Monthly Employer Declaration (EMP201) work?

The new EMP201 form requires employers to indicate the total payment, specifying the amounts which must be allocated to PAYE, SDL and UIF. These payment allocation amounts will be recorded as the employer's liability for each tax type for the period concerned. The Employer Reconciliation Declaration (EMP501) at the end of the financial tax year will provide the final liability.

This means that you are only required to make one payment as opposed to three separate payments for PAYE, SDL and UIF. The EMP201 will therefore be used for a single period to declare how that payment must be allocated for each tax type. The payment reference number (PRN), a new field on the EMP201, links the actual payment to the relevant EMP201.

Importantly, employers will also be able to make adjustments on the EMP201 form for a previously submitted declaration using e@syFile™ Employer, eFiling, at a branch or by post. To do so, the employer must simply increase or decrease a previous declaration for PAYE, SDL and UIF to reflect the correct amount.

The payment profile on eFiling has also been segregated, which means that employers can now allocate different roles to different users. These users can then separately capture and submit declarations to finalise payments.

#### 4.1.3. When and how will this new format Monthly Employer Declaration (EMP201) be issued?

SARS will no longer issue EMP201s automatically in the electronic channels. Forms must be requested using the electronic channel concerned (eFiling or e@syFile™ Employer).

On request, SARS will issue a pre-populated EMP201 form each time an employer wants to make a payment for PAYE, SDL and/or UIF. This form will contain the unique payment reference number (PRN).

#### 4.1.4. How do I go about requesting a manual Monthly Employer Declaration (EMP201)?

The manual EMP201 is available at all SARS branches. EMP201 submissions can be made at the nearest SARS branch or by post for employers not registered for eFiling or e@syFile™ Employer.

#### 4.1.5. How do I go about requesting the Monthly Employer Declaration (EMP201) for electronic submission?

The EMP201 for electronic completion and submission is available on [www.sarsefiling.co.za](http://www.sarsefiling.co.za) and can be downloaded free of charge. Employers who use e@syFile™ Employer can also access the form on the application. Tax Practitioners and employers who use e@syFile™ Employer are now able to complete EMP201 monthly declarations for the current period and submit such declarations using eFiling. Thereafter the employer can make payment at a later time on eFiling. Payment may also be made using any one of SARS's other payment channels.

Employers who submit their EMP201 declarations using e@syFile™ Employer will receive notifications regarding EMP201s and will have the facility to synchronise the information contained in their EMP201 declarations with eFiling.

#### 4.1.6 Filing your Monthly Employer Declaration (EMP201) and making payment using the payment reference number (PRN)

A PRN field is now pre-populated on each EMP201 form. You must use this number when making payment.

The PRN links the actual payment to the relevant EMP201 declaration, allowing the payment to be correctly allocated. If this is not done, SARS cannot assign the payment to the employer's account, and the account will then be incorrect. As explained in **section 3.5 above**, these payments will reflect in the **Unallocated payment excluded from the cumulative balance** section of your EMP201.

Once the payment has been successfully linked to a specific EMP201 using the PRN, a payment can only be re-allocated using the new EMP201 process.

**STEP 1**

**Employer Details**

Trading or Other Name

**Complete the Employer Details section.**

The following step-by-step process should be followed when completing an EMP201:

The Employer Details section comprises:

- Trading or Other Name – The employer's trading name
- Reference Numbers – The reference numbers for the tax types that you were or are registered for, for the relevant year

**STEP 2**

Particulars of Declarant	
First Name	M I C H A E L
Surname	A N G E L O
Position held at Business	H R M A N A G E R
ID No.	6 8 0 7 1 3 0 2 1 6 0 4 8

**Complete the Particulars of Declarant section.**

In the Particulars of Declarant section, the employer will be required to fill in the following details regarding the declarant:

