

INTERCODE PAYROLL V5.1.0 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.

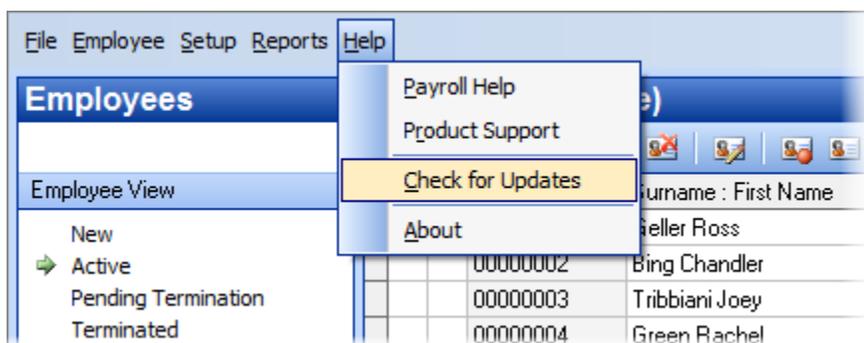
HOW TO INSTALL THE LATEST VERSION OF INTERCODE PAYROLL

There is no need to uninstall your current version of Intercode Payroll before installing a newer version of the software.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:

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

Easy-File V6.7.0 Compatibility

Around the 21st of August 2016 SARS released an updated version of the Easy-File program (V6.7.0) which contained various changes relating to the format in which systems must supply information to SARS. As a result, the format in which the tax certificate export files were generated in previous versions of Intercode Payroll was no longer compatible with the new version of the Easy-File program, so we needed to make some changes to Intercode Payroll as well.

Intercode Payroll V5.1.0 contains all of these changes and is now once again fully compatible with the latest version of Easy-File (V6.7.0). You must ensure that you are using the latest version of Intercode Payroll (V5.1.0) and the latest version of the SARS Easy-File program (V6.7.0) when doing the half-year PAYE reconciliation.

Please refer to the "Exporting Tax Certificates to SARS Easy-File" user guide which is available from the Downloads page on our web site at www.intercode.co.za for more detailed information on completing the tax certificate export for the half-year reconciliation.

Removal of the Employee Tax Nature Field (V5.1.0)

The Employee Tax Nature drop-down box that used to be on the Employee Type page of the Employee Setup Wizard has been removed. The concept of differentiating between different types of employees using only an *employee nature* (as originally envisaged by SARS) has become unnecessarily complicated, and has (in Intercode Payroll at least) been replaced with more simplified methods, discussed below.

Employee Refugee Status (V5.1.0)

A New drop-down box has been added to the Employee Type page of the Employee Setup Wizard which allows you to specify an employee's Refugee Status in terms of the Refugees Act of 1998.

The screenshot shows the 'Employee Setup Wizard' window with the 'Employee Type' section. The 'Refugee Status' dropdown menu is highlighted with a red box and shows 'None' as the selected option. Other fields include Payroll Number (00000002), Employee Type (Normal Employee), Identification Type (South African ID), ID Number, Passport Number, Passport Country, Other Number (7305052125458), and Industry Number. The 'Next >' button is highlighted with a blue box.

When selecting an employee's Refugee Status, the following options are available:

- **None** - Select this option if the employee is neither an asylum seeker nor a refugee in terms of the Refugees Act of 1998. This is the default option.
- **Asylum Seeker** – Select this option if the employee is an asylum seeker (i.e. is seeking recognition as a refugee) in terms of the Refugees Act of 1998.
- **Refugee** – Select this option if the employee is a refugee (i.e. has been granted asylum) in terms of the Refugees Act of 1998.

An employee's refugee status is used:

- To determine the employee's eligibility to be taken into account for the purposes of claiming the Employment Tax Incentive (ETI);
- To determine the type of identification document that will be required on the employee's tax certificate for identification purposes by SARS, and;
- To establish the relevant Nature of Person code (e.g. A, B, C, M or R) which must be reported to SARS on the employee's tax certificate.

Any of your existing employees who were already marked as being asylum seekers on the ETI Details page of the Employee Setup Wizard prior to V5.1.0 will automatically have their Refugee Status set to the appropriate selection as part of the upgrade to V5.1.0.

Employee Identification Type (V5.1.0)

A New drop-down box has been added to the Employee Type page of the Employee Setup Wizard which allows you to select an employee's Identification Type.

The screenshot shows the 'Employee Setup Wizard' window with the 'Employee Type' section. The 'Identification Type' dropdown menu is highlighted with a red box and shows 'South African ID' selected. The 'Refugee Status' dropdown menu shows 'None' selected. The 'Employee Type' dropdown menu shows 'Normal Employee' selected. The 'Payroll Number' field contains '00000002'. The 'Other Number' field contains '7305052125458'. The 'ID Number', 'Passport Number', and 'Industry Number' fields are empty. The 'Passport Country' field is empty with a search icon. The 'Next >' button is highlighted with a blue border.

