

## INTERCODE PAYROLL V5.10.1 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.

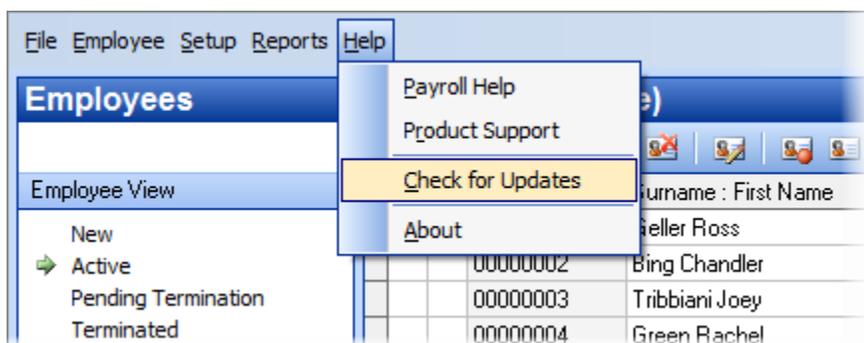
### HOW TO INSTALL THE LATEST VERSION OF INTERCODE PAYROLL

There is no need to uninstall your current version of Intercode Payroll before installing a newer version of the software.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

### CHANGES TO ACCOMMODATE ACCELERATED ETI REFUNDS IN TERMS OF THE DMTR BILL

In terms of section 10 of the Employment Tax Incentive Act 2013, any excess ETI that was available to an employer to claim but that was not claimed, must be refunded to the employer by SARS at the end of each period for which the employer was required to render a return in terms of paragraph 14(3)(a) of the Fourth Schedule to the Income Tax Act. In practical terms this means that SARS will normally refund any unused ETI to the employer every six months, at the end of August and February of each year.

The Disaster Management Tax Relief (DMTR) Bill 2020 proposes to amend section 10 of the ETI Act 2013 to temporarily change the frequency of ETI refunds from six-monthly to monthly, in order to get tax relief funds into the hands of employers as soon as possible. How exactly SARS will process the monthly refunds remains to be seen, but that is an internal SARS administrative process and is outside the scope of the payroll. The important thing to note here is that since SARS will be refunding any unused ETI to employers on a monthly basis, SARS will **not** carry any ETI amounts forward from one month to the next on the employer's monthly EMP201 returns during the four-month tax relief period from April to July 2020, so the payroll must not do so either.

This change has now been built into Intercode Payroll (V5.10.1 or later) and will be applied automatically (there is no need for you to change anything on your payroll). If there are any unused ETI amounts on your payroll at the end of April, May, June or July 2020, Intercode Payroll will **not** carry the unused ETI forward to the next month like it usually would, as it will now be assumed that the excess would have been refunded to the employer by SARS immediately when the previous month's EMP201 return was submitted to SARS.

When printing the EMP201 return for May, June, July or August 2020, the ETI Brought Forward field on the EMP201: Employment Tax Incentive window will therefore be zero.

**EMP201 : Employment Tax Incentive**

Employment Tax Incentive Calculation

ETI Brought Forward  R 0.00

ETI Calculated for This Month R 2 500.00

ETI Total ( Available to be Used ) R 2 500.00

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PAYE Liability

Total PAYE Liability R 0.00

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Employment Tax Incentive Utilised

ETI Utilised This Month

Utilise Maximum Allowable ETI

OK Cancel

This will also be the evident when printing the ETI Reconciliation for months ending after May 2020, where the opening balances (i.e. ETI brought forward) will be zero for May to August 2020.

