INTERCODE PAYROLL V3.8 RELEASE NOTES

BEFORE INSTALLING THE UPDATE

It is recommended that you make backup copies of all your existing employer files before you install any updates to Intercode Payroll. This will ensure that your original payroll information can be restored in the unlikely event that the update process fails to complete successfully. Once you have made backup copies of your existing employer files you can continue to install the update.

## HOW TO INSTALL THE LATEST VERSION OF INTERCODE PAYROLL

There is no need to uninstall your current version of Intercode Payroll before installing a newer version of the software. Whenever a newer version of Intercode Payroll is installed on your computer, the newer version will automatically replace the current version as part of the installation process.

You can install the latest version of Intercode Payroll in one of two ways:

- If you are currently using Intercode Payroll V3.1.4 or later, you can use the *Automatic Installation* process below.

- If you are currently using Intercode Payroll V3.1.3 or earlier, you must use the *Manual Installation* process described below.

Automatic Installation (V3.1.4 or Later)

1. Ensure that you are currently connected to the internet.

2. Open Intercode Payroll.

3. Select *Help --> Check for Updates* from the main menu.
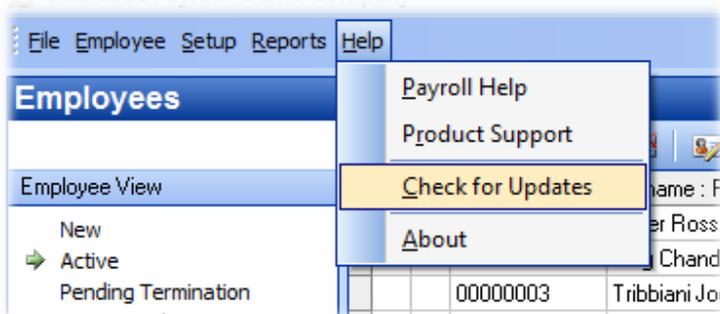
4. Follow the on-screen instructions to update your version of Intercode Payroll.

Manual Installation (V3.1.3 or Earlier)

1. Go to the *Downloads* page on the Intercode web site (www.intercode.co.za/downloads.php) and click on the link marked *Download Now.*

2. 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*.

3. 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.

4. 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 process.

Once the latest version of Intercode Payroll has been installed on your computer (using either of the two processes described above), open Intercode Payroll and open your employer file. You might see a message stating that your employer file is being updated. Wait for this process to finish.

The update process is now complete, and you can continue using the software as usual.

WHAT'S NEW

**Automatic Settlement of Savings and Loans on Termination (V3.7.2)**

As of V3.7.2, if an employee is terminated and the employee had one or more deductions in respect of savings or loans, the outstanding balance of the deduction will automatically be settled in the pay period in which the employee is terminated. In the case of savings, the full balance of the savings will be paid out to the employee. In the case of loans, the full balance of the loan will be deducted from the employee's income.

New Report : Annual Reconciliation (V3.7.3)

Two new reports have been added to the *Tax Year Totals* section in order to produce an annual reconciliation of all income and deductions in respect of a certain tax year.

To access the new reports:

- Go to the *Payroll* section.

- Select *Tax Year Totals* in the navigation pane to the left of the window.

- Select the relevant *Tax Year*.