Payroll Number	00000002
Employee Type	Normal Employee
Refugee Status	None
Identification Type	South African ID
ID Number	
Passport Number	
Passport Country	
Other Number	7305052125458
Industry Number	

An employee's Identification Type determines the type of identification document that is required in order to identify the employee with SARS.

The following options are available:

- **South African ID** – Select this option if the employee is not an asylum seeker or a refugee and is in possession of a bar-coded South African identity document.
- **Foreign Passport** – Select this option if the employee is not an asylum seeker or a refugee and is not in possession of a bar-coded South African ID document, but is in possession of a foreign passport.
- **Section 22 Permit No.** – Select this option if the employee is an asylum seeker in terms of the Refugee Act of 1998.
Note: If an employee’s Refugee Status is set to “Asylum Seeker”, this Identification Type will be selected automatically.
- **Refugee ID** – Select this option if the employee is a refugee in terms of the Refugee Act of 1998.
Note: If the employee’s Refugee Status is set to “Refugee”, this Identification Type will be selected automatically.
- **None** – Select this option if the employee is not an asylum seeker or a refugee and is not in possession of a bar-coded South African ID document or a foreign passport. If this option is selected, no identification number (apart from the employee’s payroll number) will be stored for the employee.
Note: This option corresponds to the old SARS Nature of Person “B” (Individual without an ID or passport).

The Identification Type of all the existing employees on your payroll will be assigned automatically during the upgrade process, based on the employees’ identification details that were present at the time of the upgrade.

New Employee Type – Personal Service Trust (V5.1.0)

In previous versions of Intercode Payroll, when loading an employee who was a personal service provider operating through a trust onto the payroll, the Employee Type would be set to the generic “Personal Service Provider” type, and the Employee Tax Nature would then be used to differentiate between a Personal Service *Company* and a Personal Service *Trust*.

Payroll Number	00000040
Employee Type	Personal Service Provider
Employee Tax Nature	Personal Service Provider - Company
Trading Name	ABC Traders CC
Registration No.	

As of Intercode Payroll V5.1.0 however, the Employee Tax Nature has been made obsolete, so we have had to add a new Personal Service Trust employee type specifically for identifying personal service trusts (the old generic “Personal Service Provider” employee type will now be used to identify personal service *companies* only).

Select Employee Type

Description	Income	Tax Rate	UIF	SDL
Director of Company or Member of CC	3615	Tax Tables	Yes	Yes
Independent Contractor	3616	Exempt	No	No
Independent Contractor (PAYE)	3616	Tax Tables	No	Yes
Labour Broker	3617	Tax Tables	No	Yes
Labour Broker (IRP30)	3619	Exempt	No	No
Normal Employee	3601	Tax Tables	Yes	Yes
Normal Employee : Non-Standard Employment	3601	25% Fixed	Yes	Yes
Personal Service Provider	3601	28% Fixed	No	No
Personal Service Provider (Trust)	3601	41% Fixed	No	No

Payroll Number

Employee Type

Trust Name

Trust Registration No.

If any of the existing employees on your payroll were previously defined as being personal service trusts (i.e. if their Employee Tax Nature was set to Personal Service Provider – Trust), their Employee Type will be set to the new Personal Service Trust employee type automatically during the upgrade process.

Job Location Country Codes (V5.1.0)

Once of the new requirements introduced by SARS recently was the introduction of structured physical and postal address formats. Though the new structured address formats have already been in use in Intercode Payroll for some time, it has until now not been possible to identify job locations as being outside of the Republic of South Africa. This issue has now been addressed, so as of Intercode Payroll V5.1.0 it is now possible to specify the “Country” portion of a job location as well.

Job Location Definition

Job Location Description

Location Description: Botswana Main

Job Location Details

Unit No. and Complex: [] []

Street No. and Name: 687 Daisy Drive

Suburb or District: Hukuntsi

City or Town: Gaborone

Country: Botswana

Postal Code: 09267155

Buttons: Help, OK, Cancel

Note that if the selected country is *not* South Africa, the Postal Code field size will increase from the standard 4 digits to 10, in order to accommodate international postal codes.

Note: The “Country” portion of all existing job locations that have already been defined on your payroll will automatically be set to “South Africa” as part of the upgrade. If any of your existing job locations represent an address outside of South Africa, you will need to edit the relevant job location definitions (File → Job Locations) and select the relevant country manually.

New Bank Definition – WIZZIT

A New bank definition has been added to the list of pre-defined banks for WIZZIT bank.