**ETI RECONCILIATION**  
New Employer (Unregistered)

Payroll Month	Opening Balance	Total ETI for Month	Total Available ETI	Total PAYE	ETI Claimed	ETI Balance	ETI Reimbursed	ETI Forfeited	Closing Balance
2020 03	R 0.00	R 1 000.00	R 1 000.00	R 0.00	(R 0.00)	R 1 000.00	(R 0.00)	(R 0.00)	R 1 000.00
2020 04	R 1 000.00	R 2 500.00	R 3 500.00	R 0.00	(R 0.00)	R 3 500.00	(R 0.00)	(R 0.00)	R 3 500.00
2020 05	R 0.00	R 2 500.00	R 2 500.00	R 0.00	(R 0.00)	R 2 500.00	(R 0.00)	(R 0.00)	R 2 500.00
2020 06	R 0.00	R 2 500.00	R 2 500.00	R 0.00	(R 0.00)	R 2 500.00	(R 0.00)	(R 0.00)	R 2 500.00
2020 07	R 0.00	R 2 500.00	R 2 500.00	R 0.00	(R 0.00)	R 2 500.00	(R 0.00)	(R 0.00)	R 2 500.00
2020 08	R 0.00	R 1 000.00	R 1 000.00	R 0.00	(R 0.00)	R 1 000.00	(R 0.00)	(R 0.00)	R 1 000.00
2020 09	R 0.00	R 1 000.00	R 1 000.00	R 0.00	(R 0.00)	R 1 000.00	(R 0.00)	(R 0.00)	R 1 000.00
2020 10	R 1 000.00	R 1 000.00	R 2 000.00	R 0.00	(R 0.00)	R 2 000.00	(R 0.00)	(R 0.00)	R 2 000.00
ETI Closing Balance as at the end of October 2020 :									R 2 000.00

IMPORTANT: It is not clear at this point whether SARS will continue to process ETI refunds on a monthly basis after the end of the COVID-19 relief period, or whether they will once again revert to six-monthly refunds. As things stand currently, Intercode Payroll will automatically revert to carrying unused ETI amounts forward from one month to the next as of September 2020 onwards (August would have been a “refund month” anyway). If necessary, we will issue another update once SARS’s future intentions become clear.

**CAUTIONARY NOTICE: “REMUNERATION WHILE ON LEAVE” (UI2.7 AND TERS EXPORT)**

In our previous release notes (Intercode Payroll V5.10.0) we stated that when submitting claims to the UIF either via the manual UI2.7 Declarations or via the TERS export, the “Leave Remuneration” field should reflect the **monthly equivalent** of the remuneration paid to the employee during the period of leave or reduced working time.

Mass Capture UIF Remuneration (March 2020)

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 4 000.00	R 2 000.00
00000002	Doe Jane	Jane	2020/03/31	17	2020/03/27	2020/04/16	R 4 000.00	R 2 000.00
00000003	Doe James	James	2020/03/31	17	2020/03/27	2020/04/16	R 4 000.00	R 0.00

That statement was based on the best information we had available to us at the time, but following lots of back-and-forth discussions with the UIF, it has become apparent that there is significant confusion both amongst payroll providers and the UIF themselves as to whether that field should contain the **monthly equivalent** of the remuneration paid to the employee during the period of leave or reduced working time, or whether it should contain the remuneration paid to the employee in respect of the period of leave or reduced working time **only**.

As at the time of publishing this document we still don’t have a definitive answer from the UIF, and at the moment we **cannot say with certainty** exactly what the UIF wants in that field, or exactly how it should be calculated. We are still of the opinion that the field should reflect the monthly equivalent of the leave remuneration paid to the employee as we previously stated, but that is **our opinion only**, and it may turn out to be wrong.

If you have not yet submitted claims to the UIF but are still planning to do so, we suggest that you wait until such time as the UIF have completed their online submission system ([www.labour.gov.za](http://www.labour.gov.za)) which will hopefully provide better guidance, or until we receive a reliable answer from them. If you want to submit claims to the UIF in the meantime, we strongly urge you to do your own research and use your own judgement when deciding which value to reflect in the “Leave Remuneration” field. We will issue an update as soon as we have more reliable information.

## PREFERRED PAYMENT MEDIUM (UIF TERS EXPORT)

A New field has been added to the Electronic UIF Declaration (TERS Export) wizard to indicate the preferred payment medium for the payment of UIF benefits to employees.

Electronic UIF Declaration (TERS Export)

### Declaration Details

Complete the relevant fields below. The declaration file number should be incremented by 1 for each consecutive file that is submitted to the UIF on the same day.