- First Name – The declarant’s first name
- Surname – The declarant’s surname
- Initials – The declarant’s initials
- Position held at business – The declarant’s position within the business (employer)
- ID No. – The business ID number
- Date of Birth – The declarant’s date of birth
- Email Address – The declarant’s email address
- Bus Tel No. – The declarant’s business telephone number
- Fax No. – The declarant’s fax number
- Cell No. – The declarant’s cellular phone number

**STEP 3**

Payment Details	
Payment Reference No.	7 0 7 1 2 3 4 5 6 7 L

**Complete the Payment Details section.**

In the Payment Details section, the employer will be required to fill in the following details:

- Payment Reference No. – This field will be pre-populated by SARS. The Payment Reference Number must be used as a reference when payment is made to SARS
- PAYE – The employer must enter the amount he/she wants to allocate to PAYE
- SDL – The employer must enter the amount he/she wants to allocate to SDL
- UIF – The employer must enter the amount he/she wants to allocate to UIF
- Total – On eFiling and e@syFile™ the Total field will be calculated automatically. When completing the EMP201 form manually, ensure that the Total field amount is the sum of the PAYE, SDL and UIF allocations.

**STEP 4**

Declaration	
<input type="checkbox"/>	I declare that the information given on this form is complete and correct.

**Sign and date your declaration.**

- The employer will be required to sign and date his/her declaration on the fields provided should the submission be a hard copy of the EMP201 form
- The employer will be required to log onto eFiling using his/her username and password, which is then accepted as his/her signature should the EMP201 submission be made electronically.

#### 4.1.7. How to revise your Monthly Employer Declaration (EMP201) manually

Manual filers are required to:

- Identify the payment reference number (PRN) and the tax period reflected on the EMP201 you would like to adjust
- Contact the SARS Contact Centre or go to a SARS branch and request a **greyed-out** EMP201 with the same PRN and tax period as the one you would like to amend
- The greyed-out EMP201 will have your last submission printed in pink in the relevant fields
- Overwrite the fields with the necessary changes. When making the adjustment, record the full amounts and NOT the difference between the amounts stated on the current and previously-submitted EMP201. In other words, show what the EMP201 values should have been when originally filed
- When submitted, we will replace the previous EMP201 with this new version.

This EMP201 revision process is illustrated in the following scenario:

Assume an EMP201 is submitted for the May 2010 period under PRN 7123456789LE0000030 for R130, comprising R100 for PAYE, R20 for UIF, and R10 for SDL. Payment is made for R140 using the same PRN (7123456789LE0000030). This transaction will result in an overpayment on the EMP201, with the excess payment of R10 reflected under **Unallocated payments excluded from the cumulative balance**, as illustrated below.



Employer  
Address  
Address  
Postal Code

### PAYROLL TAXES

### EMP201

#### Statement of Account

Enquiries should be addressed to SARS:

#### Contact Detail

ALBERTON  
1528

Tel: 0800 00 7277

Website: www.sars.gov.za

#### Details

Reference number: **7123456789**

Date: **2010/06/30**

Statement period: **2010/05/01** to **2010/05/31**

Always quote this reference number  
when contacting SARS

#### Summary Information: Employer Reconciliation

TRANSACTION YEAR 2011	0.00
UNALLOCATED PAYMENTS	-10.00
<b>CLOSING BALANCE</b>	<b>-10.00</b>

#### Transaction details

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/06/07	7123456789LE0000030	DECLARATION	130.00	100.00	10.00	20.00	130.00
2010/06/07	7123456789LE0000030	PAYMENT	-130.00	-100.00	-10.00	-20.00	0.00
		BALANCE: TAX PERIOD 201005		0.00	0.00	0.00	0.00
		CUMULATIVE BALANCE		0.00	0.00	0.00	0.00
<b>Unallocated payments excluded from the cumulative balance</b>							
2010/06/07	7123456789LE0000030	PAYMENT	-10.00				

