

BEFORE INSTALLING THE UPGRADE

It is essential that you make backup copies of all your existing employer files before you install any upgrade to Intercode Payroll. This will ensure that your original payroll information can be restored if the upgrade process fails to complete successfully.

To make a backup of all your employer files:

- Close Intercode Payroll
- Locate the folder on your computer's hard drive where your employer files are stored. The default employer file location depends on the version of Intercode Payroll you have installed.
 - If you originally installed V2.5 or earlier, and you have not yet moved your employer files to the new location recommended for compatibility with Windows Vista, the default employer file location will be C:\Program Files\Intercode Payroll\Employer Files.
 - If you originally installed V2.6 or later, or if you have already moved your employer files to the new location recommended for compatibility with Windows Vista, the default employer files location will be;
 - On Windows XP or earlier: <My Documents>\Intercode Payroll\Employer Files.
 - On Windows Vista: <Documents>\Intercode Payroll\Employer Files.
 - Note: These are the default employer file locations. If you store your employer files in a different location, navigate to that location instead.
- Once you have located the folder that contains your employer files, copy all the employer files in that folder (files ending with *.edb) onto CD or to any other safe location from where the files can be easily recovered. DO NOT REMOVE the original files (they are still required for the upgrade) – just make a copy of the files.

Once you have copies of your existing employer files stored in a safe location you are ready to install the upgrade.

IMPORTANT

Due to certain new features included in this release, (and depending on the program version that you are upgrading from) the latest payslip for each of the employee's on your payroll may be recalculated as part of the upgrade process (provided that the payslip is still open). This could result in changes in the values of certain deductions on those payslips. Please ensure that you re-check the values on all open payslips after the upgrade process has been completed. If the last open pay period on your payroll is in respect of a pay period for which your employees have already been paid, you should ensure that all the payslips for that pay period have already been closed before performing the upgrade. Payslips that have already been closed will be treated as "already paid" and will therefore not be recalculated.

HOW TO INSTALL THE NEW VERSION OF INTERCODE PAYROLL

There is no need to un-install your current version of Intercode Payroll before installing a newer version. The new version will automatically replace your current version during the installation process.

Go to www.intercode.co.za/downloads.php and click on the link marked *Download Now*.

When asked whether you would like to *Run* or *Save* the file select *Save*. This will open a new window allowing you to specify the location on your computer's hard drive where you would like to save the file. Select *Desktop* and then click *Save*.

You will now see a *File Download* window showing the progress of the file download. Once the file download has been completed you can close all open windows and disconnect from the internet.

Ensure that Intercode Payroll has been closed then go to your *Desktop*, locate the installation file you just downloaded and double-click the file to start the installation process. Follow the on-screen instructions to complete the installation.

Once the installation has been completed, open Intercode Payroll again and select *Help* → *About* from the main menu. Ensure that your product version is now V3.0. If your product version is not V3.0 please contact the Intercode support desk for assistance.

UPDATING YOUR EMPLOYER FILES

As part of this upgrade, Intercode Payroll will convert your existing employer files to a new database format. This conversion is necessary in order to support multi-user capabilities that are planned for a future release.

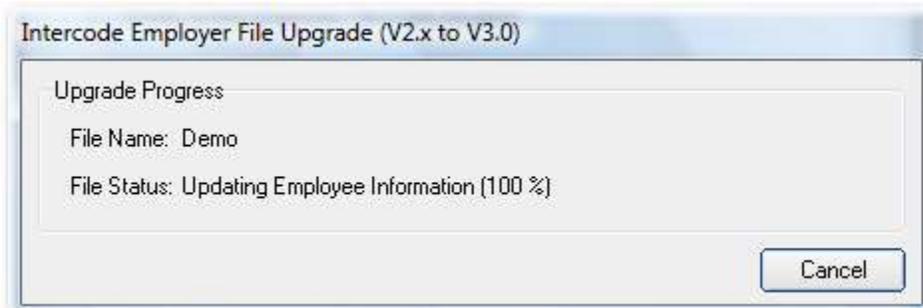
When you first open Intercode Payroll V3.0, you may notice that each of your existing (V2.x) employer files display an icon to the right of the file name.



