INTERCODE PAYROLL V3.9 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There is no need to uninstall your current version of Intercode Payroll before installing a newer version of the software.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 (Recommended)

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

2. Open Intercode Payroll.

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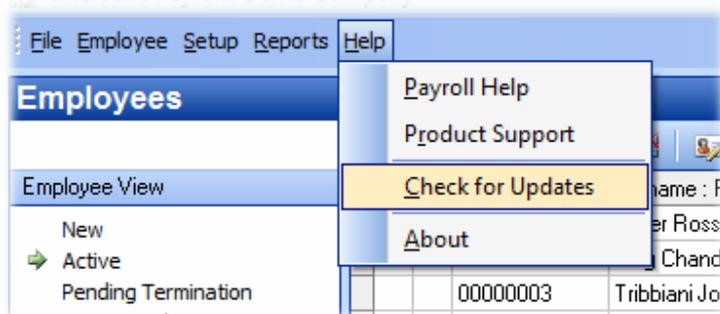
4. Follow the on-screen instructions to update your version of Intercode Payroll.

Manual Installation

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

New Report : Month Recon (Retirement Funds) (V3.8.2)

A new report has been added to the *Monthly Totals* section of the payroll. This reports contains a monthly reconciliation of all retirement fund contributions paid by either the employee or the employer. The format of the report is very similar to the *Beneficiary Payment Amounts* report, but this report also reflects the actual value of the retirement funding income and non-retirement funding income on which the contributions were based.

To access this report:

- Go to the *Payroll* section.

- At the top left of the window, select *Monthly Totals*.

- Select the relevant month on the calendar to the left of the window.

- On the toolbar at the top of the window, click *Print Reports*, then select *Month Recon (Retirement Funds)*.

This report is intended to be used in situations where the retirement fund administrator requires that the employer submits a monthly contribution return which shows the value of each employee's RF or NRF income in addition to the monthly contribution amounts.

Excluding Tax Certificates from Export to Easy-File (V3.8.2)

When exporting tax certificate information to Easy-File it has always been possible to exclude certain tax certificates from the export. However, when looking at the main *Tax Year Totals* window, there was no easy way to tell which tax certificates had been excluded from the export and which ones had not.

An additional column has now been added to the main *Tax Year Totals* window in order to provide visual feedback as to which tax certificates have been excluded from the export to Easy-File.

Once a specific tax certificate has been excluded from the export to Easy-File, a "hand" symbol will be displayed in the last column of the *Tax Year Totals* window, indicating that the relevant tax certificate will not be exported to Easy-File and will have to be captured into Easy-File manually.

Removal of Retirement Fund Clearance Numbers (V3.9.1)

Up to the February 2010, the SARS specification for employee tax certificates stated that a valid fund clearance number had to be provided in respect of any contributions made by an employee towards a pension, provident or retirement annuity fund. Intercode Payroll therefore included certain functionality that allowed you to link fund clearance numbers to certain deduction beneficiaries in order to comply with the SARS requirements. As of the 2011 year of assessment however, SARS no longer required fund clearance numbers to be specified on employee tax certificates, thereby removing the need for this information to be recorded on the payroll.

As of V3.9.1 of Intercode Payroll, all information relating to retirement fund clearance numbers has been removed from the software. When setting up new deduction types that relate to contributions

towards retirement funds, you will no longer be required to specify the fund clearance numbers of the deduction beneficiaries to whom such retirement fund contributions are paid.

Automatic Checks for Program Updates (V3.9.1)

For the last three years or so, Intercode Payroll has included functionality that allows you to check for program updates simply by selecting *Help --> Check for Updates* from the Intercode Payroll main menu. However, even though this functionality is available, some users frequently forget to check for program updates. When new program updates are made available by Intercode it is very important that those updates are installed as soon as possible. Failure to do so could result in important statutory changes not being implemented on your payroll in a timely fashion, which could in turn cause serious problems.

As of V3.9.1 of the software we have added new functionality that allows Intercode Payroll to check for available program updates automatically when the program is opened, without the need for any user intervention. If a new update is found you will be notified that a new update is available, and the update can then be downloaded and installed by selecting *Help --> Check for Updates* from the main menu (as has always been the case).

If your computer does not have an internet connection, or (for whichever reason) you do not want this functionality enabled, a new option has been added to the *General Options* tab of the *Setup Options* window allowing you to either enable or disable automatic checks for program updates.

To access the option that controls automatic update checks:

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

- In the *Automatic Updates* section of the *General Options* tab, select whether or not this functionality should be enabled.

IMPORTANT:

After installing this update, the option to check for program updates automatically will be **enabled** by default. For your own peace of mind, it is highly recommended that you **leave this option enabled**.

If you do choose to disable this option, Intercode Payroll will not check for program updates automatically, and it will be own responsibility to periodically check for updates manually.

