INTERCODE PAYROLL V5.15.0 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.

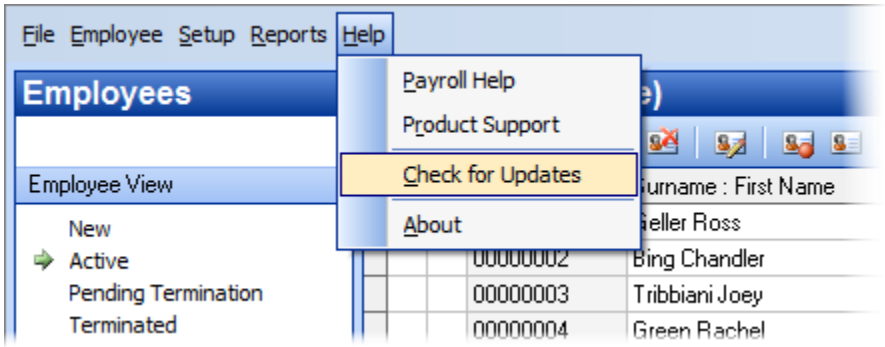
HOW TO INSTALL THE LATEST VERSION OF INTERCODE PAYROLL

There is no need to uninstall your current version of Intercode Payroll before installing a newer version of the software.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

2022-2023 Tax Tables

Intercode Payroll V5.15 includes the 2022-2023 tax tables as announced in the national budget speech on Wednesday 23 February 2022. Once this update has been installed, you will be able to do a payroll run into March 2022. Apart from updating the fund member category factors linked to your retirement fund deductions (see instructions later in this document) there is no need for any special year-end processing. You can just do a normal payroll run into March as you would for any other pay period.

To view the tax tables, tax rebates, tax thresholds and other relevant information for the 2022-2023 tax year, select *Setup* → *Tax Year Setup* from the Intercode Payroll main menu.

National Minimum Wages Increased

As per Government Gazette 45882 published on 07 February 2022, the new national minimum wages in terms of the National Minimum Wage Act 2018 are:

- R23.19 per hour for general workers.
- R23.19 per hour for farm workers.
- R23.19 per hour for domestic workers.
- R12.75 per hour for employees engaged in expanded public works programs.

These new national minimum wages will come into effect on **01 March 2022** and will be updated on Intercode Payroll automatically as part of this update.

Employment Tax Incentive and the New National Minimum Wage

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

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.

Section 4(3) of the Employment Tax Incentive Act 2013 reads:

For the purposes of this section "wage regulating measure" means:

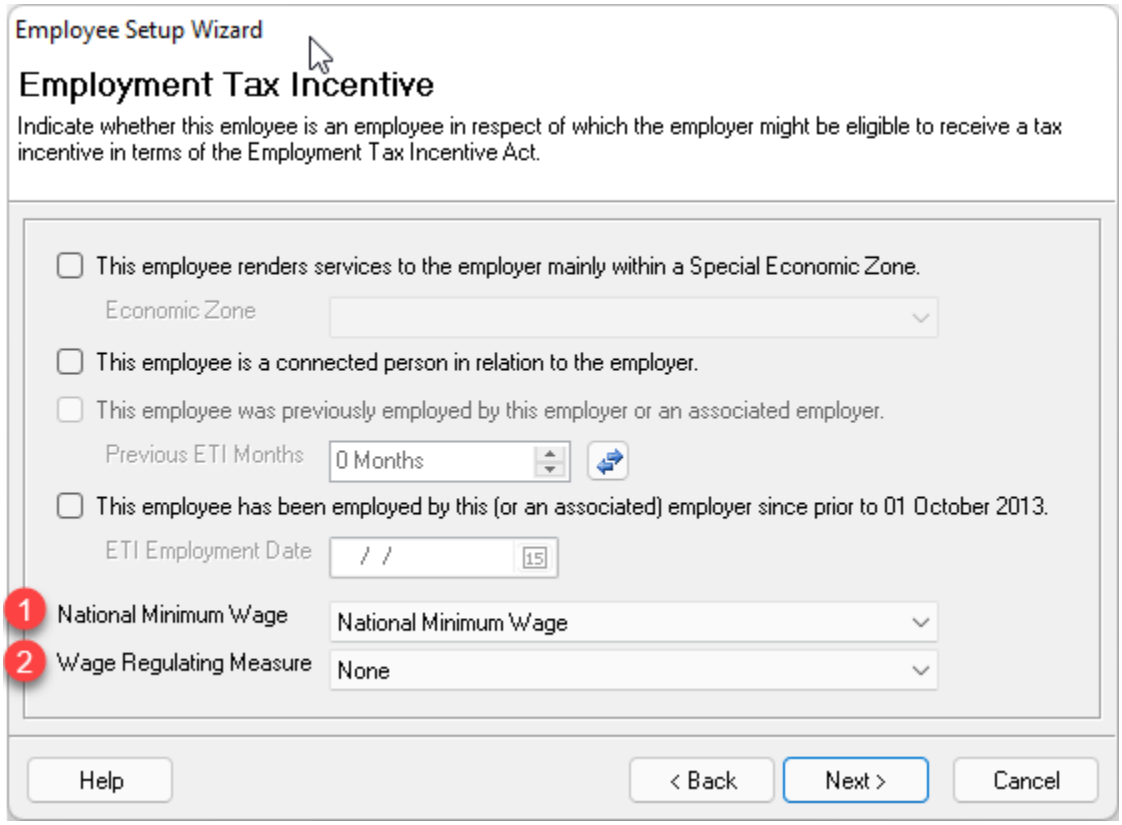
a) a collective agreement as contemplated in section 23 of the Labour Relations Act; or
b) a sectoral determination as contemplated in section 51 of the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997); or

c) *a binding bargaining council agreement as contemplated in section 31 of the Labour Relations Act, including where such agreement is extended by reason of a determination of the Minister of Labour in terms of section 32 of that Act.*

This means that for an employer to claim the employment tax incentive in respect of an employee, the employer must 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.

In the past, Intercode Payroll made use of a single *Wage Profile* that was assigned to an employee to determine the minimum wage payable to that employee for the employee to qualify for ETI. The list of available wage profiles contained both the predefined National Minimum Wage rates as well as any user-defined minimum wage rates in terms of collective agreements, sectoral determinations or bargaining council agreements. It was left to the payroll administrator to determine which of the National Minimum Wage or the minimum wage in terms of a wage regulating measure (if applicable) was higher, and to then link the wage profile representing the higher of the two rates to the employee manually.