File Name	Last Accessed	Size on Disk	
Demo	26 August 2007	5.13 MB	
My Company	14 February 2008	6.26 MB	

This icon indicates that the relevant employer file is a previous format and needs to be upgraded.

To upgrade the employer file, simply open the file like you would normally. As soon as the file is opened you should see a message informing you that the employer file is first being upgraded, and then being converted.



Depending on the size of your employer file, this process could take some time.

DO NOT CANCEL THIS PROCESS!

Once the upgrade and conversion has been completed, the upgraded employer file will be opened automatically, and you can continue using Intercode Payroll as normal.

Note: If you have more than one employer file on your computer's hard disk drive, this process will be repeated (only once) for each individual employer file when the employer file is first opened. Once an employer file has been upgraded, the *upgrade* icon will no longer be displayed for that file, and the file can be used as usual.

Note: If you are prone to moving your employer files from one computer to another on a regular basis you should also take note that as of V3.0 the default database file extension has been changed from ".edb" to ".icdb" (Intercode Database). The file extensions of your existing employer files will be changed from ".edb" to ".icdb" automatically as part of the upgrade process.

WHAT'S NEW

These release notes contain information relating to changes made in both V2.10 and V3.0. Since these versions were released very close together, their release notes have been combined into one. Each of the changes that have taken place since V2.9 has been marked with a version number in brackets to indicate the product version in which the change occurred.

2009 TAX TABLES (V3.0)

The latest tax tables (2009) as well as other statutory changes required for the new tax year will be installed automatically as part of this upgrade. Once the upgrade has been completed you can carry on using your payroll exactly as before. There is no need for any user intervention relating the statutory changes for the 2009 tax year.

Enabling / Disabling Automatic Overtime per Shift (V2.10)

The previous version of Intercode Payroll introduced the concept of *automatic overtime* which allows the user to enter the *total number of hours* worked by an employee on any given day into the employee's time sheet, after which the hours are split into *normal time hours* and *overtime hours* automatically, based on the rules of the shift assigned to the relevant day.

In some cases it is however desirable to disable *automatic overtime* for a particular shift, allowing the user to specify the normal time hours and overtime hours on the employee's time sheet manually. Intercode Payroll V2.10 now adds the ability to enable or disable the calculation of automatic overtime for any particular shift.

Code	Description (Optional)	Start Time	End Time	TTL	P BRK	U BRK	NRML	SHFT	OT RT	DF OT	AU OT
001		08:00	16:30	8.5		30	8		OT1		<input checked="" type="checkbox"/>
002	Saturday Shift	08:00	12:00	4			4		OT1		<input type="checkbox"/>

When setting up the *Shift Times and Rules*, the last column is now used to indicate whether or not the calculation of automatic overtime is enabled for each individual shift.

Payment Factors for Standard Payment Rates (V2.10)

A New method of calculating income values has been added which allows you to calculate income based on any percentage (or factor) of any of the *standard income rates*. Any income that is calculated based on a *Base Rate and Quantity* will now display an additional field allowing you to specify a factor by which the selected payment rate must be multiplied, before being multiplied by the specified quantity.

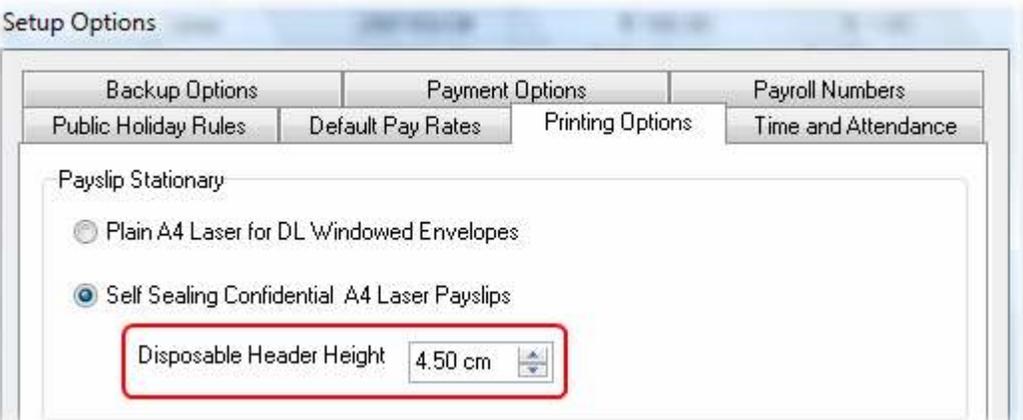
The screenshot shows the 'Income Item' dialog box with the following details:

