

INTERCODE PAYROLL V5.9.0 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.

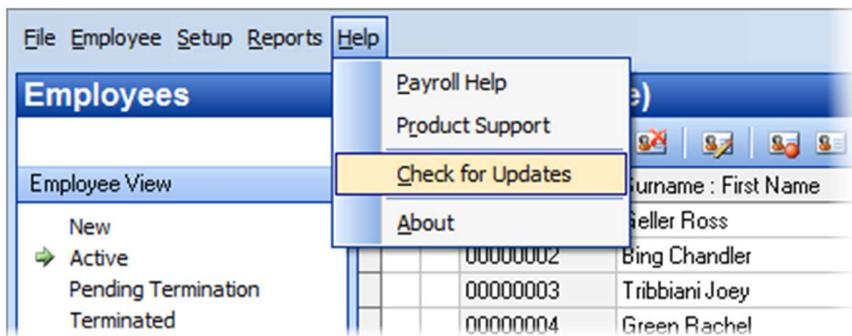
HOW TO INSTALL THE LATEST VERSION OF INTERCODE PAYROLL

There is no need to uninstall your current version of Intercode Payroll before installing a newer version of the software.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

2020-2021 Tax Tables

Intercode Payroll V5.9.0 includes the 2020-2021 tax tables as announced in the national budget speech on Wednesday 26 February 2020. As soon as this update has been installed, you'll be able to do a payroll run into March 2020. Apart from updating the fund member category factors linked to your retirement fund deductions (see next point below), there is no need for any special year-end processing. You can just do a normal payroll run as you would for any other pay period.

To view the tax tables, tax rebates, tax thresholds and other relevant information for the 2020-2021 tax year, select *Setup* → *Tax Year Setup* from the Intercode Payroll main menu.

Updating the Fund Member Category Factors of Retirement Funds for 2021

One of the changes of the retirement reforms introduced back in the 2016-2017 tax year was the concept of a "fund member category factor" which, in the case of defined benefit or hybrid funds, is used to calculate the value of the fringe benefit in respect of employer contributions to employees'

retirement funds. These fund member category factors can change from one tax year to the next and must therefore be supplied to the employer by the relevant fund in the form of a contribution certificate at the start of each new tax year.

If you have any deductions on your payroll in respect of pension, provident or retirement annuity funds you must ensure that you obtain updated contribution certificates in respect of the 2021 tax year so you can update the relevant fund member category factors on your payroll accordingly.

Once you've received the latest contribution certificates from the relevant retirement funds:

- Select *Setup* → *Income and Deduction Types* from the Intercode Payroll main menu.
- Select the *Deduction Types* tab.
- Locate the relevant deduction type and double-click on it to open the *Deduction Type Definition* window.
- In the *Deduction Type Definition* window, select the *Retirement Fund Details* tab.
- Ensure that the *Fund Member Category Factor* field reflects the latest fund member category factor as per the contribution certificate received from the fund.

General Default Contributions Retirement Fund Details

Retirement Fund Details

Fund Arrangement:

Defined Contribution Fund

Select this option if the fund consists of defined contribution components only, or if the fund consists of a defined contribution component and a risk component and the risk benefit is provided solely by way of a policy of insurance from an insurance provider.

Defined Benefit or Hybrid Fund

Select this option if the fund consists of defined benefit components only, or if the fund consists of a mixture of defined benefit, defined contribution, underpin and risk components.

Fund Member Category Factor as per Contribution Certificate: 14.60 %

Use the drop-down below to indicate if this deduction type represents current contributions, arrear contributions, additional voluntary contributions or buy-backs in terms of the rules of the fund.

Retirement Fund Contribution Classification: Current Contributions (Default)

- Once the fund member category factor has been verified, click *OK* to close the window.

Repeat this process for each of the retirement fund deduction types (i.e. codes 4001, 4003 and 4006) that have been defined on your payroll.

IMPORTANT: The fund member category factors linked to the deductions on your payroll should only be updated once all your employees' payslips for February have already been approved and closed, but before you do a payroll run into March.

New Leave Types for Parental, Commissioning Parental and Adoption Leave

In November of 2018 the Basic Conditions of Employment Act 1997 was amended by the Labour Laws Amendment Act 2018 through the insertion of sections 25A, 25B and 25C into the BCEA. These sections define and employee's entitlement to parental leave, adoption leave and commissioning parental leave respectively.

Even though these amendments to the BCEA were gazetted in November 2018 they were not made effective at that time, partly because the Unemployment Insurance Fund needed time to implement the administration processes surrounding these new leave types. In the end, the sections of the Labour Laws Amendment Act 2018 that dealt with these new leave entitlements were only made effective as of 01 January 2020 (refer to Government Gazette 42925 published on 23 December 2019).

