

INTERCODE PAYROLL V5.6.0 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.

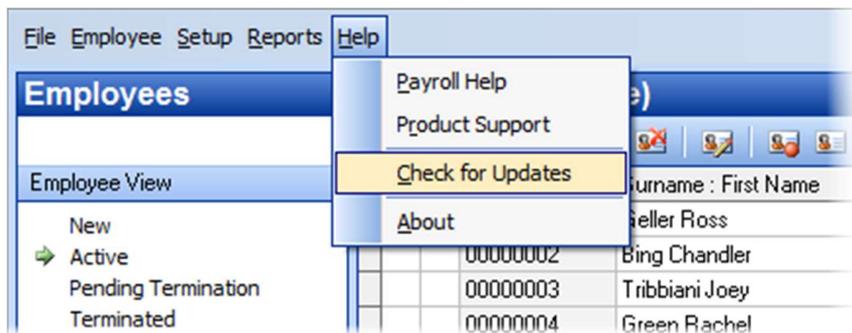
HOW TO INSTALL THE LATEST VERSION OF INTERCODE PAYROLL

There is no need to uninstall your current version of Intercode Payroll before installing a newer version of the software.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

Code 3615 (Directors Remuneration) Discontinued

SARS has discontinued the use of code 3615 (Director's Remuneration) as of the 2019 tax year, so the code has subsequently been made invalid in the latest version of Easy-File. With effect from the August 2018 interim reconciliation, amounts previously reported under code 3615 (Director's Remuneration) must now be reported under code 3601 (Income).

On Intercode Payroll, any amount paid to a director of a company or member of a close corporation (i.e. director's remuneration) will still be reflected under code 3615 on the payroll for the time being, but will be converted to code 3601 during the tax certificate export process so the file can be imported into the latest version of the SARS Easy-File program without validation errors.

This change will make no difference to way in which directors of private companies or members of close corporations are taxed in the payroll. Codes 3601 and 3615 have always been taxed in exactly the same way anyway, which is precisely why SARS has decided to just combine code 3615 into code 3601, thereby reducing the number of codes used on tax certificates.

Designation of Special Economic Zones (SEZ's) for ETI Purposes

In the Employment Tax Incentive Act, one of the criteria for an employee to qualify for ETI is that the employee's age must be between 18 and 29, unless the employee renders services to an employer who operates through a fixed place of business in a *Special Economic Zone* (SEZ) designated by the Minister of Trade and Industry, and the relevant employee renders services to that employer mainly within that special economic zone. Though this exemption from the age qualifying test has always existed in the ETI Act, up until now no such special economic zones had been designated by the Minister.

On 06 July 2018 however, the Minister of Finance designated six special economic zones for the purpose of section 6(a) (ii) (i.e. the exemption from the age qualifying test) of the Employment Tax Incentive Act (see Government Gazette 41759).

The six special economic zones (SEZs) are:

- COEGA SEZ
- DUBE TRADEPORT SEZ
- EAST LONDON SEZ
- MALUTI-A-PHOFUNG SEZ
- SALDANHA SEZ
- RICHARDS BAY SEZ

These six special economic zones were approved as of 01 August 2018.

Note: If you are unsure of whether or not you fall within one of these SEZs, please refer to Government Gazette 41758 which defines the boundaries of each SEZ.

What this means for your payroll is that as of August 2018, if an employer operates through a fixed place of business within one of these SEZs, any employee who renders services to that employer mainly within that SEZ will qualify for ETI even if the employee's age would normally have disqualified him/her. In other words, provided that all other qualifying criteria for ETI are met, an employer in one of these SEZs can now claim ETI for employees of any age.

NB: The following applies only to employers who operate through a fixed place of business located within one of the special economic zones:

To indicate the SEZ in which the employer has a fixed place of business:

- Select *Setup* → *Employer Details* from the Intercode Payroll main menu to open the *Employer Setup Wizard*.
- In the *Employer Setup Wizard*, click *Next* up to the *Employment Tax Incentive* page.

- Tick the option to indicate that the employer operates through a fixed place of business located within a special economic zone and then use the drop-down to select the relevant zone.

Employer Setup Wizard

Employment Tax Incentive

Indicate whether this employer is eligible to receive the employment tax incentive in terms of Section 3 of the Employment Tax Incentive Act.

Indicate whether this employer is eligible to receive the employment tax incentive:

Yes, this employer is eligible to receive the employment tax incentive

No, this employer is not eligible to receive the employment tax incentive

This employer operates through a fixed place of business located within a Special Economic Zone

Economic Zone:

Help < Back Next > Cancel

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

Next you will need to indicate which of your employees render services to the employer mainly within that special economic zone.