Payroll Month	March 2020
Declaration File Date	2020-04-13
Declaration File Number	1
Sector Minimum Wage	R 3 598.40
Preferred Payment Medium	Pay to Employee

Validation Options

- Ignore Missing UIF Status Ending Dates
- Ignore Missing Employer PAYE Reference Number
- Replace Missing ID Numbers with Passport, Permit or Other Number
- Include Forward Slash Character in UIF Reference Number in Export File

Help < Back Next > Cancel

The following options are available:

- **Pay to Employee:** Select this option to indicate to the UIF that benefits should be paid directly into the employee's bank account (where applicable). If this option is selected, the Preferred Payment Medium field in the export file will be set to "1" (Pay to Employee) for all employees who have bank accounts (i.e. who are usually paid via EFT), but will still be set to "2" (Pay to Employer) for those who do not.
- **Pay to Employer:** Select this option to indicate to the UIF that benefits should be paid into the employer's bank account, from where the employer will then distribute the benefits to the relevant employees. This option might require that the employer create a new bank account (or clear an existing account) into which the benefits can be paid. If this option is selected, the Preferred Payment Medium field in the export file will be set to "2" (Pay to Employer) for all employees, regardless of whether or not they have bank accounts.

- Pay to Council: Select this option to indicate to the UIF that benefits should be paid into a bargaining council's bank account, from where the bargaining council will then distribute the benefits to the relevant employees. This option will require that the bargaining council create a new bank account into which the benefits can be paid. If this option is selected, the Preferred Payment Medium field in the export file will be set to "3" (Pay to Council) for all employees, regardless of whether or not they have bank accounts.

Note: The *Preferred Payment Medium* field was only introduced into the export file specification around the 5th of April 2020. The original specification that was sent to employers via email before that date did not include this field, so we can only assume that the UIF's systems will accept files that were created in the earlier format (before this field was introduced) as well. For safety sake however, we would suggest that if you need to resubmit files that were created in the earlier format, you rather recreate those file using the latest format (including the preferred payment medium) before submitting the file to the UIF.

### IGNORE MISSING PAYE REFERENCE NUMBERS (UIF TERS EXPORT)

A New option has been added to the Electronic UIF Declaration (TERS Export) to ignore missing employer PAYE reference numbers.

Electronic UIF Declaration (TERS Export)

## Declaration Details

Complete the relevant fields below. The declaration file number should be incremented by 1 for each consecutive file that is submitted to the UIF on the same day.

Declaration Details

Payroll Month	March 2020
Declaration File Date	2020-04-13
Declaration File Number	1
Sector Minimum Wage	R 3 598.40
Preferred Payment Medium	Pay to Employee

Validation Options

- Ignore Missing UIF Status Ending Dates
- Ignore Missing Employer PAYE Reference Number
- Replace Missing ID Numbers with Passport, Permit or Other Number
- Include Forward Slash Character in UIF Reference Number in Export File

Help < Back Next > Cancel

Tick this option only if the employer is not registered with SARS for PAYE. If this option is ticked, the validation process will not produce error as a result of a missing PAYE reference number (i.e. if a PAYE reference number has not been specified in the employer details), but will still produce an error if a PAYE reference number has been specified in the employer details and the specified number is not a valid PAYE reference number.

### **INCLUDE FORWARD SLASH IN UIF REFERENCE NUMBER (UIF TERS EXPORT)**

A new option has been added to the electronic UIF Declaration (TERS Export) wizard to indicate whether or not the forward slash character that forms part of the employer's UIF reference number should be included in the UIF reference number that is written to the TERS export file.

**Electronic UIF Declaration (TERS Export)**

### Declaration Details

Complete the relevant fields below. The declaration file number should be incremented by 1 for each consecutive file that is submitted to the UIF on the same day.

Declaration Details	
Payroll Month	March 2020
Declaration File Date	2020-04-13
Declaration File Number	1
Sector Minimum Wage	R 3 598.40
Preferred Payment Medium	Pay to Employee

Validation Options

- Ignore Missing UIF Status Ending Dates
- Ignore Missing Employer PAYE Reference Number
- Replace Missing ID Numbers with Passport, Permit or Other Number
- Include Forward Slash Character in UIF Reference Number in Export File

Buttons: Help, < Back, Next >, Cancel

If this option is ticked (which is now the default), the forward slash character will be included in the employer's UIF reference number that is written to the TERS export file (e.g. 1234567/8), and if this option is not ticked, it will not (e.g. 12345678).

Note: The reason we have provided an option here instead of just "hard-coding" the rule to always include the forward slash character in UIF reference number in the TERS export file is only because we have been receiving a lot of conflicting information from the UIF over the past few weeks. By providing

an option, there won't be a need to release another update if the UIF should change their minds again regarding the forward slash character somewhere down the road.

### **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.