

INTERCODE PAYROLL V5.10.0 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.

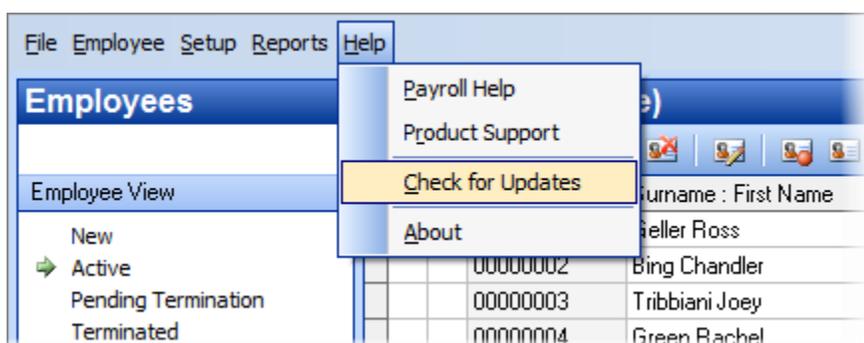
HOW TO INSTALL THE LATEST VERSION OF INTERCODE PAYROLL

There is no need to uninstall your current version of Intercode Payroll before installing a newer version of the software.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

CLAIMING FROM THE UIF DURING THE COVID-19 LOCKDOWN

Employees who are not being paid (or are being paid at less than their usual rates) during the COVID-19 lockdown period might be able to claim benefits as a result of loss of income from the UIF.

When an employee wants to claim from the UIF due to loss of income resulting from a period of leave or reduced working time, the employer is required to complete a UI2.7 form which indicating the type of leave or reduced working time, the starting and ending dates of the period of leave or reduced working time, and the amount of remuneration that will be paid to the employee during the period of leave or reduced working time. The same information can also be provided to the UIF by means of an export file containing the relevant information in a specified format (commonly known as the TERS file format).

Regardless of whether the employer prefers to print UI2.7 forms to enable employees to file individual claims with the UIF (either in person or online), or prefers to submit the relevant information to the UIF electronically via a TERS export file, the relevant employee's UIF Employment Status must first be updated on the payroll to indicate the nature and duration of the period of leave or reduced working time.

UPDATING EMPLOYEES' UIF EMPLOYMENT STATUS ON THE PAYROLL

When an employee goes on leave or reduced working time, this must be reported to the UIF on the monthly UI-19 declaration form by means of a UIF Employment Status code (a list of the individual codes and their meanings can be found on the UI-19 declaration form). On Intercode Payroll, an employee's UIF Employment Status for a month can be seen in the UIF Status column in the Monthly Totals section for the relevant month.

To view or update an employee's UIF Employment Status:

- Go to the Payroll section.
- Select Monthly Totals at the top left of the main window.
- On the calendar to the left of the main window, select the month in which the period of leave or reduced working time started (for the COVID-19 lockdown period this will be March 2020).



	Payroll No.	Surname : First Name	Known As	Payroll Month	Period Ending	UIF Status	UIF Status Date	ETI
<input type="checkbox"/>	00000001	Doe John	John	Mar 2020	2020/03/31	17	2020/03/27	
<input type="checkbox"/>	00000002	Doe Jane	Jane	Mar 2020	2020/03/31	17	2020/03/27	
<input type="checkbox"/>	00000003	Doe James	James	Mar 2020	2020/03/31	17	2020/03/27	

A UIF status code of 17 indicates that the employee is on reduced working time, which is the code that employers have been instructed to use for employees who want to claim from the UIF during the COVID-19 lockdown period. If an employee's UIF status is changed to indicate that the employee is on reduced working time, the starting and ending dates of the period of reduced working time must also be specified.

Note: The UIF Employment Status only needs to be updated for employees who are not being paid (or are being paid at less than their normal rate) during the lockdown period. Employees who are still receiving their full salaries cannot claim from the UIF and can therefore remain on "Active" status.