As of Intercode Payroll V5.15 a new field has been added to the *ETI Details* page of the *Employee Setup Wizard* to indicate the *National Minimum Wage* that is applicable to an employee, and the existing *Wage Profile* field has been renamed to *Wage Regulating Measure*, as is shown below.



Going forward, the minimum wage that is applicable to an employee in terms of the Employment Tax Incentive Act will now be determined by both the *National Minimum Wage* and the *Wage Regulating Measure* (if any) that is linked to the employee. Intercode Payroll will now automatically determine the higher of the two rates and will use that rate as the minimum wage rate for the relevant employee to qualify for ETI. If neither a *National Minimum Wage* nor a *Wage Regulating Measure* has been linked to an employee, Intercode Payroll will use the default ETI minimum wage of R 2 000.00 per month.

IMPORTANT:

As part of this upgrade, Intercode Payroll will attempt to automatically assign the appropriate National Minimum Wage to each of the existing employees on the employer's payroll. This will be done in the following way:

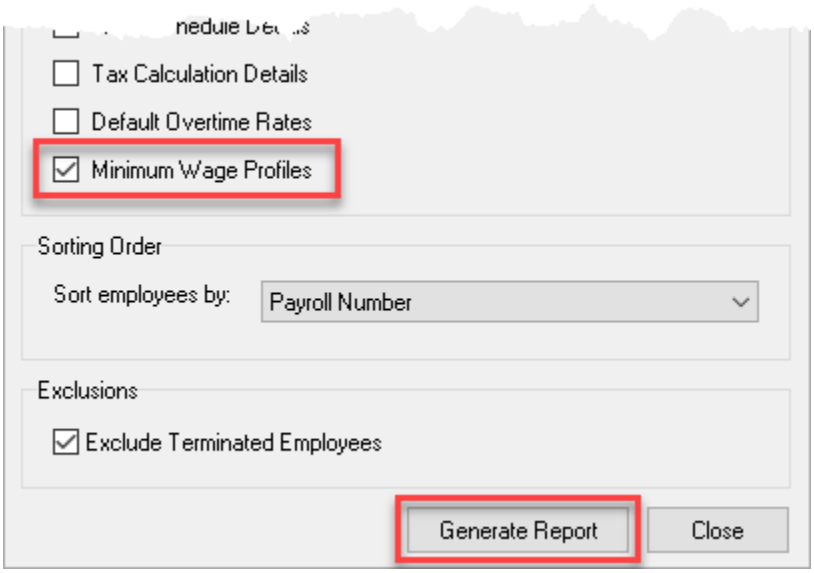
- If an employee was previously assigned to one of the pre-defined wage profiles that represented one of the four National Minimum Wage rates, that same wage rate will be copied to the new *National Minimum Wage* field and the employee's *Wage Regulating Measure* will be set to "None".
- If an employee was previously assigned to a user-defined wage profile representing a wage regulating measure, that same wage profile will now become the employee's *Wage Regulating Measure* and the employee's *National Minimum Wage* field will be set to the National Minimum Wage rate for "general workers".
- If an employee previously had no wage profile assigned, the employee's *National Minimum Wage* field will be set to the National Minimum Wage rate for "general workers" and the employee's *Wage Regulating Measure* field will be set to "None".

After this update has been installed you must review the *National Minimum Wage* and *Wage Regulating Measure* that was automatically assigned to each of your employees during the upgrade process to ensure that they are correct.

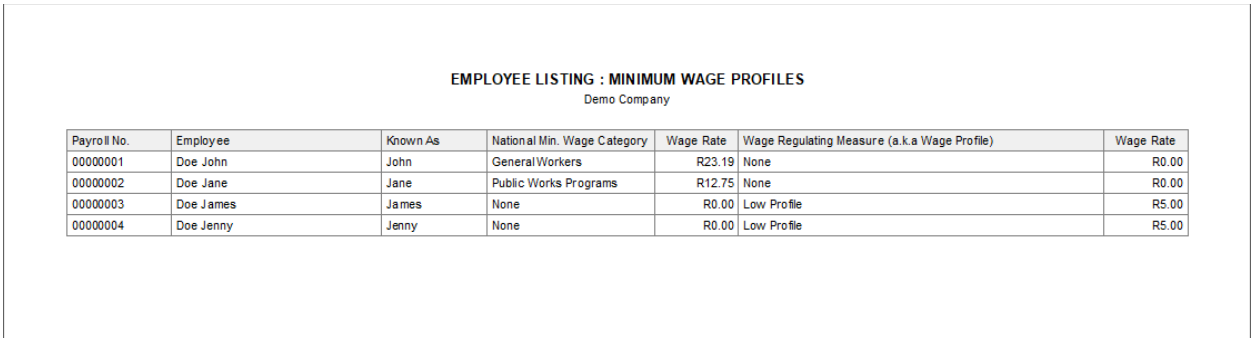
To review the minimum wage profiles linked to your employees:

- Go to the *Employees* section at the bottom left of the Intercode Payroll main window.
- Select *Reports* → *Employee Reports* → *Employee Listing* from the Intercode Payroll main menu at the top of the window. This will open the *Print Employee Lists* window.

- In the *Print Employee Lists* window, tick the *Minimum Wage Profiles* option, then click *Generate Report* at the bottom of the window.



The resulting report shows both the National Minimum Wage category as well as the Wage Regulating Measure currently assigned to each of the employees on the payroll, together with the applicable minimum wage rate for each.



EMPLOYEE LISTING : MINIMUM WAGE PROFILES

Demo Company

Payroll No.	Employee	Known As	National Min. Wage Category	Wage Rate	Wage Regulating Measure (a.k.a Wage Profile)	Wage Rate
00000001	Doe John	John	General Workers	R23.19	None	R0.00
00000002	Doe Jane	Jane	Public Works Programs	R12.75	None	R0.00
00000003	Doe James	James	None	R0.00	Low Profile	R5.00
00000004	Doe Jenny	Jenny	None	R0.00	Low Profile	R5.00

If the National Minimum Wage category that has been assigned to any of the employees during the upgrade process is not correct, you will need to change it to the correct category.