Regardless of whether this option is enabled or disabled, if a check for updates has not been performed for a period of 90 days or longer, a warning message will appear each time you open to payroll program until such time as a manual check for updates is performed.

Global Payslip Messages (V3.9.1)

New functionality has been added to enable you to specify a global payslip message that you would like to have printed on the payslips of all employees in the current pay group, for the current pay period.

To access this feature:

- Go to the *Payroll* section.

- Select the relevant pay group and pay period, then click the *Payslip Messages* button on the toolbar at the top of the *Pay Periods* window.

- In the window that appears, specify the relevant message then click *OK*.

The specified message will be printed on the payslips of all the employees in the selected pay group, for the current pay period only. You can therefore specify different messages for employees in different pay groups, or different messages for different pay periods.

Global messages do **not** replace the individual messages that can be printed on the payslips of specific employees only. If you specify a payslip message for an individual employee, and also specify a global message for that employee's pay group in the same pay period, **both** messages will appear on that employee's payslip, but only the global message will appear on the payslips of the other employees.

The example below shows the placement of both a private message (printed on this employee's payslip only) and a global message (printed on the payslips of all employees in the pay group) at the bottom of an employee's payslip.

ave	30.00	0.00	0.00	0.00	0.00
Responsibility Leave	5.00	0.00	0.00	0.00	0.00

--------------------- END OF PAYSLIP ---------------------

This is a private employee message that appears on the payslip of this employee only.

This is a global message that appears on the payslips of all employees in this pay group.

Limited Editing of Existing Pay Groups (V3.9.1)

Once a pay group has been defined and one or more payslips have been created for the employees in that pay group, it is no longer possible to edit the pay period dates of the relevant pay group (this has always been, and still is the case). However, in some instances you might find that you need to change the name of an existing pay group, but in the past this was not possible due to the fact that existing pay groups could not be edited.

As of V3.9.1 it is now possible to edit certain details (specifically the pay group name and the default payment method) of existing pay groups, regardless of whether or not payslips have already been created for the employees in the relevant pay group.

To edit the name or the default payment method of an existing pay group:

- Select *Setup --> Pay Groups* from the main menu.

- Double-click on the relevant pay group's name (or select the pay group and click *Edit*).

- On the first page of the *Pay Group* Wizard, edit either the name of the default payment method of the pay group as required.

- Click *Next* up to the last page of the *Pay Group Wizard*, then click *Finish*.

Note that if any payslips have already been created for the employees in the relevant pay group, the pay period date details of the pay group will still be disabled and can't be edited, as was the case in the past.

2013 TAX YEAR CHANGES

2013 Tax Tables

Intercode Payroll V3.9.1 includes the new tax tables in respect of the 2012/2013 tax year. Once this update has been installed (and assuming you have finished processing your February 2012 payslips) you can simply do a payroll run into March 2012 just like you would for any other pay period. No special actions is required on your part in order to roll over into the new tax year. Intercode Payroll will automatically apply the correct tax tables and other relevant calculations to any payslips that fall in the 2013 tax year.

Medical Aid Tax Deductible Amounts Converted to Medical Aid Tax Credits

As of 01 March 2012, the tax-deductible amounts (monthly medical capped amounts) in respect of medical aid contributions paid the employee (or deemed to have been paid by the employee) have been converted into a new form of rebate known as tax credits. As of 01 March 2012 employees under the age of 65 are no longer allowed to deduct the "monthly capped amounts" from taxable remuneration in respect of medical aid contributions, but are now entitled to a fixed number of tax credits per month in respect of such contributions.

The allowable tax credits are R230 per month for the main member and the first dependant, and R154 per month for each dependant thereafter.

The difference between tax-deductible amounts and tax credits are simply that tax-deductible amounts are deducted from an employee's remuneration before determining the amount of employees tax payable, whereas tax credits are only applied once the amount of tax payable has been determined. In the case of tax-deductible amounts, the actual benefit enjoyed by the employee increases in relation to the amount of tax payable by the employee, whereas with tax credits, the actual benefit enjoyed by the employee remains constant regardless of the amount of tax payable by the employee. The net effect is that with the introduction of tax credits, employees in higher tax brackets will be in a slightly worse tax position than they were before, whereas employees in lower tax brackets will be in a slightly better tax position than they were before.

Intercode Payroll V3.9.1 already includes all the necessary functionality to cater for the new tax credit system, and the value of medical aid tax credits (where applicable) will be included into the employee tax calculations automatically for any pay period that falls in or after March 2012 - no action is required on your part.

Apart from the medical aid tax credits, a deduction from taxable remuneration is still allowed by SARS in respect of medical aid contributions that exceed four times the allowable medical aid tax credits, as well as in respect of medical expenses that exceed 7.5% of the employee's taxable income. At this stage it is

however still unclear if these deductions are to be taken into account by the employer, or if the amounts must be claimed on assessment. Until such time as this matter has been clarified by SARS, Intercode Payroll will not take this additional deduction into account.