To update the UIF Employment Status of a single employee:

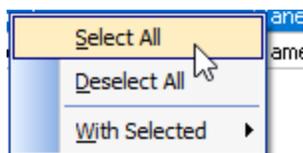
- In the Monthly Totals window, double-click on the employee's name to open the Monthly Total Details window.

UIF Declaration Details		Employment Tax Incentive	
Employment Status	17 : Reduced Working Time		
Employment Status Date	2020/03/27	Employment Status To	2020/04/16
Remuneration per Month	R 10 000.00	Remuneration on Leave	R 5 000.00
Non-contribution Reason			

- In the Monthly Total Details window, under the UIF Declaration Details tab, click the Employment Status drop-down and select the relevant status (e.g. 17: Reduced Working Time).
- In the Employment Status Date and Employment Status To fields, specify the starting and ending dates of the period of reduced working time.
- In the Remuneration per Month field, make sure that the **monthly equivalent** of the employee's usual remuneration has been specified.
Note: Intercode Payroll will automatically calculate the value of this field when the first payslip that falls in a particular month is first approved and closed, based on the employee's Standard Income and Work Schedule, but you can specify a different (user-defined) value if required.
- In the Remuneration on Leave field, specify the **monthly equivalent** of the remuneration that the employee will receive during the period of reduced working time. Seeing as this value will differ from one employee to the next (depending on what the employer decides), Intercode Payroll cannot automatically calculate this value for you, so you will have to specify it manually for each employee.
- Once all the relevant fields have been completed, click OK to close the window.

Alternatively, to update the UIF Employment Status of **multiple employees at once**:

- In the Monthly Totals window, right click in the area in the middle of the window. The following pop-up menu will be displayed:

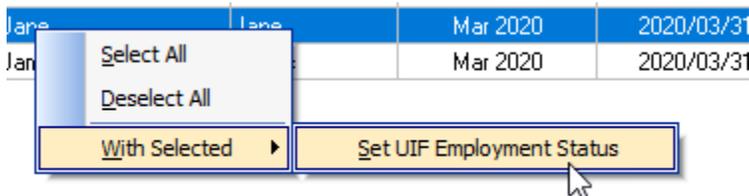


- Click Select All to select all the employees for the relevant month. Selected employees are identified by a tick-mark in the first column of the window.

Monthly Totals (March 2020)					
Print Reports ▾ Export ▾					
	Payroll No.	Surname : First Name	Known As	Payroll	
<input checked="" type="checkbox"/>	00000001	Doe John	John	Mar 2020	
<input checked="" type="checkbox"/>	00000002	Doe Jane	Jane	Mar 2020	
<input checked="" type="checkbox"/>	00000003	Doe James	James	Mar 2020	

You can select or deselect individual employees by clicking in the first column to tick or untick the checkbox in the first column.

- Once the relevant employees have been selected, right-click again and then select With Selected → Set UIF Employment Status from the resulting pop-up menu.



- The following window will be displayed.

Set UIF Employment Status

UIF Declaration Details

Employment Status: 17 : Reduced Working Time ▾
 Employment Status From Date: 2020-03-27 📅 ▾
 Employment Status To Date (If Known): 2020-04-16 📅 ▾

- Select the relevant Employment Status from the drop-down, specify the starting and ending date of the period of reduced working time, then click OK. The relevant details will then be updated for all the selected employees at once.

PRINTING UI.27 FORMS

Once all the relevant employees' UIF Employment Status have been updated, you can print UI2.7 forms (for employees who want to claim from the UIF directly) as follows:

- On the toolbar at the top of the Monthly Totals window, click Print Reports → UI2.7 Remuneration Received. This will open the Mass Capture UIF Remuneration window.

Payroll No.	Surname : First Name	Known As	Period Ending	UIF Status	Status From Date	Status To Date	Gross Remuneration	Leave Remuneration
00000001	Doe John	John	2020/03/31	17	2020/03/27	2020/04/16	R 20 000.00	R 10 000.00
00000002	Doe Jane	Jane	2020/03/31	17	2020/03/27	2020/04/16	R 10 000.00	R 5 000.00
00000003	Doe James	James	2020/03/31	17	2020/03/27	2020/04/16	R 5 000.00	R 3 500.00

Note: This window will only reflect employees whose UIF Employment Status have been updated to indicate that they were on leave or reduced working time in the relevant month. If all the relevant employees are not visible in this window, return to the previous step to update the relevant employees' UIF Employment Status.

