

# INTERCODE PAYROLL V5.11.0 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.

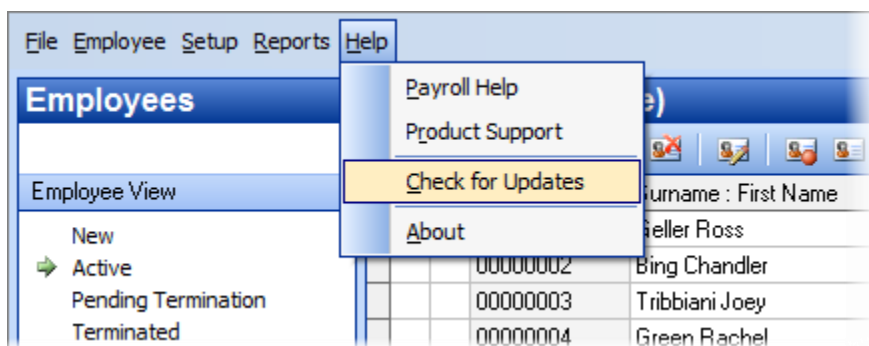
## HOW TO INSTALL THE LATEST VERSION OF INTERCODE PAYROLL

There is no need to uninstall your current version of Intercode Payroll before installing a newer version of the software.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](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 - THIRD DRAFT OF THE DMTR BILL

On 19 May 2020, National Treasury published the third revision of the Draft Disaster Management Tax Relief Bill on their web site at [www.treasury.gov.za](http://www.treasury.gov.za). This draft once again makes changes to the formulas used to calculate the Employment Tax Incentive during the COVID-19 relief period and also expands the definition of a "qualifying employee" to broaden the scope of the tax relief available to employers.

The changes to the Employment Tax Incentive calculations introduced in the third draft of the DMTR Bill on 19 May 2020 are as follows:

- The requirement to "gross up" the actual remuneration paid to a qualifying employee to a monthly equivalent before applying the ETI formula has been removed, effective from 01 May 2020 to 31 July 2020.
- The default minimum qualifying wage of R 2000.00 per month that normally applies to employers who are not subject to a wage regulating measure and are exempt from the National Minimum Wage Act has been removed, effective from 01 May 2020 to 31 July 2020.

- The requirement that an employee had to have been appointed by the employer (or by an associated employer) on or after 01 October 2013 to qualify for ETI has been removed, effective from 01 April 2020 to 31 July 2020.
- The formulas used to calculate the amount of ETI an employer can claim in respect of a qualifying employee have been changed, effective from 01 April 2020 to 31 July 2020.
- The requirement that the amount of ETI that an employer can claim in respect of a qualifying employee in a month must be prorated if the employee was employed and paid remuneration for less than 160 hours in a month now applies to “expanded” ETI (section 7(3A) of the Act) as well, effective from 01 April 2020 to 31 July 2020.

The formulas that must be used to calculate the amount of ETI that may be claimed in respect of a “normally” qualifying employee during the COVID-19 relief period are now as follows:

Monthly Remuneration	ETI (First 12 Months)	ETI (Next 12 Months)
R 0.00 - R 1 999.99	<b>87.5%</b> of Remuneration	<b>62.5%</b> 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 – (0.875 x (Remuneration – R 4 500.00))</b>	<b>R 1 250.00 – (0.625 x (Remuneration – R 4 500.00))</b>
R 6 500.00 or more.	R 0.00	R 0.00

The formulas that must be used to calculate the amount of ETI that may be claimed in respect of a “newly” qualifying employee during the COVID-19 relief period are now as follows:

Monthly Remuneration	Ages 30 - 65 Years (April 2020 to July 2020)	Qualifying Month No. 25 - 28 (April 2020 to July 2020)
<b>R 0.00 - R 1 999.99</b>	<b>37.5%</b> of Remuneration	<b>37.5%</b> of Remuneration
R 2 000.00 - 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 – (0.375 x (Remuneration – R 4 500.00))</b>	<b>R 750.00 – (0.375 x (Remuneration – R 4 500.00))</b>
R 6 500.00 or more.	R 0.00	R 0.00

Even though these changes to the expanded ETI formulas were only published in the revised draft of the DMTR Bill on **19 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 (or later) using the previous draft of the formulas, **will have to be recalculated** according to the new formulas. **This recalculation will be done automatically** whenever an employer file is opened for the first time following the installation of this update. Depending on the size of your employer file, you might see a message informing you of the progress of the recalculation of the employment tax

incentive (for smaller files the process might be too quick to see). If you see a message informing you that the employment tax incentive is being recalculated, you can simply for this process to complete.

**IMPORTANT:**

Once the ETI amounts from April onwards have been recalculated, reprint the EMP201 Return Summary for April 2020 from Intercode Payroll and compare it to the April 2020 EMP201 return you submitted to SARS.

- If the ETI Calculated on Intercode Payroll is now **higher** than the ETI that was declared on the April 2020 EMP201 return submitted to SARS, you can simply add the amount of ETI that was under-claimed in April to the ETI Calculated and ETI Utilised fields on your May 2020 EMP201 return before submitting that return to SARS.
- If the ETI Calculated on Intercode Payroll is now **lower** than the ETI that was declared on the April 2020 EMP201 return however, you will have to submit a “request for correction” on e-Filing or Easy-File to reopen you April EMP201 return, correct the values of the ETI Calculated and ETI Utilised fields on that return, then resubmit the revised return to SARS.

Note: If (after the recalculation) the ETI Calculated on Intercode Payroll is now lower than the ETI that was declared on the April 2020 EMP201 return you could *in theory* then simply have *decreased* the ETI Calculated on Intercode Payroll for May 2020 by the same amount as was over-declared in April 2020 on your May 2020 EMP201 return before submitting it to SARS (effective making up for the amount that was over-declared in April on the May return), but SARS’s standard processes and procedures requires that employers amend and resubmit the relevant EMP201 return in instances where ETI was over-declared, so that is the process that Intercode is recommending to employers as well.

**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.