Without going into too much detail, as of 01 January 2020 -

- An employee who is a parent of a child is entitled to at least 10 consecutive days of parental leave.
- An employee who is an adoptive parent of a child who is below the age of two, is entitled to at least 10 consecutive weeks of adoption leave.
- An employee who is a commissioning parent in a surrogate motherhood agreement is entitled to at least 10 consecutive weeks of commissioning parental leave.

Please refer to the Labour Laws Amendment Act 2018 for more details about the specific entitlements and conditions that apply.

Since employees are now entitled to these leave types in terms of the BCEA, these leave types will be created as predefined leave types automatically on all new employer files that are created from now on. Existing employer files however will probably not have leave type definitions for these leave types yet.

Since these leave types are generally unpaid and are very easy to set up manually, some users might already have created the leave type definitions for these leave types themselves. If you have not yet created leave type definitions for these leave types on your existing employer files however, you can still choose to have Intercode Payroll create them for you automatically.

Once you've installed this update, you can let Intercode Payroll create leave type definitions for one or more of the three new leave types for you, as follows:

- Select Utilities → Create Predefined Leave Types from the Intercode Payroll main menu.

The following window will be displayed:

Create Predefined Leave Types

Existing Leave Types

...	Description	
	Annual Leave	
	Sick Leave	
	Family Responsibility Leave	
	Maternity Leave	

Available Predefined Leave types

Select the predefined leave types you would like to add to your existing leave types definitions from the available options below, then click OK.

- Parental Leave
- Adoption Leave
- Commissioning Parental Leave

(Options that appear disabled above already exist on this payroll)

OK Cancel

- At the bottom of the window, indicate the leave types for which you would like to create leave type definitions by ticking the relevant check boxes. You don't necessarily have to select all the leave types now if you don't expect to use a certain leave type any time soon. You could always come back here to create those leave types at a later stage when it becomes necessary.

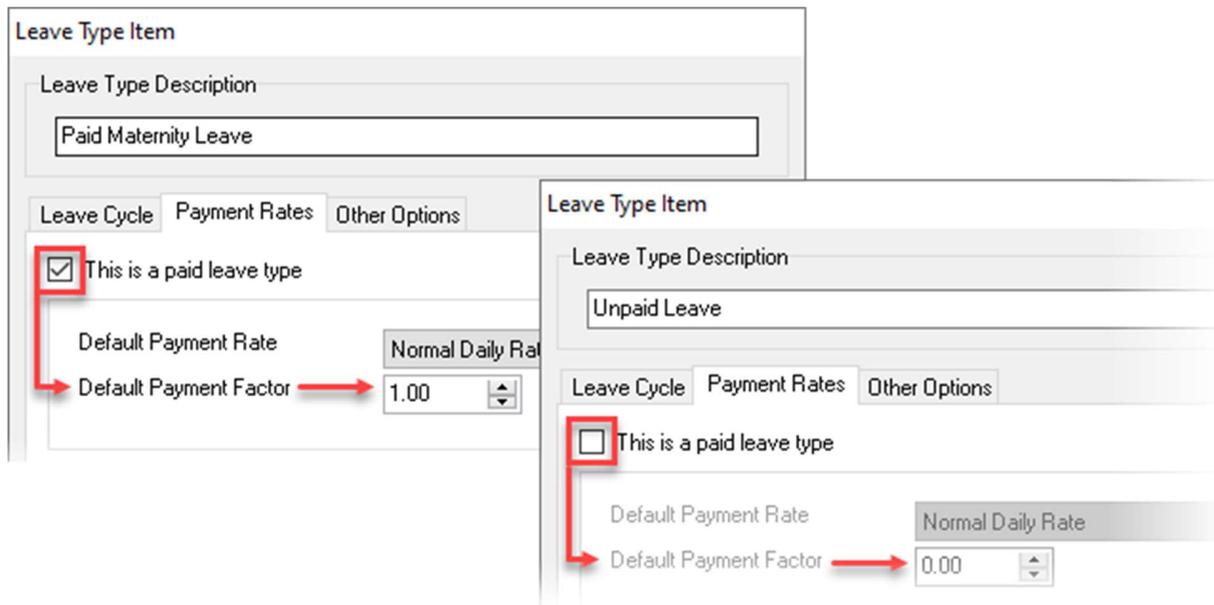
Note: If a leave type definition for one of the available leave types already exist on this employer file, the check box that represent that leave type will be disabled.

- Once you have selected the relevant leave types, click OK to create the predefined leave type definitions for those leave types, and to close the window.

