

# INTERCODE PAYROLL V5.10.3 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.

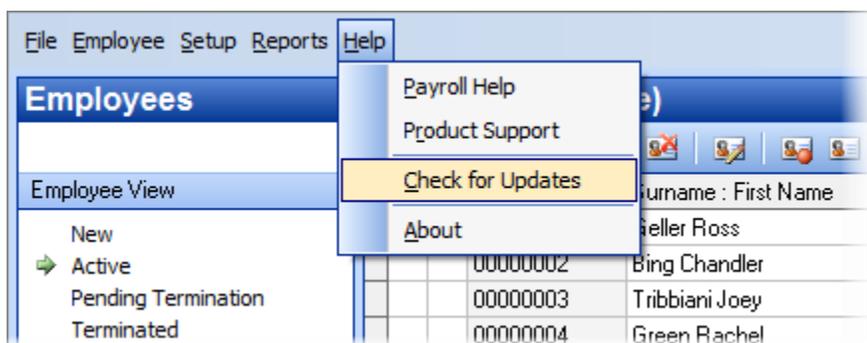
## HOW TO INSTALL THE LATEST VERSION OF INTERCODE PAYROLL

There is no need to uninstall your current version of Intercode Payroll before installing a newer version of the software.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 EXPANDED ETI FORMULAS - SECOND DRAFT OF THE DMTR BILL

As mentioned in the Intercode Payroll V10.5.2 release notes, on 21 April 2020 the President announced a second increase in the amount of expanded employment tax incentive that can be claimed in respect of qualifying employees for the months of April to June 2020, from R 500.00 to R 750.00 per employee. A second draft of the Disaster Management Tax Relief Bill which included this increase was subsequently published by National Treasury on 01 May 2020.

Among the changes introduced in the second draft of the DMTR Bill however was not only the change in the amount of expanded ETI from R 500.00 to R 750.00, but also a change in the "sliding scale" formula that must be used to calculate the value of the ETI in respect of employees who earn between R 4500.00 and R 6500.00 per month.

The additional changes to the ETI formulas introduced in the second draft of the DMTR Bill on 01 May 2020 are as follows:

For "normally qualifying" employees during the first 24 qualifying months:

Monthly Remuneration	ETI (First 12 Months)	ETI (Next 12 Months)
R 0.00 - R 1 999.99	<b>R 750.00</b> + (50% of Remuneration)	<b>R 750.00</b> + (25% of Remuneration)
R 2 000.00 - R 4 499.99	<b>R 1 750.00</b>	<b>R 1 250.00</b>
R 4 500.00 - R 6 499.99	<b>R 1 750.00</b> – (0.875 x (Remuneration – R 4 500.00))	<b>R 1 250.00</b> – (0.625 x (Remuneration – R 4 500.00))
R 6 500.00 or more.	R 0.00	R 0.00

For “newly qualifying” employees:

Monthly Remuneration	Ages 30 - 65 Years (April 2020 to July 2020)	Qualifying Month No. 25 - 28 (April 2020 to July 2020)
R0.00 - R 4 499.99	<b>R 750.00</b>	<b>R 750.00</b>
R 4 500.00 - R 6 499.99	<b>R 750.00</b> – (0.375 x (Remuneration – R 4 500.00))	<b>R 750.00</b> – (0.375 x (Remuneration – R 4 500.00))
R 6 500.00 or more.	R 0.00	R 0.00

For those who are interested in the exact wording of the amendments to the ETI Act, the second draft of the Disaster Management Tax Relief Bill in which these amendments are proposed can be found on National Treasury’s web site at: <http://www.treasury.gov.za/public%20comments/Covid19%20Bills/>

Even though these changes to the expanded ETI formulas were only published in the second draft of the DMTR Bill on 01 May 2020, the effective date of these changes is **backdated to 01 April 2020** in the Bill. As a result, any ETI amounts that have already been calculated in respect of qualifying employees for April 2020 using the first draft of the formulas, **will have to be recalculated** using to the second draft of the formulas before submitting your April 2020 EMP201 return to SARS. We understand that this could cause considerable inconvenience and for this we apologise, but regrettably we have no control over the legislation drafted by National Treasury or the “effective dates” they impose.

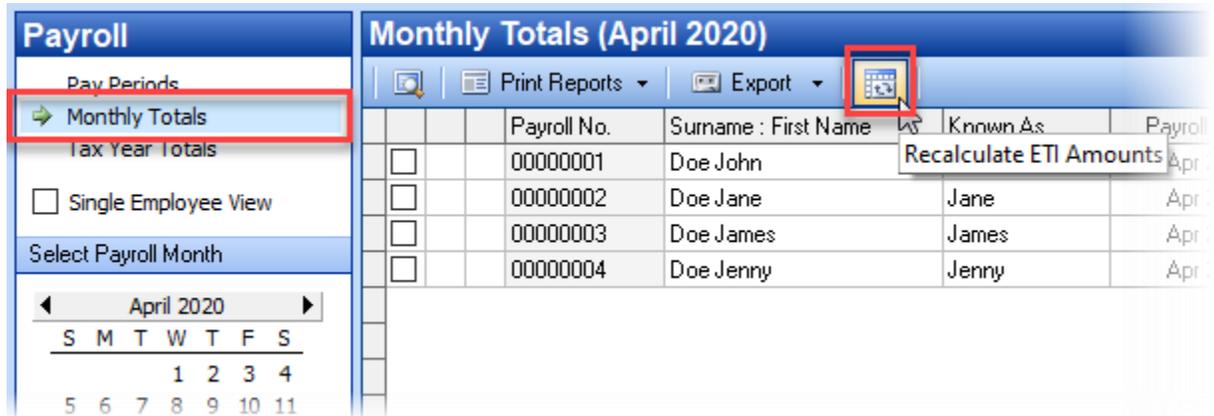
**Note:** The changes to the expanded ETI formulas affect only employees who earn between R 4500.00 and R 6500.00 per month (i.e. where the “sliding scale” calculation is used). For employees earning less than R 4500.00 per month, the ETI amounts for April will remain unchanged.