- In the last two columns of the Mass Capture UIF Remuneration window, specify the monthly equivalent of each employee's usual gross remuneration as well as the monthly equivalent of the remuneration that the employee will receive during the period of leave or reduced working time.
- Once the relevant information has been specified, click Print UI2.7 Declaration at the bottom of the window.
- An individual UI2.7 Declaration will then be printed for each of the relevant employees, containing all the relevant information for the period of leave or reduced working time.



These will need to be signed (or stamped) by the employer before being handed out to the

relevant employees, who can then submit these forms (together with other required documentation) to the UIF when submitting individual claims.

CREATING THE UIF “TERS” EXPORT FILE (ALTERNATIVE TO UI2.7 FORMS)

Instead of employees having to submit hundreds of individual claims to the UIF, the UIF have made the Temporary Employer-Employee Relief Scheme (TERS) available to employers to submit bulk claims via an electronic export file containing information in a specific format which is sent to the UIF for processing. The TERS export file contains mostly the same information that would be present on an individual UI2.7 form, with the exception that the TERS export file also contains each employee’s banking details (where applicable) which would presumably enable the UIF to pay benefits directly into each employee’s bank account.

To generate the TERS export file:

- On the toolbar at the top of the Monthly Totals window, click Export → Electronic UIF Declaration (TERS Export). This will open the Mass Capture UIF Remuneration window.

Payroll No.	Surname : First Name	Known As	Period Ending	UIF Status	Status From Date	Status To Date	Gross Remuneration	Leave Remuneration
00000001	Doe John	John	2020/03/31	17	2020/03/27	2020/04/16	R 20 000.00	R 10 000.00
00000002	Doe Jane	Jane	2020/03/31	17	2020/03/27	2020/04/16	R 10 000.00	R 5 000.00
00000003	Doe James	James	2020/03/31	17	2020/03/27	2020/04/16	R 5 000.00	R 3 500.00

Note: This window will only reflect employees whose UIF Employment Status have been updated to indicate that they were on leave or reduced working time in the relevant month. If all the relevant employees are not visible in this window, return to the previous step to update the relevant employees’ UIF Employment Status.

- In the last two columns of the Mass Capture UIF Remuneration window, specify the monthly equivalent of each employee’s usual gross remuneration as well as the monthly equivalent of the remuneration that the employee will receive during the period of leave or reduced working time.
- Once the relevant information has been specified, click Generate TERS Export file at the bottom of the window. This will close the Mass Capture UIF Remuneration window and will open the Electronic UIF Declaration (TERS Export) wizard.
- On the first page of the Electronic UIF Declaration (TERS Export) wizard, enter the contact details of the person creating the file (the person who the UIF should contact regarding queries), then click Next to move to the next page of the wizard.

Electronic UIF Declaration (TERS Export)

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: March 2020

Declaration File Date: 2020-04-04

Declaration File Number: 1

Sector Minimum Wage: R 3 598.40

Validation Options

Ignore Missing UIF Status Ending Dates

Replace Missing ID Numbers with Passport or Other Number

Help < Back Next > Cancel

- On the Declaration Details page, specify the Declaration File Date (usually the current date).
- Specify the Declaration File Number. This number should be incremented by 1 for each consecutive file that is submitted to the UIF for the same employer **on the same day**. If this is the first file being submitted to the UIF for this employer on this day, leave the file number as 1.
- Specify the monthly equivalent of the minimum wage applicable to the employer’s labour sector. The value of this field will default to R 3 598.40, which is the monthly equivalent of the latest National Minimum Wage (R20.76 x 40 hours per Week x 52 Weeks per Year, divided by 12 months).
- Leave the option to “Ignore Missing UIF Status Ending Dates” unticked. This option is provided only for future use with leave types where the ending date of the leave period might not be known.
- The option to “Replace Missing ID Numbers with Passport or Other Number” has been provided to stop records for employees without ID numbers from being rejected by the UIF. If this option is ticked and an employee does not have a South African ID, Intercode Payroll will export the employee’s passport or other number in the ID number field instead. Currently it’s still unclear whether the UIF’s system will allow for this, so leave the option unticked for now. The option has only been provided so that it could be used if it becomes necessary at a later stage.