#### Ageing - Transactions are aged according to the original due date, including all related interest and penalties

Current	30 Days	60 Days	90 Days	120 Days	Total
0.00	0.00	0.00	0.00	0.00	0.00

#### Compliance Information

<b>Active SDL Reference</b>	L123456789	<b>Seta Code (SDL)</b>	SETA CODE 1234 CHAMBER CODE 1234
<b>Outstanding EMP201 Reconciliations</b>	2011	<b>Outstanding EMP201</b>	2009/12
<b>Selected For Audit</b>			

#### 4.1.8. How to revise your Monthly Employer Declaration (EMP201) electronically

We have included a number of examples to illustrate the EMP201 revision process and the impact of this on the EMPSA. Please note that all examples are based on the scenario provided in the employer Statement of Account (EMPSA) above, using e@syFile™ Employer to make the necessary adjustment.

**Note: You will not be able to use the EMP201 revision process to re-allocate a payment if the payment reference number (PRN) for the payment is not linked to an EMP201. The PRN must first be linked to an EMP201 using the Payment Allocation function detailed in section 5 of this guide before you can use the EMP201 revision function demonstrated below.**

- Example 1: Increasing your EMP201 declaration.** The EMP201 declaration is understated by R10.00 for PAYE. This can be corrected on e@syFile™ Employer by revising the EMP201 declaration to increase the PAYE tax field from R100.00 to R110.00. To do so, revise this EMP201 with R110.00 for PAYE, R20.00 for UIF, and R10.00 for SDL.

As shown on the EMPSA below, after processing the revised EMP201, the previous R10.00 unallocated payment will be allocated to PAYE and the tax period will be balanced.



### PAYROLL TAXES

#### EMPSA

##### Statement of Account

Enquiries should be addressed to SARS:

**Contact Detail**

ALBERTON  
1528

Tel: 0800 00 7277      Website: www.sars.gov.za

**Details**

Reference number: **7123456789** Always quote this reference number when contacting SARS  
 Date: **2010/06/30**  
 Statement period: **2010/05/01** to **2010/05/31**

**Summary Information: Employer Reconciliation**

TRANSACTION YEAR 2011	0.00
UNALLOCATED PAYMENTS	0.00
<b>CLOSING BALANCE</b>	<b>0.00</b>

**Transaction details**

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/06/07	7123456789LE0000030	DECLARATION	130.00	100.00	10.00	20.00	130.00
2010/06/07	7123456789LE0000030	PAYMENT	-130.00	-100.00	-10.00	-20.00	0.00
2010/06/08	7123456789LE0000030	REVISED DECLARATION	10.00	10.00	0.00	0.00	10.00
2010/06/07	7123456789LE0000030	PAYMENT	-10.00	-10.00	0.00	0.00	0.00
				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Unallocated payments excluded from the cumulative balance</b>							

**Ageing - Transactions are aged according to the original due date, including all related interest and penalties**

Current	30 Days	60 Days	90 Days	120 Days	Total
0.00	0.00	0.00	0.00	0.00	0.00

**Compliance Information**

<b>Active SDL Reference</b>	L123456789	<b>Seta Code (SDL)</b>	SETA CODE 1234 CHAMBER CODE 1234
<b>Outstanding EMP501 Reconciliations</b>	2011	<b>Outstanding EMP201</b>	2009/12
<b>Selected For Audit</b>			

- **Example 2: Increasing your EMP201 declaration and payment.** The EMP201 declaration is understated by R50.00 for PAYE. This can be corrected on e@syFile™ Employer by revising the EMP201 declaration to increase the PAYE tax field from R100.00 to R150.00. To do so, revise this EMP201 with R150.00 for PAYE, R20.00 for UIF, and R10.00 for SDL.

As shown on the EMP201 below, after processing the revised EMP201, the previous R10.00 unallocated payment will now be allocated. The EMP201 will now display a debt which was raised for the shortfall of R40.00 between the payment (of R140.00) and the declaration (R180.00). As a result, penalty and interest charges were imposed.