- Income Details:**
 - Income Description: Nightshift Allowance
- Income Value:**
 - Calculation Type: Base rate and quantity
 - Payment Rate: Normal Hourly Rate × 0.15 (The '0.15' is highlighted with a red box)
 - Number of Hours: 40
- Buttons:** Help, OK, Cancel

This effectively allows income items to be calculated at any percentage of the selected payment rate. The example shown above demonstrates how you could calculate a nightshift allowance at 15% of the employee's normal hourly rate.

Adjustment of Header Height on Self-sealing Payslips (V2.10)

When using self-sealing laser payslips, the height of the header section at the top of the payslip (the part that will be torn off when opening the payslip) may vary depending on the brand of stationary used. The space that should be left at the top of the payslip to accommodate the disposable header section can now be specified manually to accommodate these variations between different stationary brands.



The screenshot shows a software window titled "Setup Options" with several tabs: "Backup Options", "Payment Options", "Payroll Numbers", "Public Holiday Rules", "Default Pay Rates", "Printing Options", and "Time and Attendance". The "Printing Options" tab is active. Under the "Payslip Stationary" section, there are two radio button options: "Plain A4 Laser for DL Windowed Envelopes" (unselected) and "Self Sealing Confidential A4 Laser Payslips" (selected). Below these options, there is a text box labeled "Disposable Header Height" containing the value "4.50 cm". A red rectangular box highlights this text box.

The height of the disposable header must be specified as a number of centimeters and can range from a minimum of 3 centimeters to a maximum of 5.5 centimeters.

New SARS Tax Classification Codes (V2.10)

New *tax classification codes* have been added for the following income types:

3908	Surplus apportionment from a retirement fund on or after 01 January 2006.
3909	Unclaimed retirement benefits.
3915	Retirement fund lump sums on retirement or death on or after 01 October 2007.

New *tax classification codes* have been added for the following deduction types:

4475	Contributions made by the employer to a retirement annuity fund for the benefit of the employee.
4476	Contributions made by the employer to an income protection policy for the benefit of the employee.
4493	Medical aid contributions paid by the employer on behalf of a retired employee.

Note: Retirement annuity contributions paid by the employer (4475) as well as income protection policy premiums paid by the employer (4476) will be construed as payment of an employee's debt, and will therefore give rise to a taxable fringe benefit under code 3808. In such cases, Intercode Payroll will add the relevant fringe benefit to the employee's income automatically.

Tax Calculation Basis (V2.10)

The descriptions used to identify an employee's *Tax Calculation Basis* have been changed in order to make them easier to understand. The following table lists the old descriptions together with the corresponding new descriptions.

OLD DESCRIPTION	NEW DESCRIPTION
Cumulative Current	Actual Income
Cumulative Average	Average Income
Non-Cumulative	Current Period Only

It is now also possible to change the *Tax Calculation Basis* according to which an employee's tax for a specific pay period is calculated, directly from the *Deduction Item* window in the *Payroll* section.

To access this feature:

- Go to the *Payroll* section.
- Double-click on the relevant payslip to open the *Employee Payslip* window.
- Select the *Deductions* tab.
- Double-click on the *Employee's Tax* deduction item then select the *Tax Calculation Options* tab.

Contribution Values Tax Calculation Options

Tax Calculation Basis
Select the method to be used for determining the annual equivalent of the employee's income for the tax period to date.

Tax Calculation Basis Average Income

Always use this calculation basis for this employee from now on

Tax Correction Method
Select the method to be used for making year-to-date tax corrections if the total amount of tax that the employee has paid to date is more (or less) than the employee's actual tax liability to date.