To change the National Minimum Wage category that is currently assigned to an employee:

- Go to the *Employees* section.
- Click on the relevant employee's name (one click only) so the employee is highlighted.
- At the toolbar at the top of the window, click the 4th button (Employee Setup Wizard).
- In the *Employee Setup Wizard*, click *Next* up to the *Employment Tax Incentive* page.

- At the bottom of the page, click the *National Minimum Wage* drop-down and select the National Minimum Wage category that applies to the employee.
- Click *Next* up to the last page of the wizard, then click *Finish*.

NB: The above process should be completed for each of the employees whose National Minimum Wage categories need to be changed.

Important:

Once you have checked both the *National Minimum Wage* and the *Wage Regulating Measure* assigned to each of the employees on your payroll, you should also check that none of the employees on your payroll are now earning less than the new minimum wage. Employees who used to qualify for ETI might now no longer qualify for ETI as they might now be paid at less than the minimum wage following the National Minimum Wage increase.

To check the rates at which your employees are currently being paid:

- Go to the *Employees* section.
- Select *Reports* → *Employee Reports* → *Basic Salary and Wage Rates* from the Intercode Payroll main menu.

Increase in Employment Tax Incentive Claimable Amounts

The Draft Rates and Monetary Amounts Amendments Bill (available from National treasury's web site) has increased the amount that can be claimed for a qualifying employee in respect of the Employment Tax Incentive Act 2013 by 50% across the board.

The new maximum amounts that can be claimed in respect of qualifying employees as of 01 March 2022 are as follows:

Monthly Remuneration	Monthly ETI During First 12 Qualifying Months	Monthly ETI During Next 12 Qualifying Months
R 0.00 - R1 999.99	75% of Remuneration	37.5% of Remuneration
R2 000.00 - R4 499.99	Fixed Amount of R 1 500.00	Fixed Amount of R 750.00
R4 500.00 - R6 499.99	R 1 500.00 - (0.75 x (Remuneration - R 4 500.00))	R 750.00 - (0.375 x (Remuneration - R 4 500.00))
R6 500.00 >	R 0.00	R 0.00

The new rates have already been built into Intercode Payroll V5.15 and will automatically be applied for the calculation of ETI in payroll months as of March 2022 onwards. There is no need for you to change anything on your payroll.

Changes to the Definition of "Employee" for the Purposes of ETI

The Taxation Laws Amendment Act 2021 (available from National Treasury's web site) has amended the definition of an "employee" in section 1 of the Employment Tax Incentive Act 2013 as follows:

> *'employee' means a natural person—*
>
> *(a) who works for another person and in any other manner directly or indirectly assists in carrying on or conducting the business of that other person; and*
>
> *(b) who receives, or is entitled to receive remuneration from that other person; and*
>
> *(c) who is documented in the records of that other person as envisaged in the record keeping provisions in section 31 of the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997), but does not include an independent contractor;'*

People who are "employed" by an employer but do not directly or indirectly assist in the carrying on of the employer's business, or who are not documented as employees of the employer in accordance with the requirements of section 31 the BCEA will no longer be regarded as "employees" for the purposes of the ETI Act, and the employer will not be able to claim ETI in respect of any such employees.

The Taxation laws Amendment Act 2021 then goes on to amend the definition of "qualifying employees" in section 6 of the Employment Tax Incentive Act 2013 by adding the following proviso:

> *''Provided that the employee is not, in fulfilling the conditions of their employment contract during any month, mainly involved in the activity of studying, unless the employer and employee have entered into a learning programme as defined in section 1 of the Skills Development Act, 1998 (Act No. 97 of 1998), and, in determining the time spent studying in proportion to the total time for which the employee is employed, the time must be based on actual hours spent studying and employed.''.*

People who are "employed" by an employer but are during their employment with the employer mainly involved in studying will no longer be regarded as "qualifying employees" in terms of the ETI Act and the employer will not be able to claim ETI in respect of such employees.

These changes (together with the change in the definition of "monthly remuneration" discussed in the next paragraph) were introduced to combat certain schemes designed to abuse the ETI system, where employers with the help of recruitment agencies and/or training institutions would recruit eligible employees who then, once "employed" would be enrolled in training programs or courses, and the "remuneration" supposedly owed to the employees would then be paid to the training institution instead. Employers would claim ETI in respect of these "employees" even though they were not really "employed" by the employer and received no cash remuneration other than the "benefit value" of the training.

IMPORTANT:

Changes to the Definition of "Monthly Remuneration" for the Purposes of ETI

When calculating the value of the ETI that an employer can claim in respect of a qualifying employee in any given month, the formula used to calculate the value of the ETI is based the employee's "monthly remuneration" in the relevant month, as defined in the ETI Act. Up to now, the definition of "monthly remuneration" in the ETI Act was more or less equivalent to an employee's "gross remuneration" and included all payments, whether in cash or in kind, made to the employee during that month.

However, together with the changes to the definition of an "employee" in section 1 and the changes to the definition of a "qualifying employee" in section 6 of the Employment Tax Incentive Act, the Taxation Laws Amendment Act 2021 also changed the definition of "**monthly remuneration**" in section 1 of the Employment Tax Incentive Act 2013 by adding the following proviso after paragraph 1(b):

> *'monthly remuneration'—*
>
> *(a) where an employer employs and pays remuneration to a qualifying employee for at least 160 hours in a month, means the amount paid or payable to the qualifying employee by the employer in respect of a month; or*
>
> *(b) where the employer employs a qualifying employee and pays remuneration to that employee for less than 160 hours in a month, means an amount calculated in terms of section 7(5):*
>
> *Provided that in determining the remuneration paid or payable, an amount other than a cash payment that is due and payable to the employee after having accounted for deductions in terms of section 34(1)(b) of the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997), must be disregarded;'*

For the past month, payroll providers have been trying to get clarity from both National Treasury and SARS as to how exactly this amendment should be implemented in payrolls systems.

In broad terms, this amendment means that the "monthly remuneration" on which an employee's ETI calculation must be based will be the employee's **cash remuneration only**, excluding the value of any fringe benefits or payments in kind, and excluding the value of any "*deductions in terms of section 34(1)(b) of the Basic Conditions of Employment Act, 1997".*

The first part of that statement (excluding fringe benefits) is relatively simple - it is the second part of that statement that has become a sticking point. Section 34(1)(b) of the BCEA refers to "*any deduction required or permitted by a law*". Going forward, such deductions will therefore have to be excluded from the value of "monthly remuneration" for the purposes of calculating ETI, but as at the time of writing it is still entirely unclear exactly which deductions section 34(1)(b) of the BCEA is referring to.