To do this:

- Go to the *Employees* section at the bottom left of the main window.
- In the *Employees* section, click on the relevant employee's name (one click only) and then click the 4th button on the toolbar at the top of the window to open the *Employee Setup Wizard*.
- In the *Employee Setup Wizard*, click *Next* up to the *Employment Tax Incentive Page*.
- Tick the option to indicate that the employee renders services to the employer mainly within a special economic zone, then use the drop-down to select the relevant zone.

Employee Setup Wizard

Employment Tax Incentive

Indicate whether this employee is an employee in respect of which the employer might be eligible to receive a tax incentive in terms of the Employment Tax Incentive Act.

This employee renders services to the employer mainly within a Special Economic Zone.

Economic Zone:

This employee is a connected person in relation to the employer.

This employee was previously employed by this employer or an associated employer.

Previous ETI Months:

This employee has been employed by this (or an associated) employer since prior to 01 October 2013.

Minimum Wage Profile:

Help < Back **Next >** Cancel

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

Note: In order for an employee to be considered as rendering services *mainly* within a special economic zone, more than 50% of the services rendered by that employee during any given month must have been rendered within that special economic zone.

Once the SEZ information has been completed for all relevant employees, Intercode Payroll will automatically calculate ETI in respect of those employees who qualify for ETI by virtue of the fact that they renders services in an SEZ, even if those employees would normally have been disqualified based on their age. There is no need for you to do anything other than link the relevant employees to the relevant SEZs in the *Employee Setup Wizard* as described above – Intercode Payroll will do the rest.

Question: What if my employees rendered services in an SEZ in August 2018 but I've already approved and closed my August 2018 payslips?

If any of your employees rendered services mainly within an SEZ during August 2018 (i.e. they should have qualified for ETI) but their August 2018 payslips have already been approved and closed, you can recalculate the ETI values for August 2018 as follows:

- Go to the *Payroll* section at the bottom left of the main window.

- Select *Monthly Totals* at the top left of the main window.
- Select August 2018 on the calendar to the left of the window.
- Double-click on the relevant employee's name to open the *Monthly Total Details* window.
- In the *Monthly Totals Details* window, tick the option to indicate that the relevant employee rendered services to the employer mainly within an SEZ during that month, then use the drop-down to select the relevant SEZ.

Employment Tax Incentive

During this month this employee rendered services to the employer mainly within a Special Economic Zone.

Economic Zone: East London SEZ

Monthly Remuneration: R 4 000.00

ETI Value (Actual): R 1 000.00

Trace Calculation

- Click *OK*.
- Repeat the above process for all the relevant employees.
- Once the SEZ of all relevant employees has been specified you will need to recalculate the ETI values for August 2018. To do this, click the *Recalculate ETI Amounts* button on the toolbar at the top of the main window, then just click *OK* in the *Recalculate ETI Amounts* window.

Payroll No.	Surname : First Name	Known As	Payroll Month	Period Ending	UIF Stat
00000003	Adams Abraham	Abe	Aug 2018	2018/08/31	
00000002	Doe Jane	Jane	Aug 2018	2018/08/31	
00000005	Doe John	John	Aug 2018	2018/08/31	

This process will recalculate the ETI values from August 2018 onwards and will automatically allocate ETI amounts for all qualifying employees.

Importing of Overtime 3 from Time and Attendance Systems

In the past, when importing hours from a time and attendance system it was only possible to import Overtime 1 and Overtime 2 hours. As of Intercode Payroll V5.6 it is now possible to import Overtime 3 hours as well.

Import File Preview

Import File Layout

Header rows to be ignored: 0

Import column 6 as: Standard Field

Overtime 3

Select a column below, then use the drop-down above to specify the data field represented by the selected column.

Clocking No.	Date	Normal Time	Overtime 1	Overtime 2	Overtime 3	Shifts
00000001	2017-02-01	8	1	2	3	1
00000001	2017-02-02	8	10	0	5	0
00000001	2017-02-03	8	0	0	0	0.5
00000001	2017-02-04	8	0	0	0	0
00000001	2017-02-05	8	0	0	0	0
00000001	2017-02-06	8	0	11.2	0	0
00000001	2017-02-07	8	0	0	0	0
00000002	2017-02-01	8	2	4	6	1

Note: The preview shows only the first 8 rows from the import file. Rows that appear dark gray in the preview will not be imported. Rows that appear light gray in the preview will not be imported.

Start Import

This feature is now available when importing both *Hours per Period* and *Period Totals Only*.

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.