Tax Correction Method Distributed Correction

Always use this correction method for this employee from now on

When changing an employee's *Tax Calculation Basis* for a specific pay period you now have the option to "Always use the calculation basis from now on". If this option is selected, the newly selected tax calculation basis will become the employee's default tax calculation basis and will be used in all future pay periods as well. If this option is not selected however, the newly selected tax calculation basis will

be used for the current pay period only, and the tax calculation basis will revert back to the previously selected option in the employee's next pay period.

Tax Correction Methods (V2.10)

Another new feature that has been added is the ability to specify the method to be used for making year-to-date tax corrections in any given pay period, should they become necessary throughout the course of a tax year. This feature can be accessed in the same location as an employee's *Tax Calculation Basis* described in the previous section.

If an employee's earnings rate increases or decreases significantly throughout the course of a tax year, the employee's estimated annual income could also change and it may become necessary to recalculate the employee's tax liability for the tax period to date. If the new year-to-date tax liability differs from the amount of employee's tax that the employee has actually paid for the tax period to date, a tax correction must be made.

The method used to make such a tax correction is now determined by the *Tax Correction Method* used in the current pay period.

The following options are available:

Distributed Correction	The tax correction is applied gradually over a period of time by applying only a portion of the total required correction in each of the pay periods remaining in the tax year.
Maximum Correction	The tax correction is applied in full by means of a once-off correction in the current pay period.
No Correction	No tax correction is applied in the current pay period. The required tax correction is carried forward to the employee's next pay period.

Since the *Tax Correction Method* is a new feature that did not exist in previous versions of Intercode Payroll, a tax correction method will be assigned to each of your employees automatically during the upgrade. The following tax correction methods will be assigned:

- If the employee's *Tax Calculation Rate* is "Tax Tables" and the *Tax Calculation Basis* is "Current Period Only", the employee's *Tax Correction Method* will be set to "No Correction".
- If the employee's *Tax Calculation Rate* is "Tax Tables" and the *Tax Calculation Basis* is either "Actual Income" or "Average Income", the employee's *Tax Correction Method* will be set to "Distributed Correction".
- For all other employees (employees whose tax is not calculated based on the tax tables) the *Tax Correction Method* will be set to "Maximum Correction".

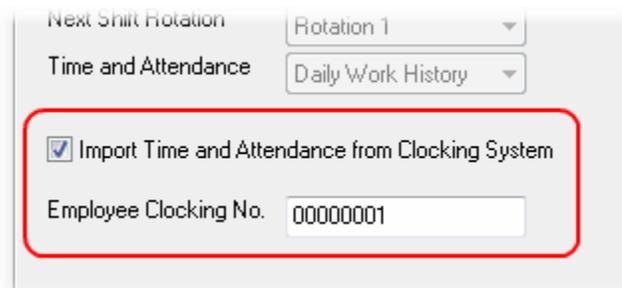
After the upgrade you can change the tax correction methods that were assigned to your employees if you want to. This can be done simply by double-clicking on the *Employee Tax* deduction item on the employee's payslip, and selecting a different tax correction method. As was the case with the *Tax Calculation Basis*, when changing an employee's tax correction method you can indicate whether the newly selected tax correction method should be used as the employee's default tax correction method from now on, or whether it should be used as the tax correction method for current pay period only.

Note: For more information on how the selected *Tax Calculation Basis* and *Tax Correction Method* affects the value of an employee's tax, refer to the new *Trace Tax Calculation* report which is discussed later in this document.

New Employee Field (T&A Clocking Number) (V2.10)

This section applies only to employers who import daily time and attendance clocking transactions.

A New field has been added to the employee master file to store the clocking number of employees whose hours are imported from an electronic time and attendance system. This field can be found on the *Work Schedule* page of the *Employee Setup Wizard*.



The screenshot shows a software interface with several fields. At the top, there is a dropdown menu for 'Next Shift Rotation' set to 'Rotation 1'. Below it is another dropdown menu for 'Time and Attendance' set to 'Daily Work History'. A red rectangular box highlights a section containing a checked checkbox labeled 'Import Time and Attendance from Clocking System' and a text input field labeled 'Employee Clocking No.' with the value '00000001'.