The Payroll Authors Group of South Africa has requested a legal interpretation from SARS which we will hopefully be receiving within the week, but until such time as SARS has provided clarity as to which types of deductions are affected by this amendment and which are not, we cannot build the definition of “monthly remuneration” into Intercode Payroll as we would like.

Because many employers have weekly paid employees whose first week of the new tax year might end as early as Wednesday 02 March 2202, we have no choice but to release Intercode Payroll V5.15 before the SARS interpretation has been issued. Employers who do not claim ETI for any of their employees will not be affected by this in any way, but employers who *do* claim ETI will most probably have to install another update for Intercode Payroll once the changes to the calculation of “monthly remuneration” have been finalised.

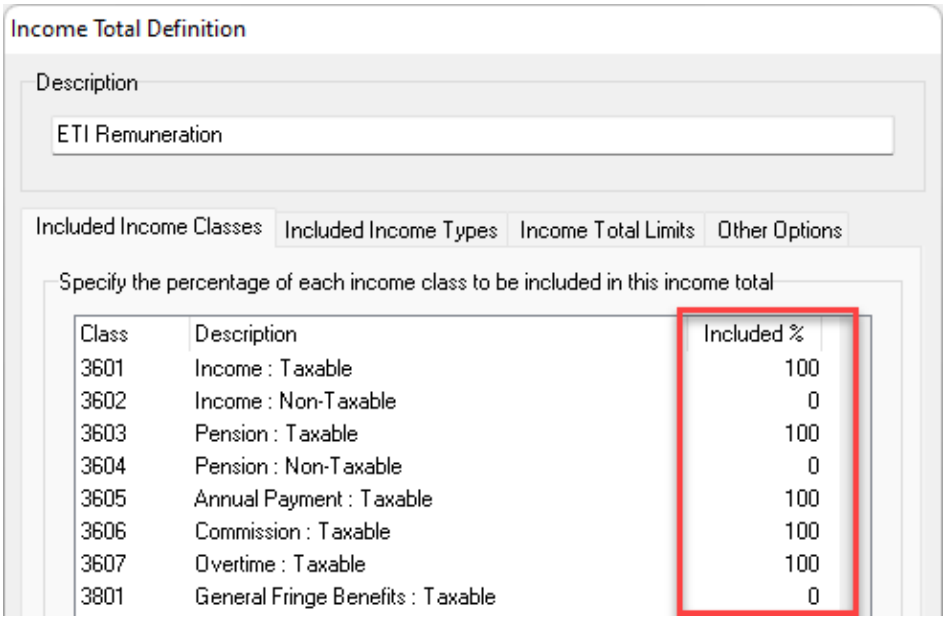
We therefore ask that employers who claim ETI in respect of their employees do not approve and close the first pay period of March 2022 until such time as another update can be issued. This will be done as soon as all the necessary information has been made available to us by SARS.

In the meantime, we have made some changes to Intercode Payroll to cater for the new definition of “monthly remuneration” in the ETI Act and to prepare for any surprises that may be lie ahead.

As of Intercode Payroll V5.15, the “monthly remuneration” on which ETI calculations will be based is now a user-definable income total called “ETI Remuneration”.

To view the new “ETI Remuneration” income total:

- Select Setup → Advanced → Income and Deduction Totals from the Intercode Payroll main menu.
- Double-click on the *ETI Remuneration* income total to open the *Income Total Definition* window.



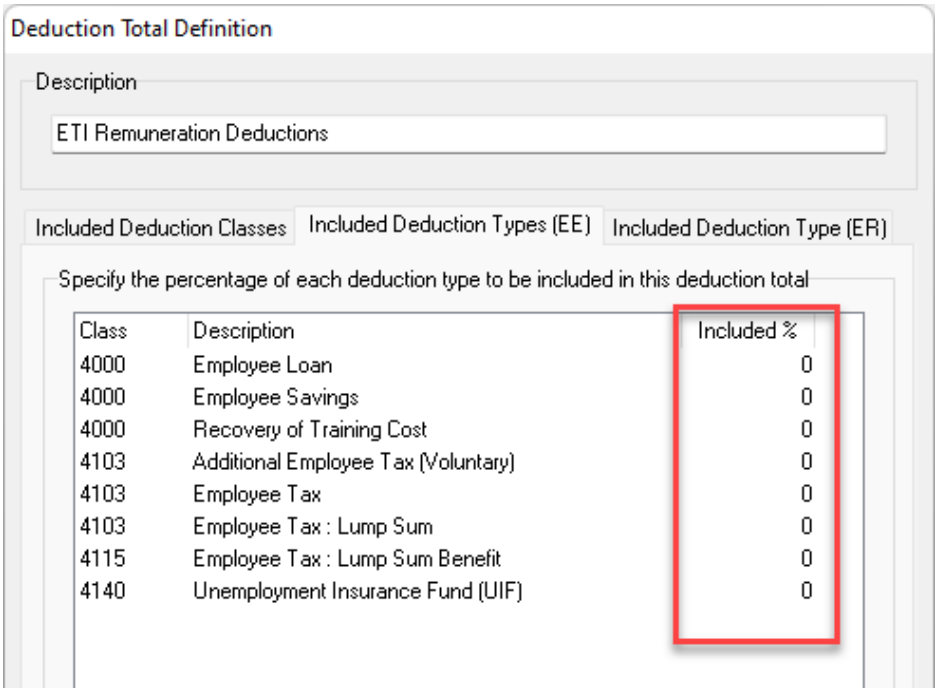
In this window it is possible to specify which percentage of income items of a particular class should be included in the ETI Remuneration income total. You will notice that 100% of cash amounts such as basic salary (code 3601), commission (code 3606), overtime (code 3607) etc. are included in the income total, while 0 (zero) % of fringe benefits such as use of a motor vehicle (code 3802), free or cheap services (code 3805) etc. are included. This will result in the "ETI Remuneration" income total including the value of an employee's **cash remuneration**, while **excluding** the value of all **fringe benefits and payments in kind**, as is now required by the new legislation.

NB: Though it is possible for the payroll administrator to change the percentages of the various income classes and income types that must be included in the "ETI Remuneration" income total, you should not do so unless instructed to do so by Intercode.