Select Bank Name

BANK NAME ▲	BRANCH CODE ▲
NEDBANK	198765
OTHER	
PEP BANK	400001
POSTBANK	460005
RESERVE BANK	
STANDARD BANK	051001
STANDARD BANK (MUKURU CARD)	012445
STATE BANK OF INDIA	801000
TEBA BANK	
UNIBANK	790005
WIZZIT Bank	410700

Buttons: OK, Cancel

Selecting this option from the list of pre-defined bank names will automatically assign the universal branch code for WIZZIT bank to the relevant employee's banking details.

Reference Number on EMP201 Returns

When printing an EMP201 for an employer, the relevant employer's PAYE, SDL and UIF reference numbers will now be printed at the top of the return.

EMP201 RETURN SUMMARY
Demo Company
January 2016

PAYE Ref. No. SDL Ref. No. UIF Ref. No.

Copy the following information to the Payment Details section of your January 2016 EMP201 return on E-File. If possible, the fields below have been laid out in the same order in which they appear on the new EMP201 return to make it easier for you to complete the EMP201 return quickly and accurately.

PAYE Liability ETI Brought Forward PAYE Payable

This will make it easier to identify the employer to whom each EMP201 return belongs, if you handle the payrolls of more than employer and need to process multiple EMP201 returns each month, for example.

Rounding Compensation on Electronic UIF Returns (V5.1.0)

When sending your monthly UIF declaration file to the UIF electronically, the information contained in the export file that is sent to the UIF is first validated by the UIF before it's imported into their database. If any errors are found, an error report is sent back to the employer detailing the specific errors. One of the validation checks that is done by the UIF is to check if the total of the employee's and employer's UIF contribution declared for each employee is equal to exactly 2% of the "Remuneration Subject to UIF" declared for that employee. If the total UIF contribution for an employee does not come to exactly 2% of the remuneration subject to UIF declared for that employee, an error message stating that the "UIF contribution amount is invalid" is sent back to the employer, and the information for that employee is not imported into the UIF database.

The problem is however that the UIF's assumption that the combined total of the employee and employer contributions will come to exactly 2% of the remuneration subject to UIF, is wrong. What the UIF did not take into account is the fact that the employee and the employer contributions are two separate contributions that must each be rounded to two decimal places independently on the payroll, before they are added together.

Example:

Suppose an employee earns R 4,504.40 for a month. The employee's UIF contribution is 1% of that amount, which (using a calculator) comes to 45.044. Since currency can only have two decimal places this must be rounded to R 45.04 on the payroll. The employer's contribution (also 1%) then also comes to R 45.04, which means the combined total contribution comes to R 90.08 (R 45.04 + R 45.04). However, when this information arrives at the UIF, the UIF will expect the total contribution to be 2% of R 4504.40, which (again using a calculator) comes to 90.088, which rounded to two decimal places comes to R 90.09 (not the R 90.08 declared for the employee). From this it is clear that the UIF's error checking methodology is flawed.

The UIF are aware of this issue, and they are working on implementing a "tolerance" on their system to compensate for these rounding issues. Until such time as that "margin of error" has been implemented on the UIF's systems however, we need a way to get around this problem to stop declaration files from begin rejected.

As of Intercode V5.1.0, when creating your electronic UIF declaration file it is now possible to specify a margin of error for which Intercode Payroll will automatically compensate for the UIF's flawed error checking by manipulating the value of the remuneration subject to UIF that is reported to the UIF.

Electronic UIF Declaration

Declaration Details

Indicate whether you want to submit a Test or a Live declaration file to the UIF. The declaration file submission number will automatically be incremented by one for each consecutive payroll month, but can be overridden if required.

Declaration Details	
Payroll Month	February 2016
Declaration File Type	Live Declaration
Declaration File Number	75
Rounding Compensation	R 0.05

Help < Back Next > Cancel

When creating the export file, Intercode Payroll will compare the value of the UIF contribution declared for each employee against the value of 2% of the remuneration subject to UIF for that employee, and if the result differs by no more than the specified number of cents, Intercode Payroll will automatically adjust the value of the remuneration subject to UIF so that 2% of the remuneration comes to *exactly* the same value as the declared UIF contribution. The default value for Rounding Compensation is five cents (R 0.05), which means that Intercode Payroll will only manipulate the value of the remuneration subject to UIF if 2% of the remuneration already comes to within 5 cents of the total UIF contribution.

Note: If you do not wish to make use of this feature, set the value of the Rounding Compensation to zero (R 0.00), in which case no compensation will take place.

As mentioned earlier, this is a temporary measure until such time as the UIF have implemented a tolerance for a margin of error on their own systems, at which point this feature might be removed.

BUG FIXES

Fixed a bug where the fringe benefit in respect of employer contributions to income replacement policies would always be reflected as “Payment of Employee’s Debt” (3808) even though the Benefit Income Type on the deduction definition was set to “Taxable Employer Contributions” (3801).

End of Release Notes

If you have any questions regarding the features included in this release, or if you have any trouble installing the update, please contact the Intercode support desk on 086 111 3523 for assistance.