Employer  
Address  
Address  
Postal Code

## PAYROLL TAXES

## EMP201

### Statement of Account

Enquiries should be addressed to SARS:

#### Contact Detail

ALBERTON  
1528

Tel: 0800 00 7277

Website: www.sars.gov.za

#### Details

Reference number: **7123456789**

Date: **2010/06/30**

Statement period: **2010/05/01** to **2010/05/31**

Always quote this reference number  
when contacting SARS

#### Summary Information: Employer Reconciliation

TRANSACTION YEAR 2011	45.00
UNALLOCATED PAYMENTS	0.00
<b>CLOSING BALANCE</b>	<b>45.00</b>

#### Transaction details

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/06/07	7123456789LE0000030	DECLARATION	130.00	100.00	10.00	20.00	130.00
2010/06/07	7123456789LE0000030	PAYMENT	-130.00	-100.00	-10.00	-20.00	0.00
2010/06/08	7123456789LE0000030	REVISED DECLARATION	50.00	50.00	0.00	0.00	50.00
2010/06/07	7123456789LE0000030	PAYMENT	-10.00	-10.00	0.00	0.00	40.00
2010/06/08		PENALTY	4.00	4.00	0.00	0.00	44.00
2010/06/30		INTEREST (2010/05/08-2010/06/30)	1.00	1.00	0.00	0.00	45.00
		<b>BALANCE: TAX PERIOD 201005</b>		<b>45.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
		<b>CUMULATIVE BALANCE</b>		<b>45.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Unallocated payments excluded from the cumulative balance</b>							

#### Ageing - Transactions are aged according to the original due date, including all related interest and penalties

Current	30 Days	60 Days	90 Days	120 Days	Total
0.00	45.00	0.00	0.00	0.00	45.00

#### Compliance Information

<b>Active SDL Reference</b>	L123456789	<b>Seta Code (SDL)</b>	SETA CODE 1234 CHAMBER CODE 1234
<b>Outstanding EMP501 Reconciliations</b>	2011	<b>Outstanding EMP201</b>	2009/12
<b>Selected For Audit</b>			

The shortfall must be paid using the EMP201 PRN 7123456789LE0000030. Once this payment is made, the account will be then be updated as follows:



**PAYROLL TAXES**

**EMPSA**

**Statement of Account**

Enquiries should be addressed to SARS:

**Contact Detail**

Employer  
Address  
Address  
Postal Code

ALBERTON  
1528

Tel: 0800 00 7277

Website: www.sars.gov.za

**Details**

Reference number: **7123456789**

Date: **2010/06/30**

Statement period: **2010/05/01** to **2010/05/31**

Always quote this reference number when contacting SARS

**Summary Information: Employer Reconciliation**

TRANSACTION YEAR 2011	0.00
UNALLOCATED PAYMENTS	0.00
<b>CLOSING BALANCE</b>	<b>0.00</b>

**Transaction details**

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/06/07	7123456789LE0000030	DECLARATION	130.00	100.00	10.00	20.00	130.00
2010/06/07	7123456789LE0000030	PAYMENT	-130.00	-100.00	-10.00	-20.00	0.00
2010/06/08	7123456789LE0000030	REVISED DECLARATION	50.00	50.00	0.00	0.00	50.00
2010/06/07	7123456789LE0000030	PAYMENT	-10.00	-10.00	0.00	0.00	40.00
2010/06/08		PENALTY	4.00	4.00	0.00	0.00	44.00
2010/06/30		INTEREST (2010/05/08-2010/06/30)	1.00	1.00	0.00	0.00	45.00
2010/06/30	7123456789LE0000030	PAYMENT	-45.00	-45.00	0.00	0.00	0.00
		<b>BALANCE: TAX PERIOD 201005</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
		<b>CUMULATIVE BALANCE</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Unallocated payments excluded from the cumulative balance</b>							

**Ageing - Transactions are aged according to the original due date, including all related interest and penalties**

Current	30 Days	60 Days	90 Days	120 Days	Total
0.00	0.00	0.00	0.00	0.00	45.00

**Compliance Information**

<b>Active SDL Reference</b>	L123456789	<b>Seta Code (SDL)</b>	SETA CODE 1234 CHAMBER CODE 1234
<b>Outstanding EMP501 Reconciliations</b>	2011	<b>Outstanding EMP201</b>	2009/12
<b>Selected For Audit</b>			

