

Dear partner in the PAYE process

Tax Season 2011 is almost upon us! This year we have introduced a number of further enhancements to the annual reconciliation process including giving you greater control over the management of your PAYE, SDL and UIF accounts and helping you meet your obligations by reconciling your payments, liabilities and certificates and providing accurate details of your employees so that we can verify employee tax payments and deductions and pre-populate their returns. Below is important information concerning this year's Tax Season which we hope will help make your life a whole lot easier.

Annual PAYE Reconciliation Submission

The submission period for the annual PAYE reconciliation declaration is 4 April to 3 June 2011. To help you understand what is required when completing and submitting your annual reconciliation declarations we have developed a range of step-by-step guides which are available on the PAYE page on www.sars.gov.za. PAYE workshops will also be presented soon in major centres countrywide to explain the process in detail. Details of these workshops will be communicated via the media; our website and our new Employer Connect electronic newsletter in the next couple of weeks so make sure you don't miss it!

e@syFile™ Employer

The latest version of e@syFile™ Employer will be available from 4 April 2011 for download from www.sarsefiling.co.za. Make sure you get the latest version as it will enable you to complete your declaration seamlessly and give you the option to either submit your declaration electronically via eFiling or burn the data onto a disk and submit it to SARS together with your signed hardcopy documents. It also includes new features to make the whole process easier and give you much more control over your PAYE interactions with SARS.

Requesting forms

All reconciliation forms will be available electronically on e@syFile™ Employer. Please note that pre-printed blank PAYE forms previously available for manual submission will no longer be issued at SARS branches. From 28 March 2011 manual forms should be requested from branches or the Contact Centre on 0800 00 7277 and will be posted to you. Copies printed from e@syFile™ Employer and used for manual submission will NOT be accepted.

Employer Reconciliation Declaration (EMP501)

For employers using e@syFile™ Employer online, the EMP501 will be pre-populated with actual payments and declared liabilities received per month. This will include the Monthly Employer Declaration (EMP201), Pay-As-You-Earn (PAYE), Skills Development Levy (SDL) and Unemployment Insurance Fund (UIF) values per month, together with the payment made. On manual EMP501s the pre-populated fields will be printed in pink ink. Remember to complete all the mandatory demographic information on your IRP5/IT3(a)s. Lack of information submitted may result in penalties being imposed.

PAYE Recon Assistant

The PAYE Recon Assistant e@syFile™ Employer will guide you to correct and balance your EMP501. You can also use the Recon Assistant to confirm your payments, reconcile your Monthly Employer Declarations (EMP201s) to your payments and Employer Reconciliation Declaration (EMP501), log cases with SARS for missing payments, allocate unallocated payments and make payments (if required). Note that if your submission fails to balance, it will be rejected. Until such time as a signed, balanced, completed reconciliation has been received your reconciliation will be regarded as outstanding.

Monthly bulk registration of employees for income tax

If you have registered your employees for income tax using e@syFile™ Employer, you will receive a confirmation with the income tax reference number(s) in your e@syFile™ Employer inbox. The relevant fields will also be populated within e@syFile™ Employer. If however, an employee is already registered, we will notify you and you will then need to obtain the reference number from that employee.

The improvements to our employer reconciliation process, the available step-by-step guides and the PAYE workshops all aim to enable employers to meet their reconciliation obligations.

Warm regards

SARS