That's it! You can now select Setup → Leave Types from the Intercode Payroll main menu to view the leave type definitions that have been created.

Payment Rates for Leave-Related Income Items

In the past, when defining leave types on Intercode Payroll, each leave type had to be defined as being either “paid” leave or “unpaid” leave. This was done by either ticking or unticking the relevant check box in the Leave Type Item window, as shown below.



Once a leave type was defined as being either “paid” or “unpaid”, that then determined the payment rates at which that leave type could be paid. More specifically, if a leave type was defined as **not** being paid (i.e. unpaid), that leave type would always have a default payment factor of zero, which could not be changed.

When an employee took leave of a type that was unpaid, the income item that was used to represent that unpaid leave type on the employee’s payslip would then also always have a payment factor of zero (see the Leave Pay screenshot below), and again, this could not be changed.

Leave Pay

Income Details

Income Description: Unpaid Leave

Tax Classification: Income : Taxable (3601)

Calculation Type

Base Rate per Day

Fixed Amount per Day

Leave Value

Payment Rate: Normal Daily Rate × 0.00

Number of Days: 1

Help OK Cancel

This meant that if a certain type of leave (like maternity leave for example) could in practice be either paid or unpaid depending on the circumstances, you had to create two separate leave type definitions for that leave type in order to cater for both scenarios. This can be seen on your existing employer files where you'll probably have two predefined leave types for maternity leave – one for paid maternity leave and another for unpaid maternity leave. Though this might not seem like a problem, we need to keep in mind that every leave type that is defined on your payroll creates a corresponding column in the Time and Attendance tab on the Employee Payslip window which is then used to capture leave of that type. Taking into account that the Basic Conditions of Employment Act just added three new types of leave, each of which can be either paid or unpaid depending on the circumstances, that would require the creation of six new leave types on the payroll, resulting in six additional leave columns being added to the Time and Attendance tab. Just from a usability standpoint, creating that many individual leave types on your payroll could become cumbersome.

For this reason, as of Intercode Payroll V5.9, leave type definitions no longer have to be defined as being either paid or unpaid. A single leave type definition can now be used to represent both paid and unpaid leave of any given type. When a new leave type is now defined on Intercode Payroll you will be able to specify whether the leave type is **usually** paid or **usually** unpaid, which will only determine the **default** payment rate which will initially be assigned to income items associated with that type of leave.

Leave Type Item

Leave Type Description

Leave Cycle Payment Rates Other Options

Default Payment Type

This type of leave is usually Paid Leave

This type of leave is usually Unpaid Leave

Default Payment Rate

Once the income item has been created and the default payment rate has been assigned however, the actual payment rate and factor of that leave income item on the employee's payslip can then still be changed from paid to unpaid, or vice versa.

In the example below, the income item associated with Parental Leave can be used to represent either paid parental leave or unpaid parental leave, simply by changing the relevant payment rate and factor.

Leave Pay

Income Details

Income Description

Tax Classification

Calculation Type

Base Rate per Day

Fixed Amount per Day

Leave Value

Payment Rate ×

Number of Days

Help

Leave Value

Payment Rate ×

Number of Days

This means there is no longer any need to create separate leave type definitions just to differentiate between paid and unpaid leave of the same type. Whether a leave type is treated as “paid” or “unpaid” now depends only on the payment factor used on the leave income item on the employee’s payslip. This will result in fewer leave type definitions being created on your payroll, which will result in fewer leave columns under the Time and Attendance tab in the Employee Payslip window.

Temporary “Per Period” Accrual for Leave Types That Accrue at the Start of a Leave Cycle

The way in which leave accrues (or becomes available) to an employee generally happens in one of two ways:

- The employee starts with a balance of zero and the leave accrues to the employee at a fixed rate “per pay period” (like annual leave for example); or
- The employee’s full leave entitlement to the leave type accrues to the employee at the start of the leave cycle and is immediately available to use (like family responsibility leave for example).

However, in some cases leave can accrue to an employee using a combination of the two accrual types. For example, in terms of the Basic Conditions of Employment Act an employee is entitled to the number of days of sick leave equal to the number of days that the employee normally works during a period of six weeks. The Act then goes on to say that during the first six weeks of employment the employee is only entitled to one day’s sick leave for every twenty-six days worked.

In the past Intercode Payroll did not handle the accrual of these “hybrid” leave types automatically, so it was left to the payroll administrator to determine how and when such leave accrued to employees.

As of Intercode Payroll V5.9 however it is now possible to specify a temporary period of “per pay period” accrual following an employee’s initial appointment, for leave types whose entitlement normally accrue in full at the start of the leave cycle.