- **Example 3: Reduce your EMP201 declaration.** The EMP201 declaration is overstated by R20.00 for PAYE. This may be corrected on e@syFile™ Employer by revising the EMP201 declaration to decrease the PAYE tax field from R100.00 to R80.00. To do so, revise this EMP201 with R80.00 for PAYE, R20.00 for UIF, and R10.00 for SDL.

Once the revised EMP201 has been processed, the previous R10.00 unallocated payment will be increased to R30.00 on the EMP201.



Employer  
Address  
Address  
Postal Code

## PAYROLL TAXES

## EMP201

### Statement of Account

Enquiries should be addressed to SARS:

#### Contact Detail

ALBERTON  
1528

Tel: 0800 00 7277

Website: www.sars.gov.za

#### Details

Reference number: **7123456789**

Date: **2010/06/30**

Statement period: **2010/05/01** to **2010/05/31**

Always quote this reference number  
when contacting SARS

#### Summary Information: Employer Reconciliation

TRANSACTION YEAR 2011	0.00
UNALLOCATED PAYMENTS	-30.00
<b>CLOSING BALANCE</b>	<b>-30.00</b>

#### Transaction details

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/06/07	7123456789LE00000030	DECLARATION	130.00	100.00	10.00	20.00	130.00
2010/06/08	7123456789LE00000030	REVISED DECLARATION	-20.00	-20.00	0.00	0.00	110.00
2010/06/07	7123456789LE00000030	PAYMENT	-130.00	-100.00	-10.00	-20.00	-20.00
2010/06/07	7123456789LE00000030	PAYMENT JOURNAL	130.00	100.00	10.00	20.00	110.00
2010/06/07	7123456789LE00000030	PAYMENT JOURNAL	-110.00	-80.00	-10.00	-20.00	0.00
		<b>BALANCE: TAX PERIOD 201005</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
		<b>CUMULATIVE BALANCE</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Unallocated payments excluded from the cumulative balance</b>							
2010/06/07	7123456789LE00000030	PAYMENT	-30.00				

#### Ageing - Transactions are aged according to the original due date, including all related interest and penalties

Current	30 Days	60 Days	90 Days	120 Days	Total
0.00	0.00	0.00	0.00	0.00	0.00

#### Compliance Information

<b>Active SDL Reference</b>	L123456789	<b>Seta Code (SDL)</b>	SETA CODE 1234 CHAMBER CODE 1234
<b>Outstanding EMP501 Reconciliations</b>	2011	<b>Outstanding EMP201</b>	2009/12
<b>Selected For Audit</b>			

- Example 4: Reallocate a credit.** In example 3, a credit of R30.00 was created as a result of the payment of R140.00 exceeding the revised EMP201 of R110.00 (comprising R80.00 for PAYE, R20.00 for UIF, and R10.00 for SDL). This credit of R30.00 can be assigned to a new tax period by doing the following:
  - » If filing manually (hardcopy): When an employer decreases the current period, resulting in a credit, the employer must then specify to which period the credit should be allocated. The employer should do this using a new EMP201 but with the payment reference number (PRN) corresponding to the period during which the credit is available. The employer will also need to specify the new period to which the credit must be reallocated. The employer will have to specifically request a new EMP201 with the same PRN as that of the payment by calling the SARS Contact Centre or visiting the nearest SARS branch.
  - » If filing electronically (e@syFile™ Employer/eFiling): When an employer decreases the current period, resulting in a credit, the employer must then specify to which period the credit should be reallocated. The employer must follow the on-screen prompts to do so. The respective EMP201 forms will be created automatically.

Once this EMP201 has been processed, the R30.00 unallocated payment should be allocated on the EMP201.