In addition to the new "ETI Remuneration" income total, we have also added a new "ETI Remuneration Deductions" deduction total.

To view the new "ETI Remuneration Deductions" deduction total:

- Select Setup → Advanced → Income and Deduction Totals from the Intercode Payroll main menu.
- Select the *Deduction Totals* tab.
- Double-click on the *ETI Remuneration Deductions* deduction total to open the *Deduction Total Definition* window.



In this window it is possible to specify which percentage of both the employee and employer contribution towards each of the deductions on your payroll should be included in the "ETI Remuneration Deductions" deduction total. Once all the employee contributions that are included in this income total have been added together, the total value of this income total will be **deducted** from the value of the "ETI Remuneration" income total discussed earlier.

Note: It is important to understand that deductions that are **included** (set to 100%) in this deduction total will be **deducted** from the value of the "ETI Remuneration" income total, and deduction that are **not included** (set to 0%) in this deduction total will **not be deducted** from the "ETI Remuneration" income total.

In this way, the second requirement of the new definition of "monthly remuneration" (to exclude deductions in terms of section 34(1)(b) of the BCEA) can be satisfied by the payroll administrator selecting which specific deductions are to be excluded from the value of "ETI Remuneration" once the individual deductions have been identified by SARS.

NB: Though it is possible for the payroll administrator to change the percentages of the various employee contributions that must be included in the "ETI Remuneration Deductions" deduction total, you should not do so unless instructed to do so by Intercode. For the time being, none of the deductions will be excluded from the value of ETI Remuneration, which is in our opinion the safest options for now as this will mostly likely result in slightly lower ETI claims. We will let you know exactly which deductions should be excluded and which should not as soon as this information becomes known to us.

Separation of Employee and Employer Contributions to UIF

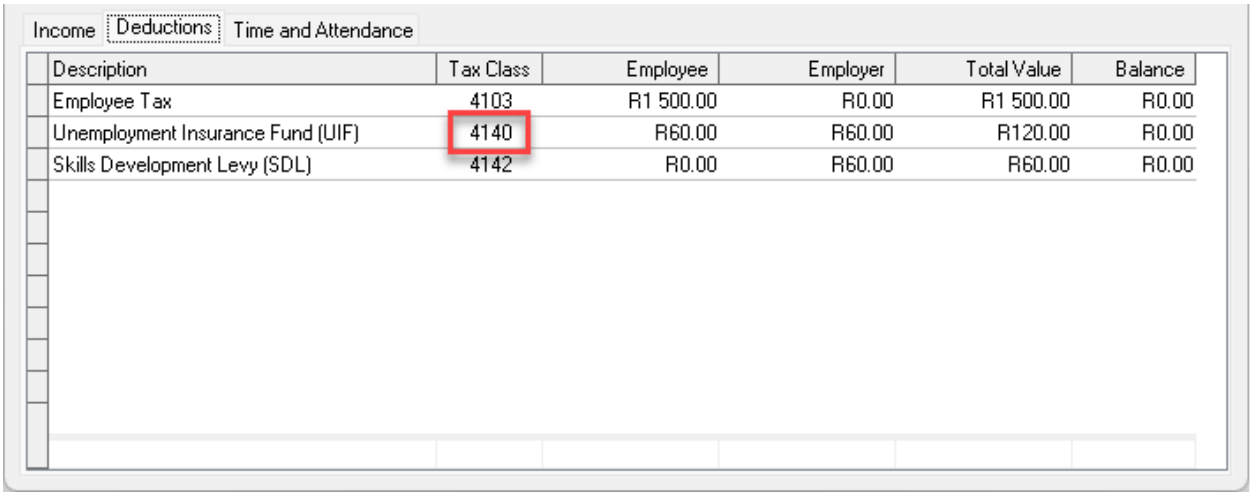
As mentioned in the previous section, the amendment to the definition of "monthly remuneration" in section 1 of the ETI Act now requires that any deduction that is "permitted or required by a law" be excluded from an employee's "monthly remuneration" for the purposes of calculating ETI.

However, SARS has always only provided a single code (4141) under which both the employee **and** the employer contributions to UIF must be reported. This will make it difficult to exclude only the employee contribution should it become necessary, as there is no SARS code that represent only the employee portion of the UIF contribution.

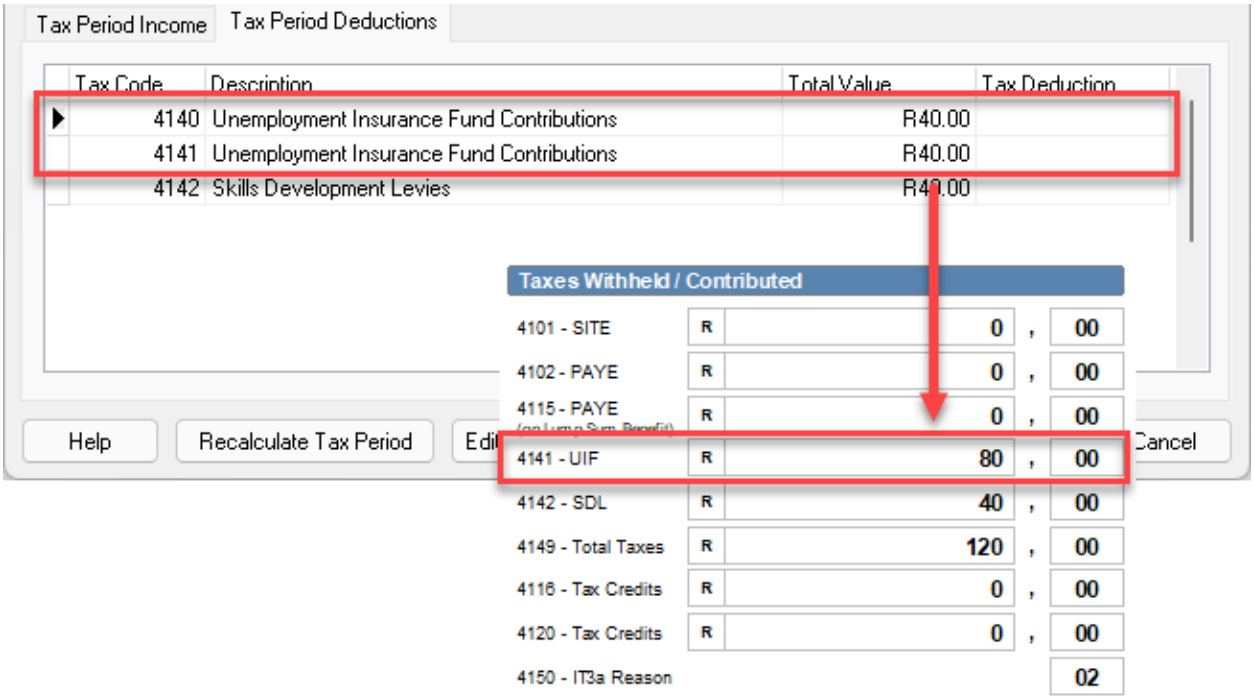
Note: It cannot simply be assumed that 50% of the value reflected under code 4141 is the employee's contribution, as some employers choose to pay 100% (or some other portion) of the UIF contribution on behalf of their employees, which would mean that the employee's own contribution no longer equals 50% of the total contribution value.