Let’s look at the new predefined leave type definition for Sick Leave as an example:

To view the leave type definition for Sick Leave:

- Select Setup → Leave Types from the Intercode Payroll main menu.
- Double-click on Sick Leave.

The following window will be displayed:

Leave Type Item

Leave Type Description
Sick Leave

Leave Cycle Entitlement and Accrual Payment Rates Other Options

Entitlement Type

Fixed number of days
 Fixed number of days based on expected time worked
 Dynamically calculated in exchange for actual time worked

Entitlement Amount

Number of leave days earned
For number of days worked

Accrual Type

Accrues per pay period
 Accrues at start of cycle
 Temporarily accrues per period when employee is first appointed.

Temporary Accrual Limits

Help OK Cancel

Select the Entitlement and Accrual tab.

At the bottom of the window, in the Accrual Type group box you will notice a new check box indicating that this leave type “Temporarily accrues per period when employee is first appointed”.

Note: This check box will only be enabled for leave types whose entitlements accrue at the start of the leave cycle.

Below this check box you will find a “Temporary Accrual Limits” button. Click this button to open the Temporary Accrual Limits window.

Temporary Accrual Limits

Accrual Limits

When an initial limit is placed on the accrual of a leave type for which the full leave entitlement normally accrues at the start of the leave cycle, the limited entitlement will accrue to the employee per pay period during the initial limitation period, and the balance of the full entitlement will only accrue to the employee at the end of the limitation period.

Limitation period: 6 Months

Leave days earned: 1

For number of days worked: 26

Buttons: Help, OK, Cancel

In this window you can specify the number of months (calculated from the employee’s appointment date) for which this leave type should accrue “per pay period”, as well as the ratio at which leave will accrue to the employee during this period. In the case of Sick Leave for example, employees are only entitled to 1 days’ sick leave for every 26 days worked during the first 6 months of employment.

When a new employee is appointed and a leave type that has a temporary accrual limit is linked to that employee, Intercode Payroll will now automatically calculate the employee’s entitlement to that leave type on a per pay period basis, for the relevant number of months. During this period the employee will be able to see the number of days that accrue per pay period as well as the total days that have already accrued to date, on his or her payslip.

Leave Movements (Shown in Days)	Opening	Adjusted	Accrual	Taken	Encashed	Forfeited	Balance
Annual Leave	3.82	0.00	1.29	0.00	0.00	0.00	5.11
Sick Leave	2.49	0.00	0.83	0.00	0.00	0.00	3.32

Once the number of months for which the employee has been employed exceeds the number of months specified as the limitation period for the limited accrual, the remaining balance of the entitlement which has not yet accrued to the employee, will then accrue in full.

Leave Movements (Shown in Days)	Opening	Adjusted	Accrual	Taken	Encashed	Forfeited	Balance
Annual Leave	7.70	0.00	1.29	0.00	0.00	0.00	8.99
Sick Leave	4.98	0.00	25.02	0.00	0.00	0.00	30.00

The employee’s full leave entitlement (less any leave that might have been taken during the initial limitation period) will then be available for the employee to use.

Note: There is no need to make any changes to the leave type definition of Sick Leave on any of your existing employer files, as all the necessary changes will be made automatically as part of the upgrade.

Delayed Forfeiture for Leave Types whose Balances are Forfeited at End of Cycle

When defining leave types on Intercode Payroll, it has always been possible to specify how positive leave balances should be treated at the end of an employee's leave cycle.

The following options are available:

- **Carry Over Full Balance:** If this option is selected and an employee has a positive leave balance at the end of a leave cycle, the full balance will be carried over to the next leave cycle.
- **Carry Over Limited Balance:** If this option is selected and an employee has a positive leave balance at the end of a leave cycle, a limited (user-defined) portion of that balance will be carried over into the next leave cycle, and the remainder will be forfeited (i.e. will be lost) at the end of the cycle.
- **Forfeit Balance:** If this option is selected and an employee has a positive leave balance at the end of a leave cycle, the full balance will be forfeited (i.e. will be lost) at the end of the cycle.

Note that up to now, if the third option (forfeit balance) was selected, the employee's full leave balance would be forfeited immediately at the end of the leave cycle, in the pay period in which the leave cycle ended. However, when looking at chapter 3 of the Basic Conditions of Employment Act, section 20 subparagraph (4) states:

(4) An employer must grant annual leave not later than six months after the end of the annual leave cycle.

Without going into a discussion of whether or not a "use it or lose it" leave policy is actually legal (there have been various conflicting court rulings over the years), based on the above excerpt from the Basic Conditions of Employment Act it is clear that the BCEA does in fact make provision for an employee's accumulated annual leave to be carried over from one leave cycle into the next, for at least the first six months of that cycle. As a result, forcing employees to forfeit their annual leave at the end of a leave cycle is probably unfair (if not illegal).