**PAYROLL TAXES**

**EMP201**

**Statement of Account**

Enquiries should be addressed to SARS:

Contact Detail

Employer Address Address Postal Code

ALBERTON  
1528

Tel: 0800 00 7277 Website: www.sars.gov.za

Details

Reference number: **7123456789**

Date: **2010/06/30**

Statement period: **2010/05/01** to **2010/06/30**

Always quote this reference number when contacting SARS

Summary Information: Employer Reconciliation

TRANSACTION YEAR 2011	0.00
UNALLOCATED PAYMENTS	0.00
<b>CLOSING BALANCE</b>	<b>0.00</b>

Transaction details

Date	Transaction Reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				PAYE	SDL	UIF	
2010/06/07	7123456789LE0000030	DECLARATION	130.00	100.00	10.00	20.00	130.00
2010/06/08	7123456789LE0000030	REVISED DECLARATION	-20.00	-20.00	0.00	0.00	110.00
2010/06/07	7123456789LE0000030	PAYMENT	-130.00	-100.00	-10.00	-20.00	-20.00
2010/06/07	7123456789LE0000030	PAYMENT JOURNAL	130.00	100.00	10.00	20.00	110.00
2010/06/07	7123456789LE0000030	PAYMENT JOURNAL	-110.00	-80.00	-10.00	-20.00	0.00
		<b>BALANCE: TAX PERIOD 201005</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2010/06/08	7123456789LE0000030	DECLARATION	30.00	10.00	10.00	10.00	30.00
2010/06/07	7123456789LE0000030	PAYMENT	-30.00	-30.00	0.00	0.00	0.00
		<b>BALANCE: TAX PERIOD 201006</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
		<b>CUMULATIVE BALANCE</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Unallocated payments excluded from the cumulative balance							

Ageing - Transactions are aged according to the original due date, including all related interest and penalties

Current	30 Days	60 Days	90 Days	120 Days	Total
0.00	0.00	0.00	0.00	0.00	0.00

Compliance Information

<b>Active SDL Reference</b>	L123456789	<b>Seta Code (SDL)</b>	SETA CODE 1234 CHAMBER CODE 1234
<b>Outstanding EMP501 Reconciliations</b>	2011	<b>Outstanding EMP201</b>	2009/12
<b>Selected For Audit</b>			

**Note: Visit [www.sars.gov.za](http://www.sars.gov.za) for step-by-step guides to revising your Monthly Employer Declaration (EMP201) electronically.**

## 5. HOW TO ALLOCATE/REALLOCATE PAYMENTS

At the end of this section you will be able to:

- Review all payment allocations
- Rectify unallocated payments
- Rectify incorrectly allocated payments.

### 5.1. Overview

The ***Unallocated payments excluded from the cumulative balance*** section on the EMPSA contains a listing of all payments made on or after 20 March 2010 which could not be allocated to a tax period. In other words, these payments could not be matched to a Monthly Employer Declaration (EMP201).

The first step is to determine the reason(s) for the payment not being allocated, and whether all or only part of the payment is unallocated. A payment may not have been allocated because:

- The related EMP201 was not filed
- An overpayment occurred
- The payment was made using an incorrect payment reference number (PRN).

As indicated in the sections above, if the PRN is correct, the first two errors can be corrected either by filing the missing EMP201 or restating an already filed EMP201 (refer to section 4).

This section of the guide deals with situations where payment was made using an incorrect PRN and, as a result, the payment does not appear on the EMPSA or alternatively appears as an unallocated or incorrectly allocated payment.

e@syFile™ Employer and eFiling now offer an online service which enables you to:

- List all payments made from 20 March 2010, together with each payment's allocation status (allocated/unallocated) and allocation history (what the payment was allocated to)
- Rectify unallocated payments by assigning these payments to EMP201 declarations that exist on your account
- Request that an allocation be amended if the payment reference number (PRN) that was specified is incorrect.

These services are also offered at SARS branches should you be unable to access e@syFile™ Employer or eFiling and require further assistance.