The field is intended to store the number by which the employee is identified on the electronic clocking system (the employee's clocking number), which is not necessarily the same number used to identify the employee on the payroll (the employee's payroll number).

Note: This field will only be enabled if the *Import Time and Attendance* option has been selected for the relevant employee. Likewise, the *Import Time and Attendance* option will only be visible if the importing of information from electronic clocking systems has been enabled in the system setup.

NB: If you do not import daily time and attendance, this field will not be visible as it does not apply to you. Do not enable time and attendance imports in the system setup unless you have been specifically instructed to do so by the Intercode support desk.

New Payment Interface (V3.0)

An ACB payment interface has been added for Capitec Bank.

New Registration System (V3.0)

As of V3.0, Intercode Payroll's licensing and registration no longer makes use of a *Hardware ID* to match registration keys to a specific computer. The *Hardware ID* system caused a lot of inconvenience for users who frequently upgraded their computer's hardware or moved Intercode Payroll from one computer to another, as they would need to obtain a new license key each time such an event occurred.

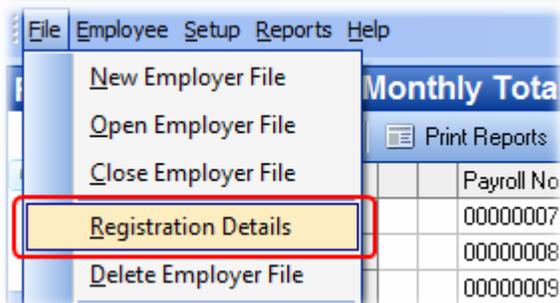
The new registration system works by matching a license key to the name of the registered product owner and the name of the employer instead.

Registration Details			
Account Number	20100000		
Registered Owner	Demo Company		
Registered Name	Trial Version (Unregistered)		
License Type	Professional		
Time & Attendance	Standard	Active Employees	21
License Expiry Date	31 March 2008	Maximum Employees	50

This means that in future you will need a separate license key for each individual employer file, since the license key is based on a combination of both the names of the registered owner and the employer. Once a file has been registered however, the license will "travel" with the employer file, meaning that the file can be moved from one computer to another without affecting the license. Hardware and software changes to the computer on which Intercode Payroll is installed will also no longer affect a file's registration status.

Note: The fact that each employer file needs a separate license key will not affect your annual license fees for the upcoming tax year in any way.

Since the registration details now relate to a specific employer file, the location of the menu item for registering a new employer file or accessing the registration details of existing employer file has been moved to the *File* menu.



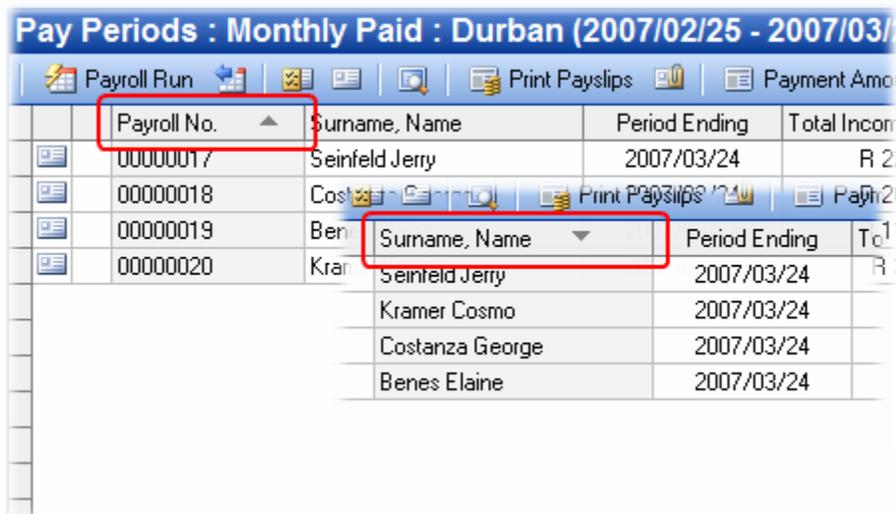
We believe that the new registration system will be more a lot more convenient for you as the user, as it will eliminate the need for frequent re-issuing of license keys.