For this reason, as of Intercode Payroll V5.9 you now have the option to specify a certain number of months by which to delay the forfeiture of leave at the end of a leave cycle.

To specify the number of months by which leave forfeiture should be delayed at the end of a leave cycle:

- Select Setup → Leave Types from the Intercode Payroll main menu.

- Double-click on the relevant leave type to open the Leave type Item window.

The screenshot shows the 'Leave Type Item' window with the following details:

- Leave Type Description:** Annual Leave
- Leave Cycle:** Selected tab
- This type of leave has a fixed cycle length
- Cycle Length in Months:** 12
- Cycle Start and End Dates:** Relative to appointment date
- Cycle Ending Balances:**
 - Positive Ending Balances:** Forfeit balance (highlighted with a red box)
 - Forfeit Balance:** 6 Months After End of Cycle
 - Negative Ending Balances:** Carry over negative balance
- Buttons:** Help, OK, Cancel

- In the Cycle Ending Balances section, select Forfeit Balance from the Positive Ending Balances drop-down.
- Select the number of months by which the forfeiture should be delayed from the Forfeit Balance drop-down.

Note: There is also still an option in the Forfeit Balance dropdown to forfeit leave balances immediately at the end of the leave cycle (like Forfeit Balance worked in the past).

Note: This option only applies to leave types whose Positive Ending Balances are set to Forfeit Balance. All other cycle ending methods function exactly as they did before.

Once the Forfeit Balance option has been selected for a leave type and the forfeiture delay (if any) has been specified, any positive ending balances at the end of an employee's leave cycle will be carried over

into the next leave cycle, and will then only be forfeited after the specified number of months. In the screenshot below for example, the employee's last leave cycle ended six months ago, and at that time the balance of 11.24 days was carried over into the current leave cycle. Since the employee did not use any of that leave during the six-month delay period however, and seeing as the delay period has now expired, the balance carried over from the previous cycle will be forfeited in the current pay period.

Leave Movements (Shown in Days)	Opening	Adjusted	Accrual	Taken	Encashed	Forfeited	Balance
Annual Leave	12.53	0.00	1.35	0.00	0.00	-11.24	2.64
Sick Leave	20.00	0.00	0.00	0.00	0.00	0.00	20.00
Family Responsibility Leave	5.00	0.00	0.00	0.00	0.00	0.00	5.00

NB: Note that **only the balance that was carried forward** from the previous cycle is forfeited once the delay expires. Any leave that accrued to the employee during the current leave cycle is not subject to forfeiture at this time and is therefore retained.

From now on, any leave that is taken or encashed in the current leave cycle will first be used to reduce the balance of leave carried forward from previous cycles (if any), as is required by the BCEA.

Since employers are required by law to grant annual leave to employees no later than six months after the end of the leave cycle, there should theoretically never be a situation where an employee's leave from a previous cycle is forfeited six months into the current leave cycle. Should an employer wish to make use of this functionality however, it is now available if required.

Reducing Leave Movements on Payslips Now Include Signs

In the past, leave movements that reduce leave balances (i.e. leave taken, encashed, or forfeited) were printed in the Leave Movements section (if enabled) of employee payslips with inconsistent signs. The number of days *taken* was printed as a positive value, the number of days *encashed* was also printed as a positive value, but the number of days *forfeited* was printed as a negative value. The screenshot below shows an example of this.

Leave Movements (Shown in Days)	Opening	Adjusted	Accrual	Taken	Encashed	Forfeited	Balance
Annual Leave	12.34	0.00	1.23	2.00	5.00	0.00	6.57
Sick Leave	30.00	0.00	0.00	8.00	0.00	-22.00	0.00
Family Responsibility Leave	5.00	0.00	0.00	0.25	0.00	-4.75	0.00

Though payroll administrators generally understood the concept that the value of days *taken* and days *encashed* should reduce the leave balance, it caused major confusion with employees who would simply add the totals as they saw them on the page (i.e. positive values were added and negative values were deducted) and would then arrive at different balances than those reflected on the payslip.

For this reason, as of Intercode Payroll V5.9, the values printed in the Leave Movements sections of employee payslips will be printed using the sign that indicates its effect on the balance. Amounts that increase the balance will be printed as positive values and amounts that decrease the balance will be printed as negative values.

The following screenshot is from the exact same payslip as above but using the new convention for the printing of signs.