- On the toolbar at the top of the window, click *More Reports*.
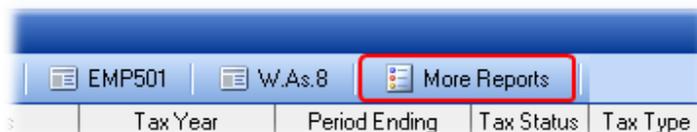
The following window will be displayed:
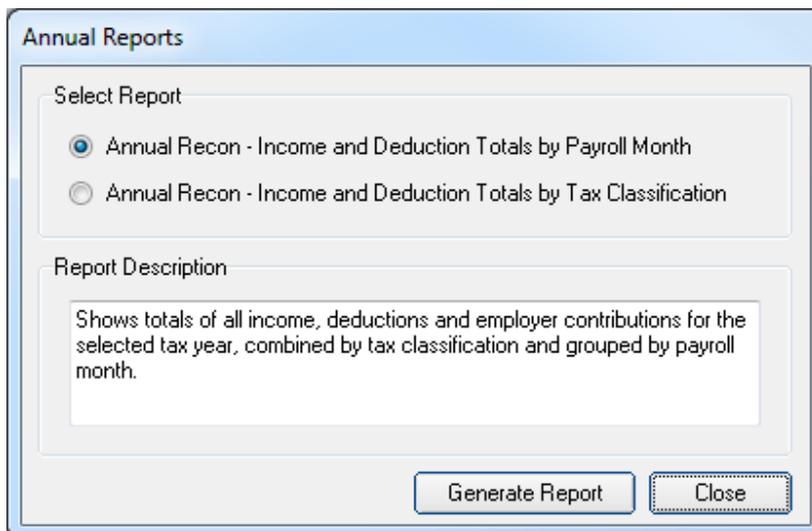
- Select the relevant report, then click *Generate Report*.

Depending on the report that is selected, the report will reflect either the totals of all income and deductions for all employees grouped by payroll month, or the totals of all income and deductions grouped by tax classification.

New Report : W.As.8 Return of Earnings (V3.7.4)

A New report has been added to the *Tax Year Totals* section in order to produce the totals required to complete the annual W.As.8 (Workman's Compensation) return of earnings.

To access this report:

- Go to the *Payroll* section.

- Select *Tax Year Totals* in the navigation pane to the left of the window.

- Select the relevant *Tax Year*.

- On the toolbar at the top of the window, click *W.As.8*.
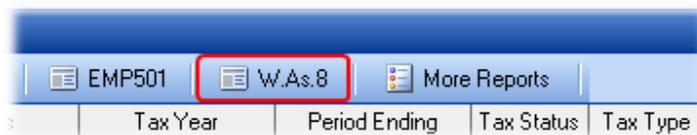
Refer to the notes on the printed report for more information as to how the relevant totals for each month are calculated.

New Report : Employee Listing (V3.7.5)

The *Employee Listing* report has been expanded to include various types of employee information in list format.

To access the employee listing reports:

- Go to the *Employees* section.

- Select *Reports --> Employee Reports --> Employee Listing* from the main menu.

  The following window will be displayed:

- Select one or more of the available types of employee details, then click *Generate Report*.

The report that is produced will contain all the selected types of information in a list format which is very convenient for comparing the various types of information for all the employees on your payroll with one another.

Removal of "Per Annum" Calculation Interval (V3.8.1)

Prior to V3.8.1, when the calculation type of an income or deduction item was set to an *Amount per Interval*, one of the available options for the interval was *per Annum* (per Year). As of V3.8.1 this option has been removed.

The reason for the removal of this option is mainly to achieve a higher level of accuracy in calculations. In future, the longest interval available for calculations will be *per Month*.

As part of the upgrade to V3.8.1, any existing income or deduction items that have been defined on your payroll using the *per Annum* interval will automatically be converted to an amount *per Month*. If you had an income item for which the base amount was defined as R 12,000.00 per Annum for example, the base amount for the relevant item will automatically be converted to R 1,000.00 per Month. This will not affect the actual value of your existing income and/or deduction items in any way, but is simply a more meaningful and accurate way of defining base amounts per interval.

UI19 Declaration : Gross Remuneration Type (V3.8.1)

By default, when printing the monthly UI19 Declaration report, the monthly remuneration that is declared for each employee on the report reflects the employee's gross remuneration that is subject to the deduction of UIF. However, for various reasons certain employers prefer (or need) to reflect the employee's gross taxable remuneration, or only the employee's income subject to UIF limited to the applicable UIF earnings threshold.

In order to address these employer preferences, a new option has been added to the system setup to allow the employer to specify the type of remuneration that should be declared on the monthly UI19 Declaration report.

To access this option:

- Select *Setup --> Options* from the main menu.

- Select the *Report Options* tab.