Sorting of Columns (and new columns) in the Payroll Section (V3.0)

All pages of the *Payroll* section (i.e. *Pay Periods*, *Monthly Totals* and *Tax Year Totals*) now include a column for the employee's *Payroll Number*.

In addition, all columns in the *Payroll* section can now be sorted in either ascending or descending order.

To sort a column, simply click on the column heading of the column. Sorted columns appear slightly darker than the rest of the columns, as can be seen in the example below.



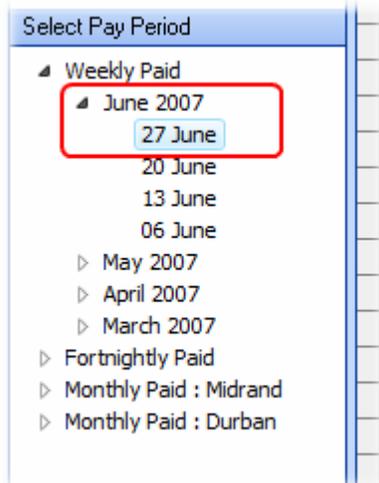
Payroll No.	Surname, Name	Period Ending	Total Income
00000017	Seinfeld Jerry	2007/03/24	R 2
00000018	Costanza George	2007/03/24	R 2
00000019	Benes Elaine	2007/03/24	R 2
00000020	Kramer Cosmo	2007/03/24	R 2
	Seinfeld Jerry	2007/03/24	R 2
	Kramer Cosmo	2007/03/24	R 2
	Costanza George	2007/03/24	R 2
	Benes Elaine	2007/03/24	R 2

When using the navigation buttons in the *Employee Payslip* window to move from one employee to the next, the order in which navigation occurs will now correspond to the order of whichever column is currently sorted in the *Pay Periods* window.



New Sort order Navigation Pane (V3.0)

The pay period dates in the navigation pane to the left of the *Pay Periods* page are now displayed in descending order. This means that the latest pay period for any given pay group will now always be the first pay period from the top.



This makes it easier to locate the latest pay period quickly, and will hopefully eliminate the need for excessive scrolling in the navigation pane.

New Format for Years of Service (V3.0)

The *Years of Service* column in the main *Employees* window has been changed to display the years of service in years and months instead of decimal fractions of years as was the case in the past.

Termination Date	YOS
	04 01
2006/12/29	04 01
	02 05
	05 00
	03 05
	02 03

Note that the *months* portion (the last two digits) reflects only *completed* months.

REPORTS

Monthly Reports (V2.10)

The *Monthly Reports* can no longer be accessed directly from the main menu. All the monthly reports that used to be accessible from the main menu are now only accessible in the *Monthly Totals* window.

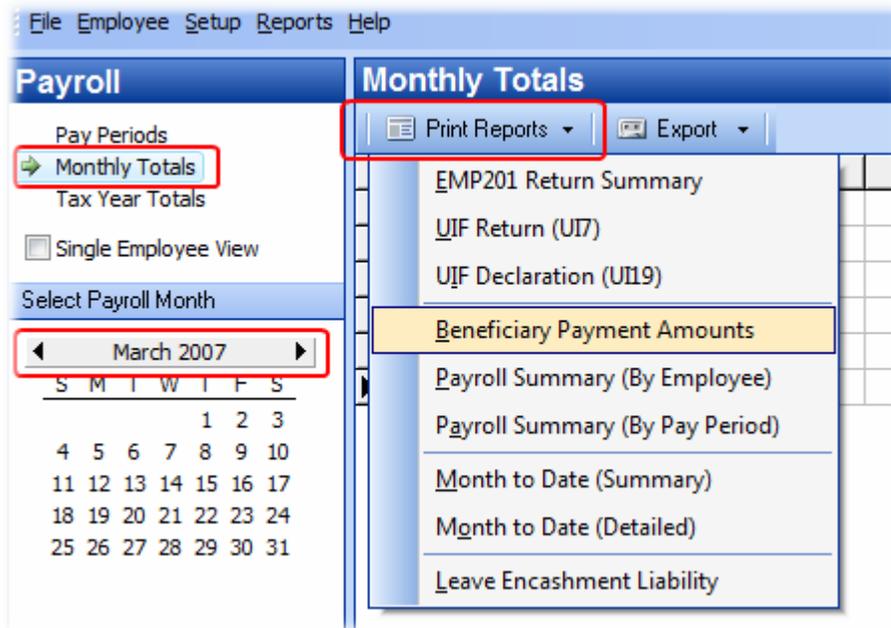
To print your monthly reports:

Go to the *Payroll Section*.