### Recalculating the ETI amounts for April 2020 (If Applicable)

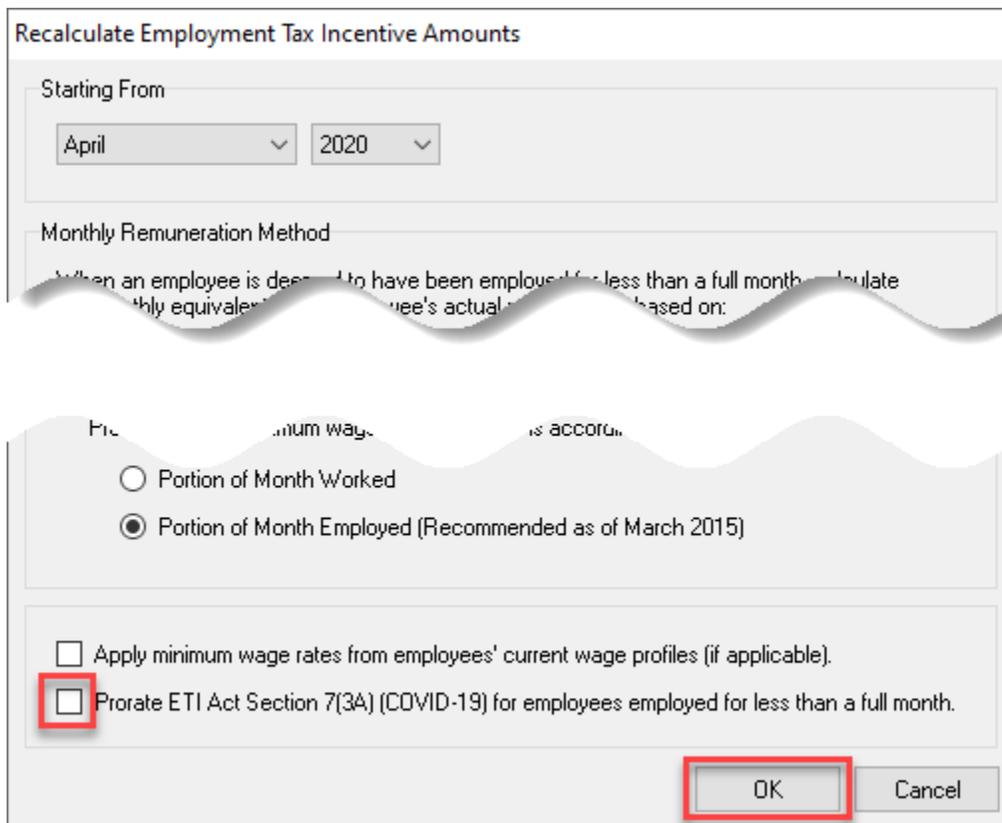
To recalculate the ETI in respect of your April 2020 payslips:

- Go to the Payroll section.
- Select Monthly Totals at the top left of the window.

- Select the relevant month on the calendar to the left of the window.
- On the toolbar at the top of the window, click Recalculate ETI Amounts.



- In the Recalculate Employment Tax Incentive window, make sure that the option to Pro Rate ETI Act Section 7(3A) is **NOT** ticked, then click OK.



This will recalculate the ETI amounts for qualifying employees (if any) from April 2020 onwards according to the new formulas introduced in the second draft of the DMTR Bill.

Once the ETI amount have been recalculated, print your EMP201 Return Summary as usual and submit your EMP201 return to SARS.

**IMPORTANT:** If you have **already** submitted your April 2020 EMP201 return to SARS you must still install this update and recalculate your April 2020 ETI amount as described above. Once this has been done, reprint the EMP201 Return Summary from Intercode Payroll for April 2020 and compare it to the EMP201 return you submitted to SARS. If the ETI Calculated or ETI Utilised amounts are different, you will either have to submit a Request for Correction on e-Filing to correct the ETI amounts on your April 2020 EMP201 return, or alternatively you could reduce the ETI Calculated amount on your next (i.e. May 2020) EMP201 return by the same amount as was over-declared on your April 2020 EMP201 return in order to make up the difference.

**Note:** The second draft of the Disaster management Tax Relief Bill also includes proposed changes to the criteria for who is a qualifying employee (based on appointment date) as well as proposed changes to how and when the minimum wage requirements apply, but these proposed changes will only be implemented in Intercode Payroll once the legislation has been finalised (the Bill is still in draft form at the moment). We will keep you updated as more information becomes available.

#### **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.