Leave Movements (Shown in Days)	Opening	Adjusted	Accrual	Taken	Encashed	Forfeited	Balance
Annual Leave	12.34	0.00	1.23	-2.00	-5.00	0.00	6.57
Sick Leave	30.00	0.00	0.00	-8.00	0.00	-22.00	0.00
Family Responsibility Leave	5.00	0.00	0.00	-0.25	0.00	-4.75	0.00

It should now be clear to both payroll administrators and employees how the relevant balances were arrived at (e.g. for Annual Leave above, $12.34 + 0.00 + 1.23 - 2.00 - 5.00 + 0.00 = 6.57$).

Note: The same convention for the printing of leave movements is now also used in the *Leave Balances* and *Leave Movements* reports available in Pay Periods subsection of the Payroll section.

Employment Tax Incentive and National Minimum Wage

Section 4(1) of the Employment Tax Incentive Act 2013 (prior to being amended) stated that:

An employer is not eligible to receive the employment tax incentive in respect of an employee in respect of a month if the wage paid to that employee in respect of that month is less than –

- a) *the amount payable by virtue of a wage regulating measure applicable to that employer; or*
- b) *if the amount of wage payable to an employee by an employer is not subject to any wage regulating measure –*
 - i. *where the employee is employed and paid remuneration for at least 160 hours in a month, the amount of R2000 in respect of a month; or*
 - ii. *where the employee is employed and paid remuneration for less than 160 hours in a month, an amount that bears to the amount of R2000 the same ratio as 160 hours bears to the number of hours that the employee was employed for and paid remuneration by that employer in that month.*

This meant that for an employer to claim the employment tax incentive in respect of an employee, the employer had to pay that employee at least the minimum wage payable in terms of an applicable wage regulating measure (a sectoral determination for example), or the equivalent of R2000 per month.

Section 4 of the Employment Tax Incentive Act 2013 has however (with effect from 01 August 2019) now been amended by the Taxation Laws Amendment Act 2019 published in Government Gazette 42951 on 15 January 2020.

Section 4(1) of the Employment Tax Incentive Act 2013 now reads as follows:

An employer is not eligible to receive the employment tax incentive in respect of an employee in respect of a month if the wage paid to that employee in respect of that month is less than –

- a) the higher of the amount payable by virtue of a wage regulating measure applicable to that employer or the amount contemplated in section 4(1) of the National Minimum Wage Act, 2018 (Act No, 9 of 2018), or Schedule 2 to that Act; or*
- b) if the amount of wage payable to an employee by an employer is not subject to any wage regulating measure or not subject to section 3 of the National Minimum Wage Act, 2018 (Act No. 9 of 2018), or exempt under section 15 of that Act –*
 - i. where the employee is employed and paid remuneration for at least 160 hours in a month, the amount of R2000 in respect of a month; or*
 - ii. where the employee is employed and paid remuneration for less than 160 hours in a month, an amount that bears to the amount of R2000 the same ratio as 160 hours bears to the number of hours that the employee was employed for and paid remuneration by that employer in that month.*

This means that for an employer to claim the employment tax incentive in respect of an employee, the employer must now pay that employee at least the higher of the minimum wage payable in terms of a wage regulating measure or the minimum wage applicable in terms of the National Minimum Wage Act, or if no wage regulating measure applies and the National Minimum Wage Act does also not apply, at least the equivalent of R2000 per month.

On Intercode Payroll, the minimum wage that is applicable to an employee in terms of the Employment Tax Incentive Act is determined by the ETI wage profile that is linked to the employee. In the past, if an employee's minimum wage was subject to a wage regulating measure (such as a sectoral determination for example), the employer would create a wage profile definition on Intercode, specify the applicable minimum wage in terms of the wage regulating measure, then link that wage profile to the employee on the Employment Tax Incentive page of the Employee Setup Wizard. However, since the legislation has now been changed to take the higher of either the wage in terms of a wage regulating measure or the national minimum wage into account, the employer will now also need to take this into account when linking a wage profile to an employee.

In future, when linking a wage profile to an employee the employer must first determine whether a wage regulating measure applies, and if it does, whether the minimum wage in terms of that wage regulating measure is higher than the applicable national minimum wage. The wage profile that is then linked to the employee must be the wage profile that represents the higher of the two minimum wages.

The following examples demonstrate the point.

Example 1:

If an employee's wage is subject to a wage regulating measure and the minimum wage in terms of that wage regulating measure is R16.00 per hour, the employer **must not** link the wage profile for that wage regulating measure to the employee since it is **lower** than the applicable national minimum wage of R20.76 per hour. In this case the employer must link the applicable "National Minimum Wage" profile to the employee instead. The minimum wage payable to this employee for the employee to qualify for ETI will therefore be R20.76 per hour.