- Once all the relevant information has been completed, click Next to validate the relevant employees' information. If any errors are found in the employee information for the relevant month, an "Error" page will be displayed from where you will be able to print an error report containing a list of errors that failed validation. Print the report, close the wizard, correct the errors and then start this process again.
- If no errors were found during the validation process, the export file will be created and saved to your computer's hard disk drive and you will then be taken to a "Export Completed" page from where you can print a summary of the details contained in the export file.

Electronic UIF Declaration (TERS Export)

Export Completed

Your electronic declaration file has been successfully created and has been saved to your computer's hard disk. Remember that you must still send the declaration file to the UIF via e-mail.

Print Export Summary

Print Export Summary Only

Print Export Summary and Declaration Details

Print Export Summary

Help < Back Next > Finish

- Once you have printed the summary, click Finish to close the wizard.
- You will be presented with an option to email the export file that was just created to the UIF automatically.

Intercode Payroll

Do you want to send your electronic declaration file for March 2020 to the UIF via e-mail now?

Yes No

If you click “Yes”, a new email message with the export file already attached will be opened in your default Windows email program, from where it can be sent to the UIF.

Note: If you do not use a Windows-based email program or if you want to send the export file to the UIF manually, you can easily locate the export file by selecting File → Open Folder → Exported Files from the Intercode Payroll main menu. This will open the folder on your computer’s hard drive where the export file is located, from where it can be sent to the UIF manually (the export file will be called “XXXXXXXX_DDMMYYYY_001.csv”, where XXXXXXXX will be the employer’s UIF registration number followed by the date and the export file number).

The TERS export file is created with a “.csv” extension as is required by the UIF’s file specification, but please do not attempt to edit the file in Excel. Even though the UIF requires a “.csv” extension, the file’s content is not actually “comma separated” as the extension would suggest (the fields are separated by “pipe” characters) and therefore will **not display correctly in Excel**. Though this is a poor design choice by the UIF, there is nothing we can do about it. If you feel that you absolutely have to view or edit the export file for some reason, rather open it in a simple text editor like Notepad or Notepad ++.

IMPORTANT: Intercode does not have any control over the UIF’s internal processes. Once the TERS file has been sent to the UIF it is out of our hands. Please **DO NOT** contact the Intercode support desk with queries related to when the UIF will pay benefits to your employees, why you didn’t receive a response from the UIF after submitting your file, which account the UIF benefits will be paid to, how much the benefit values will be, or any other queries that Intercode does not have direct control over. Intercode can assist you with creating the export file in the required format, but nothing more. For any queries related to the UIF benefit payment process, please contact the UIF directly.

ADDITIONAL EMPLOYMENT TAX INCENTIVE TAX RELIEF (APRIL 2020 to JULY 2020)

The Draft Disaster Management Tax Relief Bill which was published on 01 April 2020 proposes certain changes to the Employment Tax Incentive Act, 2013 in order to mitigate the impact of the COVID-19 pandemic on employers.

In short, the Bill proposes to:

- Increase the maximum ETI that an employer can claim in respect of employees between the ages of 18 and 29 during the first 24 qualifying months (see table below).
- Add an additional incentive for employees who would otherwise not qualify because they have already reached the maximum of 24 qualifying months.

- Add an additional incentive for employees who would otherwise not qualify because they fall outside the normal qualifying age range (normally 18 to 29 years old).

Note that in all cases the proposed changes will come into effect on **01 April 2020** and will remain in effect only up to **31 July 2020**.

The following tables shows the maximum ETI that can usually be claimed, versus the maximum ETI that can normally be claimed from April 2020 to July 2020.