Changes to Tax Calculation Report

The *Tax Calculation* report that is accessible from the *Employee Payslip* window has been updated to reflect the value of medical aid tax credits that were taken into account for the purposes of calculating the amount of employees tax payable in any given pay period.

To access the *Tax Calculation* report:

- Go to the *Payroll* section.

- Double-click on the relevant employee's latest (unapproved) payslip to open the *Employee Payslip* window.

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

This will produce a report which details all the steps involved in calculating the amount of employees tax payable by the relevant employee in the current pay period.

A New section has been added to the bottom of the first page of the report, reflecting the total amount of medical aid tax credits to which the employee is entitled for the tax period to date.

ACCUMULATED TAX CREDITS

As of the 2013 tax year, employees are entitled to a certain number of tax credits in respect of contributions paid to registered medical schemes. Similar to a tax rebate, tax credits are used to reduce the value of an employee's tax liability.

	Tax Period to Date	Current Pay Period	Total to Date
4116: Medical Aid Tax Credits Accumulated	R 1 228.00	R 614.00	R 1 842.00

The section of the report that relates to the calculation of the employee's actual tax liability for the tax period to date has also been modified to reflect the value by which the employee's tax liability for the tax period to date is reduced after applying any allowable medical aid tax credits for the tax period to date. This section can normally be found at the top of the third page of the report.

Tax Liability to Date	=	(Normal Tax per Pay Period x Year to Date Periods Worked) + Bonus Tax to Date
	=	(R 3 821.67 x 2) + R 0.00
	=	**R 7 643.33**
Less: Allowable Tax Credits	=	R 7 643.33 - R 1 228.00
	=	**R 6 415.33**

Finally, a new section has been added near the end of the report, reflecting the value of medical aid tax credits taken into account in order to reduce the employee's tax liability in the current pay period. This section can normally be found at the bottom of the third page of the report.

DETERMINE THE VALUE OF THE TAX CREDITS TO APPLY IN THE CURRENT PAY PERIOD

When an employee contributes to a registered medical scheme, the amount of employee's tax that is payable in the current pay period can be reduced by offsetting any allowable medical aid tax credits against the amount of employees tax payable.

Total Available Tax Credits = Total Accumulated Tax Credits - Tax Credits Applied to Date
= R 1 842.00 - R 1 228.00
= R 614.00

Total Allowable Tax Credits = The lesser of Total Tax (Current Period) and Total Available Tax Credits
= The lesser of R 3 821.67 and R 614.00
= **R 614.00**

Tax Payable (Current Period) = Total Tax (Current Period) - Total Allowable Tax Credits
= R 3 821.67 - R 614.00
= **R 3 207.67**

Reactivation of Previously Deactivated Income Codes

When SARS released the Easy-File software a few years back, the number of income codes that could appear on an employee's tax certificate were limited to 13 in order to save space on the new tax certificate layouts. This meant that certain income codes had to be consolidated into other codes in order to reduce the total number of income codes used.

As of 01 March 2012, some of those income classification codes that were previously deactivated by SARS have been reactivated again, meaning that there is no longer any need to consolidate these codes into other existing codes.

The affected income classification codes are:

- 3603 : Pension Payments

- 3610 : Annuities from Retirement Annuity Funds

- 3805 : Free or Cheap Accommodation (Fringe Benefit)

- 3806 : Free or Check Services (Fringe Benefit)

- 3808 : Payment of Employee's Debt (Fringe Benefit)

- 3809 : Taxable Bursaries or Scholarships (Fringe Benefit)

These codes are once again allowed to appear on an employee's tax certificate as of 01 March 2012.

The reactivation of these codes has already been fully implemented in Intercode Payroll V3.9.1. The consolidation of income and deduction codes according to SARS requirements will be handled by the payroll software automatically, and is only mentioned here for informational purposes.

Exporting Tax Certificates to Easy-File

The employer filing season for the 2012 tax year will open on 01 April 2012. The process of exporting your tax certificates to Easy-File remains the same as for previous tax years. Tax certificates can be exported from Intercode Payroll to Easy-File at any time after the last pay period for the 2012 tax year has been closed, regardless of whether or not you have already rolled your payroll over into the new tax year. Detailed instructions for exporting your tax certificate information to Easy-File will be sent to you in a separate document during the course of the next two weeks.

BUG FIXES

When printing the Time and Attendance Totals report, the Payroll No. column on the report incorrectly reflected the pay period ending date instead of the employee's payroll number. This has been fixed.

Fixed an issue with transparent labels on machines using the old "Windows Classic" theme.

Fixed an issue where the years of service displayed in the "YOS" column on the main employee window would not be updated immediately if an existing employee's appointment date was changed.

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