Example 2:

If an employee's wage is subject to a wage regulating measure and the minimum wage in terms of that wage regulating measure is R26.00 per hour, the employer **must** link the wage profile for that **wage regulating measure** to the employee since it is **higher** than the applicable national minimum wage of R20.76. The minimum wage payable to this employee for the employee to qualify for ETI will therefore be R26.00 per hour.

Example 3:

If an employee's wage is **not** subject to a wage regulating measure and is **not exempt** from the National Minimum Wage Act, the employer must link the employee to the "National Minimum Wage" profile on the Employment Tax Incentive Page of the Employee Setup Wizard. The minimum wage payable to this employee for the employee to qualify for ETI will therefore be R20.76 per hour.

Example 4:

If an employee's wage is **not** subject to a wage regulating measure but the employee (or the employer) **is exempt** from the National Minimum Wage Act, then the minimum wage profile on the Employment Tax Incentive page of the Employee Setup Wizard should be set to "None" or be left blank (i.e. no wage profile should be linked to the employee). The minimum wage payable to this employee for the employee to qualify for ETI will then be the equivalent of R2000 per month (or R12.50 per hour).

Employers should also review the wage profiles that are already linked to their existing employees to ensure that employees are not linked to wage profiles that specify minimum wages that are lower than the new applicable national minimum wages.

As per Government Gazette 43026 published on 17 February 2020, the new national minimum wages in terms of the National Minimum Wage Act 2018 are:

- R20.76 per hour (in general).
- R18.68 per hour for farm workers.

- 15.57 per hour for domestic workers.
- R11.42 per hour for employees engaged in expanded public works programs.

These new national minimum wages will come into effect on 01 March 2020.

UIF Employment Status Codes for Parental and Commissioning Parental Leave on UI-19 Declarations

When an employee is terminated, medically boarded or goes on maternity leave, the employer must notify the UIF of this by specifying an employment status code on the monthly UI-19 declaration form (or in the electronic UIF declaration file) together with the date on which the employee was terminated, medically boarded or went on leave. The UIF provides a list of predefined status codes that employers must use for this purpose. Now that the Basic Conditions of Employment Act has added three new types of leave to which employees are entitled, and because employees can claim UIF benefits in respect of these new types of leave, the UIF have updated the UI-19 declaration form by adding new codes that employers must now use to indicate when employees make use of one of these new types of leave.

In addition to the 17 employment status codes available on the existing UI-19 declarations form, the following new employment status codes have been added to the new UI-19 declaration form:

18. Commissioning Parental Leave

19. Parental Leave

Note: For whichever reason, the UIF decided not to add a separate code for adoption leave but to rather have it share the existing code 09 with maternity leave.

These codes have now also been added to Intercode Payroll and can now be used to indicate to the UIF that an employee is on adoption leave, parental leave or commissioning parental leave.

To change an employee's employment status code on the UI-19 declaration form when an employee goes on parental, adoption or commissioning parental leave:

- Go to the Payroll section at the bottom left corner of the main window.
- Select Monthly Totals at the top left of the Payroll window.
- Select the relevant month on the calendar to the left of the window.
- Double-click on the relevant employee's name.

The following window will be displayed:

Monthly Total Details

Employee Details

Payroll Number: 00000001
Employee Name: Doe John
Payroll Month: March 2020
Period Starting: 2020/03/01
Period Ending: 2020/03/31
Appointment Date: 2020/03/01
Termination Date: / /

UIF Declaration Details

Employment Status: 19 : Parental Leave
Employment Status Date: 2020/03/25
Non-contribution Reason:

Employment Tax Incentive

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

Monthly Remuneration: R 10 000.00
ETI Value (Actual): R 0.00
Trace Calculation

Total Income | Total Deductions

Description	Total Value
▶ Basic Salary	R 10 000.00

Help | Print UIF Declaration | OK | Cancel

- In the UIF Declaration Details section, click the Employment Status drop-down and select the relevant employment status from the list of available options.
- Specify the Employment Status Date (the date on which the employee went on leave) and then click OK to close the window.

Once an employee's employment status has been updated, the relevant employment status code will be reported to the UIF on the UI-19 declaration form for the relevant month, or via the electronic UIF declaration file if the declaration is submitted to the UIF electronically.

New UI-19 Declaration Forms Issued by the Department of Labour

We are aware that the Department of Labour has made major changes to the "look and feel" of the manual UI-19 declaration form that is available for download from the Department's web site. Amongst other things, the form has been split into two pages, and now contains both the Department of Labour and the UIF's logos as well as some graphics at the bottom of the page.