In anticipation of the SARS ruling as to which specific deductions must be excluded from an employee's remuneration for the purposes of ETI, and assuming that the employee's contribution to the UIF will be one of those deductions (as it is a deduction "required by a law"), we have therefore made the decision to separate the employee and the employer contributions to UIF on Intercode Payroll.

As of Intercode payroll V5.15, employee contributions to the UIF will now be reflected under new code **4140**, while employer contributions will remain under the existing code 4141.



Note that code 4140 is not a "real" SARS code but has simply been adopted to represent employee contributions to UIF on Intercode Payroll. Even though the employee and employer contributions towards UIF will now be accumulated under two separate codes on the payroll, the two codes will still be combined into a single value under code 4141 when printing IRP5/IT3(a) certificates and when exporting tax certificate information to the SARS Easy-File program.



This change will make it possible to easily include or exclude either the employee or employer portion of contributions towards UIF in various calculations going forward and will affect only payslips created as of

March 2023 onwards. All your existing payroll information (including payslips and tax certificates) prior to March 2023 will not be affected in any way.

New Fixed Rate per Kilometre for Reimbursive Travel Allowances (To Be Announced)

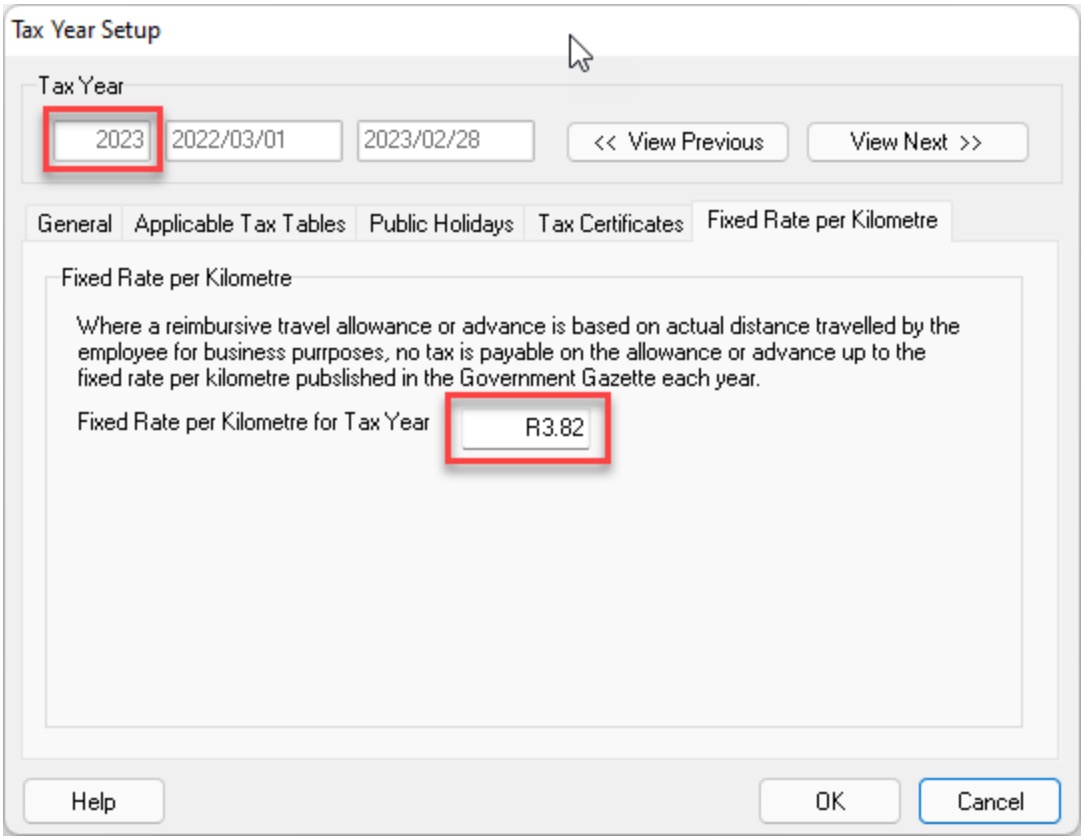
Where a reimbursive travel allowance or advance is paid to an employee based on the actual distance travelled by the employee for business purposes and no other form of travel compensation or allowance is received, no tax is payable on the allowance or advance up to the "fixed rate per kilometre" published by the Minister of Finance in the Government Gazette each year. The problem for payroll software providers is that the applicable fixed rate per kilometre for each new tax year is often only published in the Government Gazette in the first or second week of March, but employers who have weekly or fortnightly paid staff members need to be able to advance their payrolls into March as soon as possible following the budget speech at the end of February. If Intercode were to wait for the new fixed rate per kilometre to be published before releasing our tax year update, we would probably only be able to release it in the first or second week of March, which would be too late for some employers.

To try and accommodate employers who have weekly or fortnightly paid staff on their payrolls and therefore need to do payroll runs into March as soon as possible, Intercode Payroll V5.15 will allow you to do a payroll run into March, but if any of the employees on your payroll have reimbursive travel allowances under SARS codes 3702 (Reimbursive Travel Exceeding Limits) or 3703 (Reimbursive Travel Not Exceeding limits), the **2022** fixed rate per kilometre of **R 3.82** will used to determine the limit for the non-taxable portion of the allowance. The net effect of using the previous year's rate per kilometre will be that employees who receive reimbursive allowances at a rate of **more** than R 3.82 per kilometre will only receive a tax exemption for the first R 3.82 of the allowance, when in fact the exemption might otherwise have been slightly higher (i.e., up to the new fixed rate, which is currently not yet known). Employees who receive no reimbursive travel allowances, or employees who receive reimbursive travel allowances at a rate of **not more** than R3.82 per kilometre will not be affected in any way.