During the **first 12** qualifying months:

Monthly Remuneration	Monthly ETI Claimable (Normal)	Monthly ETI (April – July 2020)
Less than R 2 000.00	50% of Remuneration	R 500.00 + 50% of Remuneration
R 2 000.00 to R 4 500.00	R 1 000.00 (Fixed)	R 1 500.00 (Fixed)
R 4 500.00 to R 6 500.00	$R 1\,000.00 - (0.5 \times (\text{Remun} - R\,4\,500.00))$	$R 1\,500.00 - (0.75 \times (\text{Remun} - R\,4\,500.00))$
More than R 6 500.00	R 0.00	R 0.00

During the **second 12** qualifying months:

Monthly Remuneration	Monthly ETI Claimable (Normal)	Monthly ETI (April – July 2020)
Less than R 2 000.00	25% of Remuneration	R 500.00 + 25% of Remuneration
R 2 000.00 to R 4 500.00	R 500.00 (Fixed)	R 1 000.00 (Fixed)
R 4 500.00 to R 6 500.00	$R 500.00 - (0.25 \times (\text{Remun} - R\,4\,500.00))$	$R 1\,000.00 - (0.50 \times (\text{Remun} - R\,4\,500.00))$
More than R 6 500.00	R 0.00	R 0.00

Employees who have reached the maximum of 24 qualifying months or whose ages are between **30** and **65** in any month from April 2020 to July 2020:

Monthly Remuneration	Monthly ETI Claimable (Normal)	Monthly ETI (April – July 2020)
Less than R 4 500.00	R 0.00	R 500.00
R 4 500.00 to R 6 500.00	R 0.00	$R 500.00 - (0.25 \times (\text{Remun} - R\,4\,500.00))$
More than R 6 500.00	R 0.00	R 0.00

Intercode Payroll will automatically apply the new rules when calculating the ETI amounts for payroll months from April 2020 to July 2020 and will then automatically revert back to the normal calculation rules from August 2020 onwards. There is no need for you to change anything on your payroll.

IMPORTANT: Due to time constraints, these changes have been implemented in Intercode Payroll even though the changes to the Employment Tax Incentive Act have not yet been signed into law (the Bill is still in draft form). Though we expect the Bill to be signed into law largely “as is”, we cannot rule out the possibility of changes being made to the Bill before it is promulgated. If that happens it might become necessary for Intercode to release another software update at a later date, but we felt it was worth the risk in order to get the ETI changes implemented and into the hands of employers as soon as possible. We will keep you updated if any subsequent changes to the Bill do occur.

Employers Not Eligible for Additional ETI Tax Relief

Please note that the proposed ETI tax relief will only be available to employers who were registered with SARS for PAYE purposes before 01 March 2020. Employers who only registered with SARS on or after 01 March 2020 **do not qualify** and may therefore not take the additional tax incentive into account.

An employer who only registered with SARS on or after 01 March 2020 must indicate this on the Employer Setup Wizard (Setup → Employer Details) in Intercode Payroll by ticking the relevant checkbox as is shown in the screenshot below.

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 only registered with SARS for PAYE purposes on or after 01 March 2020.
(i.e. The employer is not eligible for additional COVID-19 tax relief in terms of the ETI Act)
- This employer operates through a fixed place of business located within a Special Economic Zone
Economic Zone

Help < Back Next > Cancel

If this option is ticked, Intercode Payroll will still calculate the ETI value that the employer would normally have been entitled to (if any) for the months of April to July 2020, but will **not allow** the **additional** ETI tax relief introduced by the Draft Disaster Management Tax Relief Bill.

Monthly ETI Refunds from SARS

The Draft Disaster management Tax Relief Bill also proposes changes to section 10 of the Employment Tax Incentive Act which would result in SARS paying ETI refunds (where applicable) to employers at the end of each month, instead of at the end of every six months as is currently the case. The intention is to get the money into the hands of struggling employers quicker. How exactly this process will work is not

yet clear, and we'll have to wait for SARS to clarify the process before any changes to the payroll can be made.

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.