Select *Monthly Totals* in the navigation pane.

Select the relevant month using the calendar control in the navigation pane.

Click *Print Reports* on the toolbar at the top of the window and then select the relevant report from the drop-down menu.



Employee Listing Report (V2.10)

The *Employee Listing* report (Reports → Employee Reports → Employee Listing) now includes a column for the employee's *ID Number* as well.

Tax Calculation Report (V2.10 / V3.0)

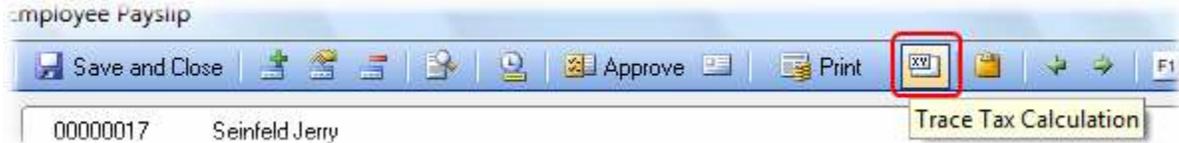
Payroll administrators are often asked by employees to explain how the employee's tax for a specific pay period was calculated. Due to the complexity of the tax calculations however, it is often difficult for the payroll administrator to provide a satisfactory answer.

For this reason, a new report has been added to trace an employee's tax calculation in the employee's latest pay period.

This report can be accessed as follows:

- Go to the *Payroll* section.
- Double-click on the employee's latest payslip to open the *Employee Payslip* window.

- On the toolbar at the top of the window, click the *Trace Tax Calculation* button.



The report contains a detailed, step-by-step explanation of how the relevant employee's tax was calculated in the current pay period. This report will prove to be an invaluable tool for payroll administrators who wish to verify the tax calculations, as well as to provide an explanation of the tax calculation to employees who query their tax deductions.

The *Tax Calculation Report* explains the following concepts with step by step examples:

- Determining the remuneration for employees tax purposes
- Determining the balance of remuneration
- Determining the annual equivalent of the balance of remuneration
- Determining the annual tax payable on the annual equivalent using the annual tax tables
- Determining the tax payable in the current pay period
- Determining the tax payable on annual payments (such as bonuses etc)
- Determining an employee's year-to-date tax liability
- Determining the value of year-to-date tax corrections

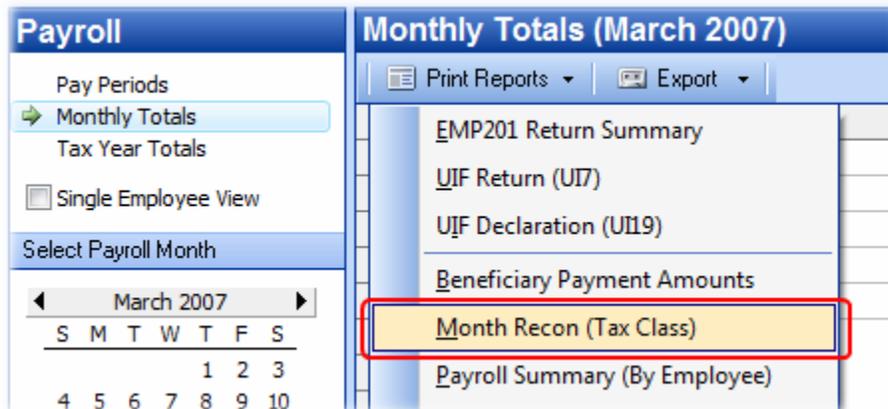
We suggest that you refer to this report on a regular basis to familiarise yourself with the tax calculation processes and concepts.