### 5.2. Obtaining a payment listing

All payments will be recorded on your employer Statement of Account (EMPSA). Please refer to section 3 of this guide for details on how to request an EMPSA for a specific period(s).

If you are an e@syFile™ Employer or eFiling user, you can obtain a payment listing by following the applicable step-by-step guide on [www.sars.gov.za](http://www.sars.gov.za):

- e@syFile™ Employer Account Management Guide: Payment Allocation
- eFiling Account Management Guide: Payment Allocation.

The payments list will contain all payments made since 20 March 2010, when the new Monthly Employer Declaration (EMP201) process was introduced. **Refer to Drawer** payments will also be listed.

The payment value and the amount allocated/unallocated will be displayed for each payment. Payments indicated as unallocated are also contained on the EMPSA under ***Unallocated payments excluded from the cumulative balance***.

The payment listing also provides an indication as to how the unallocated portion of the payment may be resolved.

There are two options available:

- **Allocate a payment:** These are payments that are fully unallocated and which can be resolved using the account maintenance function. This is dealt with in 5.3 below *Assigning unallocated payments to selected declarations*.
- **Reallocate a payment:** Payments that have already been allocated/partially allocated to a valid EMP201 will display as **use the EMP201 process**. This is dealt with in 5.4 below: *Request a payment reallocation*.

### 5.3. Assigning unallocated payments to selected declarations

When resolving an unallocated payment, you must indicate the Monthly Employer Declaration (EMP201) to which the payment must be assigned. This is done by specifying what the correct payment reference number (PRN) should be. Once this is done, the payment will be matched automatically to the applicable EMP201.

SARS has provided an online service which enables you to make these adjustments yourself. e@syFile™ Employer or eFiling users can access the function by following the relevant step-by-step guide on [www.sars.gov.za](http://www.sars.gov.za):

- e@syFile™ Employer Account Management Guide: Payment Allocation
- eFiling Account Management Guide: Payment Allocation.

Employers who are not registered for e@syFile™ Employer or eFiling should visit the nearest SARS branch for **assistance**.

Please note the following two simple rules that you must follow when allocating payments:

- **Rule 1:** The payment that you are trying to resolve must be **fully unallocated**. If the payment is partially allocated or fully allocated, please follow the process set out in **5.4 Request a payment reallocation**. You will not be allowed to allocate a payment if it has already been fully or partially assigned to another EMP201 on e@syFile™ Employer or eFiling.
- **Rule 2:** The EMP201 to which you wish to allocate the selected payment must appear on the account and must be **unpaid**.

The process of allocating a payment comprises the following simple steps:

- Step 1: Select the payment you would like to resolve
- Step 2: Select the EMP201 to which the payment must be assigned
- Step 3: Request that the two transactions be matched.

On receipt of your instruction, the system will automatically assign the payment and adjust your account accordingly. Any interest and/or penalty charges that may have been imposed due to non-payment will also be adjusted once the payment is allocated. This reversal of interest and penalties is subject to the proviso that the date on which the payment was originally made is **prior to the due date** of the EMP201 to which the payment is assigned. For example:

- An EMP201 with PRN 123 was filed for the April 2010 tax period for the amount of R1000
- Payment was made using PRN 456 on 6 May 2010 to the amount of R1000
- The payment was not allocated due to the mismatch in payment reference numbers (PRN) (i.e. the 123 PRN should have been used, as opposed to the 456 PRN that was actually used when making payment). This resulted in the EMP201 being deemed unpaid, which in turn resulted in the imposition of penalty and interest charges
- In August the employer allocated the payment against the EMP201 using the correct PRN
- When assigning the payment, the system will automatically check the date and amount of the payment (made on 6 May) compared to the due date of the EMP201 (7 May). Since the payment was on time and for the correct amount, the penalty and interest charges will be reversed in full.

## 5.4. Request a payment reallocation

The payment reallocation function has been implemented to cater for exceptional circumstances where a payment was incorrectly allocated to a Monthly Employer Declaration(s) (EMP201s). In such instances you are required to log a service request for SARS to investigate and, if approved, make the necessary adjustment.