- Select the relevant type of remuneration to declare:

  - If *Gross Taxable Remuneration* is selected then the employee's actual gross taxable remuneration will be reflected on the UI19 Declaration.

  - If *Income Subject to UIF* (the recommended option) is selected, then the employee's gross remuneration that is subject to the deduction of UIF will be reflected on the UI19 Declaration, regardless of whether or not the remuneration exceeds the applicable UIF earnings threshold.

  - If *Income Subject to UIF Not Exceeding Limits* is selected, then the employee's gross remuneration that is subject to the deduction of UIF, and that does not exceed the applicable UIF earnings threshold will be reflected on the UI19 Declaration. Should the employee's remuneration subject to UIF exceed the applicable UIF earnings threshold, then the employee's remuneration reflected on the UI19 Declaration will be limited to the applicable UIF earnings threshold.

Note: This option was added primarily to address certain concerns raised by employers who file their monthly UI19 Declarations via the U-Filing web site. The vast majority of employers will not be affected by this change and should leave this option set to the default setting.

Automatic Deduction of Unpaid Breaks when Importing Clocking Transactions (V3.8.1)

When importing clocking transactions from an electronic clocking system, Intercode Payroll automatically calculates the total number of hours that the employee was on site based on the employee's clocking transactions. However, some employers do not require their employees to clock out during lunch breaks, resulting in employees being paid for the lunch break as well, even if the break has been defined as an unpaid break.

As of V3.8.1 it is now possible to tell Intercode Payroll to automatically deduct the duration of unpaid breaks from the total number of hours worked, even if the employees do not clock out during breaks.

To enable this option:

- Select *Setup --> Options* from the main menu.

- Select the *Time and Attendance* tab.
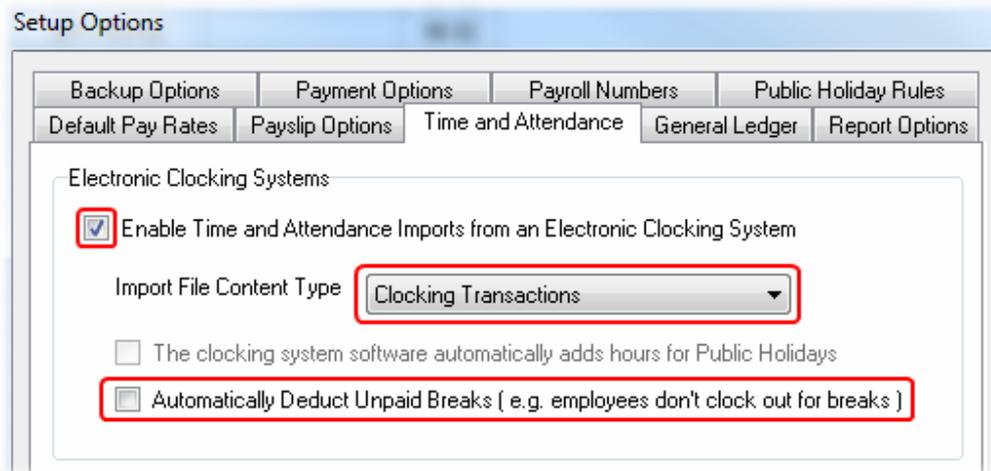
- Select the option to *Automatically Deduct Unpaid Breaks*.

- Click *OK*.

Note that this option can only be selected if the *Import File Content Type* is set to *Clocking Transactions* (i.e. if the employer imports the actual clocking transactions from the time and attendance system).

If this option is selected, Intercode Payroll will assume that employees do not clock out for their breaks, and will automatically deduct the value of unpaid breaks (as defined for the relevant shift) from the total number of hours that the employee was on site, provided that the employee is allocated to a valid shift on the relevant day, and that the total number of hours that the employee was on site is at least equal to half the length of the normal shift.

This option affects only those employers who import actual clocking transactions from their time and attendance systems.

User Defined Direction Indicators when Importing Clocking Transactions (V3.8.1)

Prior to V3.8.1, when importing clocking transactions from an electronic clocking system, the only valid values for indicating the direction of a clocking transaction was "IN" or "1" to indicate an in-clocking, and "OUT" or "0" to indicate an out-clocking.