Note: This report can currently only be printed for an employee's latest pay period, and requires that the relevant pay period is still open.

Monthly Recon by Tax Classification (V3.0)

A New report has been added to the *Monthly Totals* to print a reconciliation of all income, deductions and employer contributions for the relevant month, grouped first by tax classification and then by type, and itemised by employee.

This report can be accessed from the *Print Reports* button on the *Monthly Totals* page of the *Payroll* section.



BUG FIXES

Under certain circumstances *Electronic UIF Declaration* files were being rejected by the UIF stating that the *Total Contribution* field in the file trailer record did not correspond to the sum of the individual transactions in the file. This bug was caused by the manner in which fractions of one cent were being rounded and has now been resolved.

Trying to reopen an employee's payslip would sometimes cause the program to stop responding if the payslip being reopened had multiple leave records for more than one leave type allocated to the same day. This issue has been resolved.

When trying to override the sequence of electronic tax certificate numbers to use for a specific tax year, the up/down arrows that are used to increment or decrement the value of the field were not always enabled, resulting in an inability to override the original field value. This issue has been resolved.

MIBCO RATE CHANGES

Note: This section applies only to employers who are affiliated to MIBCO.

All deduction types for Moto Health contributions have been updated to calculate the contributions values based on the new 2008 Moto Health contribution rates. After the upgrade the new Moto Health rates will be applied automatically, without the need for any user intervention.

The maximum amount of commission that may be taken into account when calculating provident fund contributions has been increased from R 7500.00 to R 9000.00. After the upgrade the new limit will be applied automatically without the need for any user intervention.

The following MIBCO rate changes will **not be applied automatically**, and the *default contribution values* associated with the relevant deduction types will therefore have to be **changed manually**.

To change the default contribution value associated with a deduction type:

- Select *Setup* → *Income and Deduction Types* from the main menu.
- Select the *Deduction Types* tab.
- Locate the relevant deduction type and double-click on it to open the *Deduction Type Definition* window.
- Select the *Default Contributions* tab.

The following table lists the deduction types that need to be updated manually, as well as the default contribution value associated with each of the relevant deduction types. You must edit each of these deduction types in turn, and ensure that the default contribution values for both the employee contribution and the employer contribution on your payroll correspond to the values shown in the table below.

DEDUCTION TYPE DESCRIPTION	EMPLOYEE	EMPLOYER
Additional Holiday Pay: Apprentice 1/3	No Default	R 22.12 per Forecast Week
Additional Holiday Pay: Apprentice 1/4	No Default	R 22.12 per Forecast Week
Additional Holiday Pay: Apprentice 2/3	No Default	R 27.43 per Forecast Week
Additional Holiday Pay: Apprentice 2/4	No Default	R 24.27 per Forecast Week
Additional Holiday Pay: Apprentice 3/3	No Default	R 33.72 per Forecast Week
Additional Holiday Pay: Apprentice 3/4	No Default	R 27.43 per Forecast Week
Additional Holiday Pay: Apprentice 4/4	No Default	R 33.72 per Forecast Week
Additional Holiday Pay: Grade 7	No Default	R 44.34 per Forecast Week
Additional Holiday Pay: Grade 8	No Default	R 50.69 per Forecast Week
Council Administration Levy	R 1.95 per Forecast Week	R 1.95 per Forecast Week
Sick, Accident and Maternity Fund - Male	No Default	R 7.46 per Forecast Week
Sick, Accident and Maternity Fund - Female	No Default	R 10.95 per Forecast Week

With the exception of the Moto Health contributions (which will be updated automatically), all other MIBCO contribution rates remain unchanged.

Once the new default values have been applied, any new payslips that are created for employees who have any of the relevant deduction types as *Standard Deductions* will use the new default contribution values automatically, provided that the employee's contributions are calculated using the default values associated with the relevant deduction type.

End of Release Notes

If you have any questions regarding the features included in this release, or if you have any trouble installing the upgrade, please contact the Intercode support desk on 0861 113523 for assistance.

Kind regards,

Intercode Business Solutions