Once the new fixed rate per kilometre for the 2023 tax year has been published in the Government Gazette, employers who have employees on their payrolls who receive reimbursive travel allowances of **more** than R 3.82 per kilometre will then need to update the new official rate per kilometre for the 2023 tax year on Intercode Payroll manually.

To update the official fixed rate per kilometre for the 2023 tax year manually:

- Select *Setup* → *Tax Year Setup* from the Intercode Payroll main menu.
- Select the *Fixed Rate per Kilometre* tab.
- Change the *Fixed Rate per Kilometre* to the official rate for the 2023 tax year as published in the Government Gazette by the Minister of Finance.



- Click *OK* at the bottom of the window.

Note: The next release of Intercode Payroll (following this one) will automatically update the fixed rate per kilometre to the official rate for the 2023 tax year when it is released, regardless of whether the payroll administrator had already updated the rate manually in this window, or not.

Important: Also note that the fixed rate per kilometre is not *always* changed from one year to the next. There is a chance that the fixed rate per kilometre for the 2023 tax year will remain the same as the rate for the 2022 tax year (i.e., R 3.82) in which case no changes to Intercode Payroll will be required, and the rate currently being used as the "interim" rate for the 2023 tax year would then in fact be correct.

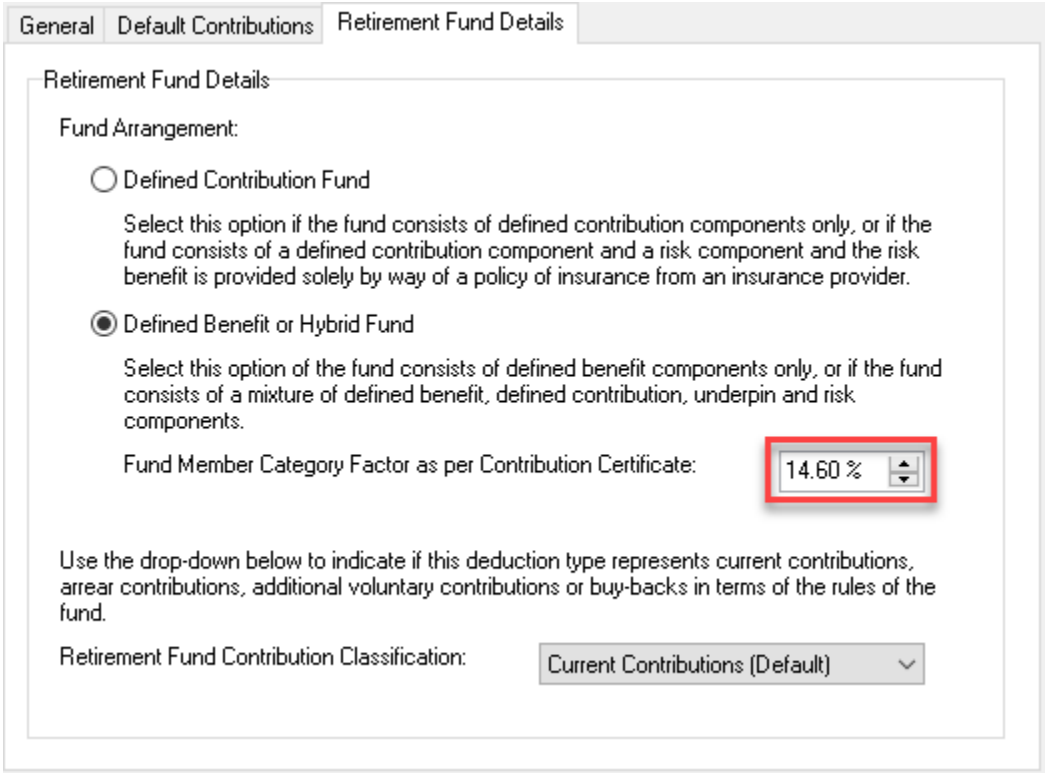
Updating the Fund Member Category Factors of Retirement Funds for 2023

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 2023 tax year so you can update the relevant fund member category factors on your payroll accordingly.

Once you have 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 Arrangement* and *Fund Member Category Factor* fields reflect the latest information as per the contribution certificate received from the fund.



- 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.