As of V3.8.1 it is now possible to manually specify the value used in the import file to indicate the direction of clocking transactions.

For example:

If your electronic clocking system's software uses a "1" to indicate an in-clocking and a "2" to indicate an out-clocking, you can define these values on Intercode Payroll (on the import file preview page) before importing the clocking transactions.

This new feature means that it no longer matters what type of indicator the clocking system's software uses to indicate the direction of clocking directions, as you can easily change the values on the payroll to match the settings used in the import file.

Automatic Calculation of Premiums for Sunday Time (V3.8.1)

As of V3.8.1 it is now possible to have Intercode Payroll calculate premiums for Sunday time automatically. If this feature is enabled, Intercode Payroll will automatically add a Sunday Premium income item to an employee's payslip if the employee worked any number of hours on a Sunday.

Note: This feature is only applicable to wage workers (employees who earn an amount per hour or an amount per day). For salaried employees (employees who earn a fixed salary per week, per fortnight or per month), any hours worked on a Sunday will still be treated as normal hours worked.

Because many existing Intercode Payroll users might already have defined their own income types to cater for Sunday Premiums, this feature will **not be enabled** automatically as part of the upgrade to V3.8.1. If you want to make use of this feature you will have to **enable it manually**.

To enable the automatic calculation of Sunday Premiums:

- Select *Setup --> Options* from the main menu.

- Select the *Default Pay Rates* tab.

- Select the option to *Enable Automatic Calculation of Sunday Premiums*.

- Click *OK*.

Once this option is selected, any hours worked on a Sunday by a wage worker will result in an income item for a *Sunday Premium* being added to the relevant employee's payslip.

The value of the *Sunday Premium* income item that is added to the employee's payslip will be equal to the employee's normal hourly rate multiplied by 0.5. The employee will still be paid the normal hourly rate for each hour worked on a Sunday as well. By paying the *Sunday Premium* **in addition** to the employee's normal hourly rate, the employee is in effect paid at 1.5 times the normal hourly rate for each hour worked on a Sunday.

Specifying Sunday Hours Worked

The method used to specify the number of Sunday hours worked by an employee depends on the employee's *Time and Attendance Type*.

Specifying Sunday Hours Using *Daily Work History*:

If the employee's *Time and Attendance Type* is set to *Daily Work History* (the default setting) then the number of Sunday hours worked by the employee must be specified under the *Time and Attendance* tab on the *Employee Payslip* window, in the same manner as you would specify the hours worked on any other day.

The following example shows an employee who worked for eight hours on a Sunday:

As you can see from this example, the number of Sunday hours worked is captured under the *NRML* columns, just like the hours worked on any other day. Intercode Payroll will recognize that the relevant day is a Sunday, and provided that the payment of Sunday premiums has been enabled, will automatically calculate the value of the Sunday premium to be paid to the employee.

The relevant income item will then be added to the employee's income automatically:

Specifying Sunday Hours Using *Period Totals Only*:

If the employee's *Time and Attendance Type* is set to *Period Totals Only* then the number of Sunday hours worked by the employee can be specified by simply adding an income item for *Sunday Time Premium* to the employee's income on the *Employee Payslip Window* (in the same way you would add an income item for any other income type), and then entering the number of Sunday hours worked directly on the income item.

Alternatively, a new column has also been added to the *Mass Capture Hours* window in order to mass-capture the number of Sunday hours worked for multiple employees at once. Note that the facility to

mass-capture hours is only available for employees whose time and attendance types have been set to *Period Totals Only*.

Sunday Premiums and Paid Leave

According to The Basic Conditions of Employment Act, when an employee takes paid leave, the amount that the employee is paid for the period of leave must be at least equal to the amount that the employee would have been paid if the employee had worked for that same period. This implies that if an employee takes leave on a Sunday, and that Sunday is a day on which the employee would normally have worked, then the employee must be paid for the leave taken on the Sunday at the same rate as the employee would have been paid at if he had worked on the Sunday.