We are also aware that the staff at UIF offices often refuse to accept UI-19 declaration forms that have been printed from payroll systems if those forms do not look substantially like the Department's own declaration forms.

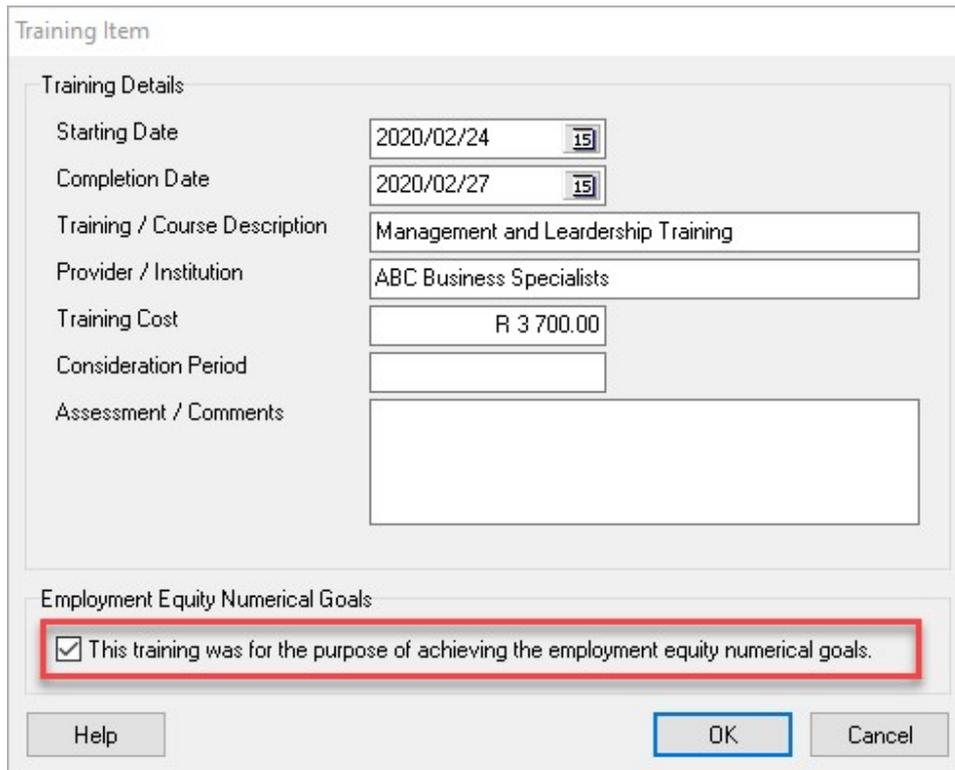
Though it is of course possible for us to "copy" the new UI-19 declarations forms exactly when printing them from the payroll, doing so could present one or two problems. First is the fact that the graphics at the bottom of the page would result in a massive waste of very expensive printer ink for employers who have to print these pages, especially keeping in mind that the UIF's new form only makes provision for five employees per page. The bigger issue however is that we are currently not sure if replicating the Department of Labour and UIF's logos on printed material is actually *legal*. We have queried this with the UIF and are currently awaiting feedback. We will keep you updated as soon as we hear from them.

For the time being, since the UIF might only accept their "official" UI-19 forms in printed format, and since we are currently unable to print the forms in the "official" format, we suggest you stick to using the Electronic UIF Declaration functionality that has always been available in Intercode Payroll.

If you need to provide a single employee with a printed UI-19 form that the employee will take with him/her to a UIF office in order to submit a claim, we suggest you download the manual declaration form from the UIF's web site, print it, and then complete it by hand for the time being.

Training Provided for Achieving Employment Equity Goals

A New indicator has been added to the Training History window to indicate whether or not the relevant training was provided to the employee for the purpose of achieving the employer's numerical goals in terms of the employer's employment equity plan.



The screenshot shows a 'Training Item' form with the following fields:

Training Details	
Starting Date	2020/02/24
Completion Date	2020/02/27
Training / Course Description	Management and Leadership Training
Provider / Institution	ABC Business Specialists
Training Cost	R 3 700.00
Consideration Period	
Assessment / Comments	

Below the Training Details section is the 'Employment Equity Numerical Goals' section, which contains a checkbox that is checked and highlighted with a red border:

This training was for the purpose of achieving the employment equity numerical goals.

At the bottom of the form are three buttons: 'Help', 'OK', and 'Cancel'.

This information is required in order to complete Table 5.1 of the EEA2 report, which states that only training that was provided for the purpose of achieving the employer's numerical goals must be taken into account for completing the report. Though the deadline for the submission of employment equity reports for this year has passed, this change has been included to increase the accuracy of the training data reported in future.

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 012 802 4200 for assistance.