This function should not be used in instances where there is an underpayment or overpayment in respect of an EMP201 declaration. In such instances you should use the EMP201 re-filing process to alter your declaration and payment as explained in section 3 of this guide. This re-filing process is simpler and more immediate in that it is not dependent on SARS to make the adjustment.

The payment reallocation function has been provided as an online service on e@syFile™ Employer or eFiling, and may be accessed by following the applicable step-by-step guide on [www.sars.gov.za](http://www.sars.gov.za):

- e@syFile™ Employer Account Management Guide: Payment Allocation
- eFiling Account Management Guide: Payment Allocation.

Employers who are not registered for e@syFile™ Employer or eFiling should visit the nearest SARS branch for assistance.

The following rules apply to the reallocation function:

- **Rule 1:** The payment you would like to reallocate must already be either **fully or partially allocated**
- **Rule 2:** The EMP201 (s) to which you would like to assign the selected payment must be **unpaid**.

Below is an example of an incorrectly allocated payment:

- An employer makes an account payment using the **00000000 PRN**
- By specifying this PRN, the employer is in fact instructing SARS to allocate the payment according to SARS First-in-First-Out (FIFO) rules, i.e. to the oldest debt on the employer's account
- The employer later realises that this was incorrect and requests that SARS reallocate the payment to more recent (unpaid) EMP201s. The employer does this by selecting the EMP201(s) to which the payment **should have been** allocated using the function above
- On approval of the request, SARS will make the necessary adjustments by reversing the previous allocation and reallocating the payment to the EMP201s which the employer has identified.

**Note: SARS reserves the right not to make a reallocation adjustment where there is a recovery/collection risk or where specific legal requirements prevent this from being done.**

## 5.5. Confirmation of an allocation and reallocation request

In the case of an allocation request initiated using e@syFile™ Employer or eFiling, the allocation will be performed immediately. In the case of reallocation requests, SARS will notify you electronically once the adjustment is made. Employers who are not registered for e@syFile™ Employer or eFiling will be notified in writing.

### 5.5.1. Troubleshooting

- **00000000PRN payment should be allocated to a specific tax period on the employer Statement of Account (EMPSA)**

Due to the First-In-First-Out (FIFO) payment allocation rule, a L00000000 PRN payment may be allocated to an older Employer Reconciliation Declaration (EMP501) transaction year since the employer may not have realised that older outstanding balances exist. The employer therefore has to identify to which outstanding balance the payment was allocated. The employer can view the current allocation history online or at the nearest SARS branch. Thereafter, the employer can request the specific tax periods and outstanding balance amounts he/she would like to have paid.

- **0000000PRN payment has not been allocated as the employer expected, or the payment remains unallocated and should be allocated to a specific or multiple tax periods prior to the March 2008 tax period**

SARS collections may have requested that the employer make payment against a tax period or multiple tax periods prior to March 2008. In instances where the payment is not allocated to old tax periods, the employer can view the current allocation online or at the nearest SARS branch, identify the allocations which were not as expected and request that the payment be allocated to the correct tax period(s).

Similarly, SARS auditors may have raised audit assessments (additional amounts payable due to incorrect declarations on the part of the employer) on tax periods. The employer could then make a 00000000PRN payment in order to pay the specific tax periods but the payment may not have been allocated as expected. The employer can then request reallocation to correct the payment allocations.

- **PRN is displayed for outstanding balances on multiple tax periods but allocation should be for a specific tax period**

Where multiple tax periods are unpaid, and each of these tax periods has the same payment reference number (PRN), any allocation performed will result in the payment being allocated to the oldest tax period first and then to earlier periods if any portion of the payment remains unallocated.

Once the payment PRN is linked to an outstanding balance with an EMP201 PRN, the EMP201 process has to be followed in order to use the unallocated portion of the payment.

The Account Management Guide