In order to cater for this situation, a second option has been added to the *Setup Options* window (see screenshot above) to allow you to specify whether or not Sunday Premiums should be paid in respect of paid leave taken on Sundays.
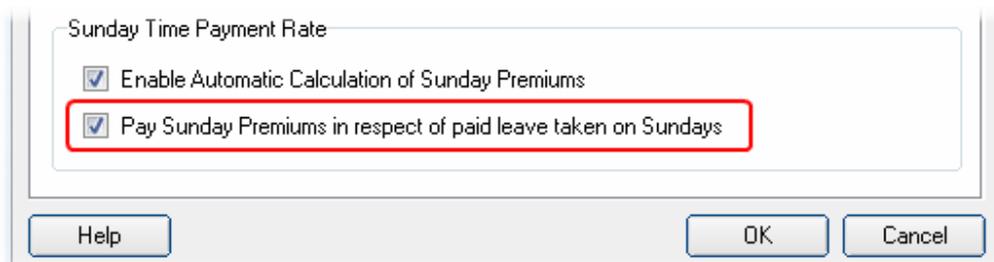
If this option is selected, Sunday Premiums will also be paid in respect of paid leave taken on Sundays. If this option is not selected however, Sunday Premiums will not be paid in respect of paid leave taken on Sundays (the leave will be paid at the employee's normal hourly or daily rate).

Again, keep in mind that the *Sunday Premiums* apply to wage workers only. Salaried employees will still be paid at the normal hourly rate for all hours worked and for all leave taken, regardless of whether or not those hours or leave days fell on a Sunday.

Sole Proprietors and UIF Legislation

By default, any employee that is not a natural person is automatically excluded from the UIF legislation and is therefore not reflected on the monthly UI19 Declaration. However, in case of an employee being the sole owner of a sole proprietorship, the employee is still a natural person, but must also not be reflected on the UI19 Declaration.

As of V3.8.1, a new option has been added to the *Statutory Details* page of the *Employer Setup Wizard* to indicate whether or not the employer is a sole proprietor.

If this option is selected, another new option will become available on the *Tax Calculation* page of the *Employee Setup Wizard*, allowing the user to manually exclude the owner of the sole proprietorship from the relevant UIF legislation.

To exclude the owner of a sole proprietorship from the relevant UIF legislation:

- Select *Setup --> Employer Details* from the main menu.

- On the *Employer Details* page, click *Next*.

- On the *Statutory Details* page, select the option to indicate that the employer is a sole proprietor.

- Click *Next* up to the last page of the wizard, then click *Finish*.

- Go to the *Employees* section.

- Select the employee who is the owner of the sole proprietorship, then open the *Employee Setup Wizard* fro that employee.

- Click *Next* until you reach the *Tax Calculation* page.

- At the bottom of the *Tax Calculation Page*, select the option to indicate that the employee is excluded from the UIF legislation.

- Click *Next* up to the last page of the wizard, then click *Finish*.

Once this option is selected, no UIF will be deducted in respect of the owner of the sole proprietorship, and the employee will no longer appear on future UI19 Declarations.

NB: Note that is option should only be applied in respect of the owner of a sole proprietorship. Do not select this option for any other type of employee.

BUG FIXES

When going through the *Employee Setup Wizard* for an existing employee, the employee's *Years of Service* was sometimes incorrectly reset to zero. The *Years of Service* would then only be reset to the correct value again after the next payroll run was completed. This bug has now been fixed.

In previous versions of Intercode Payroll, when printing the monthly UI7 return or the UI19 declaration, the employer's UIF reference number would be left-filled with zeroes in order to increase the length of the reference number to nine characters (as required by the UIF's own specification). However, the UIF would sometimes complain about the leading zeroes, so as of V3.8.1, the leading zeroes will no longer be added to the employer's UIF reference number on either UI7 or UI19 forms. Instead, the reference number will appear on the printed forms exactly as it has been entered in the employer details.

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.

Thank you for your continued support.

Intercode Business Solutions