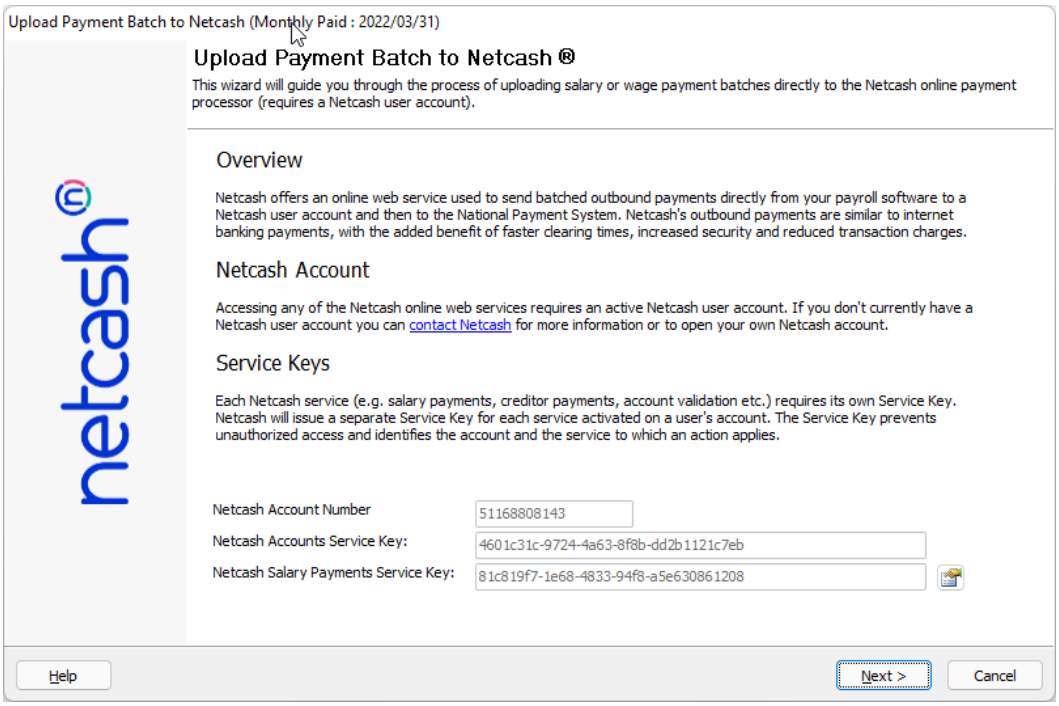
Netcash Direct Payment Integration

Salary payment batches can now be uploaded from Intercode Payroll directly to the Netcash web-based payment service for processing. Employers who make use of the Netcash payment gateway to process their salary payments will therefore no longer need to export batch payment information to an external file which must then be uploaded to Netcash manually, but can now rather submit their payment batches directly to Netcash from within Intercode Payroll with the click of a button.

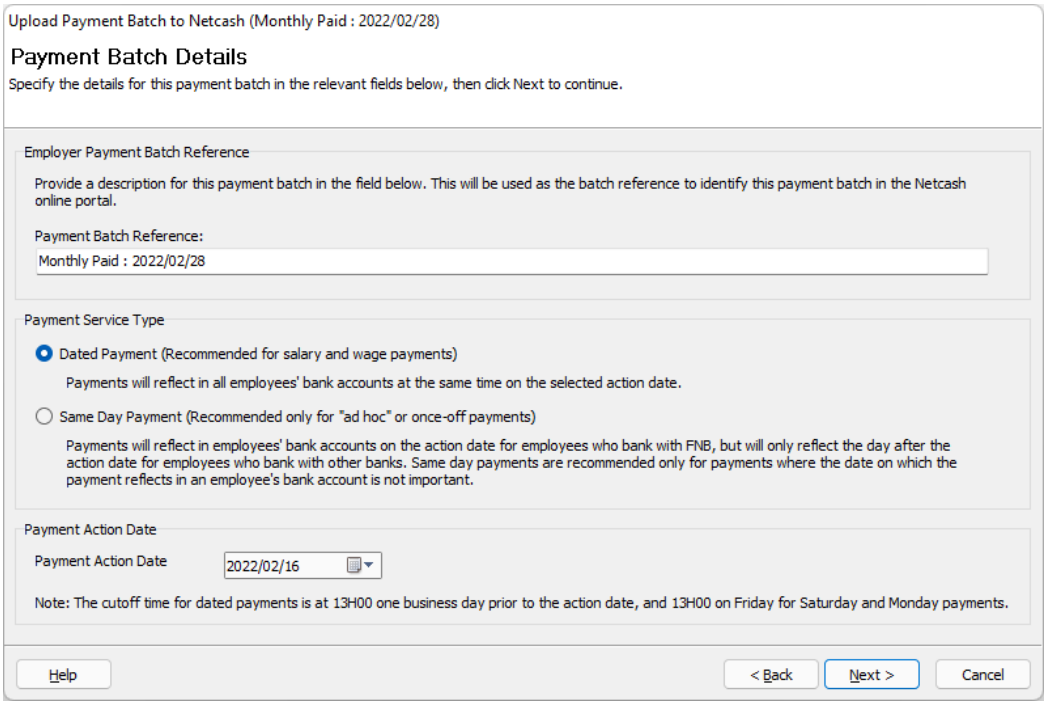
To upload a salary payments batch from Intercode Payroll directly to Netcash:

1. Go to the *Payroll* section.
2. Select the relevant *Pay Group* and *Pay Period* in the navigation pane to the left of the *Payroll* window.
3. On the toolbar at the top of the *Payroll* window, click *Pay via Netcash*.

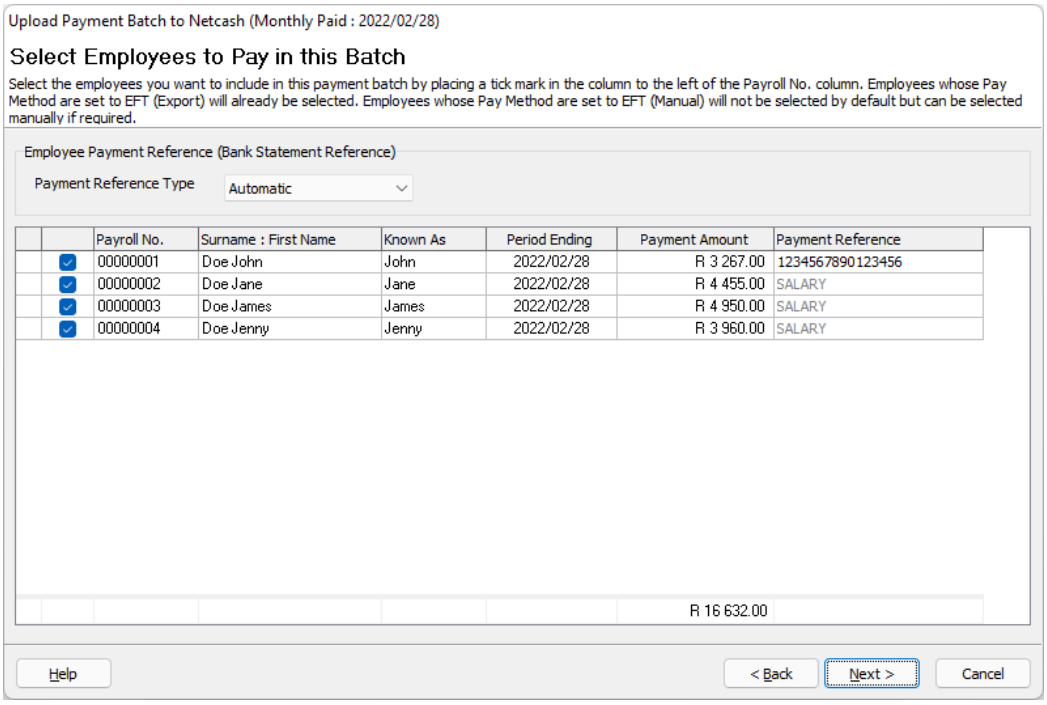
The following window will be displayed:



Enter your Netcash customer account number, your accounts service key and your salary payments service key in the fields provided at the bottom of the window, then click *Next*.

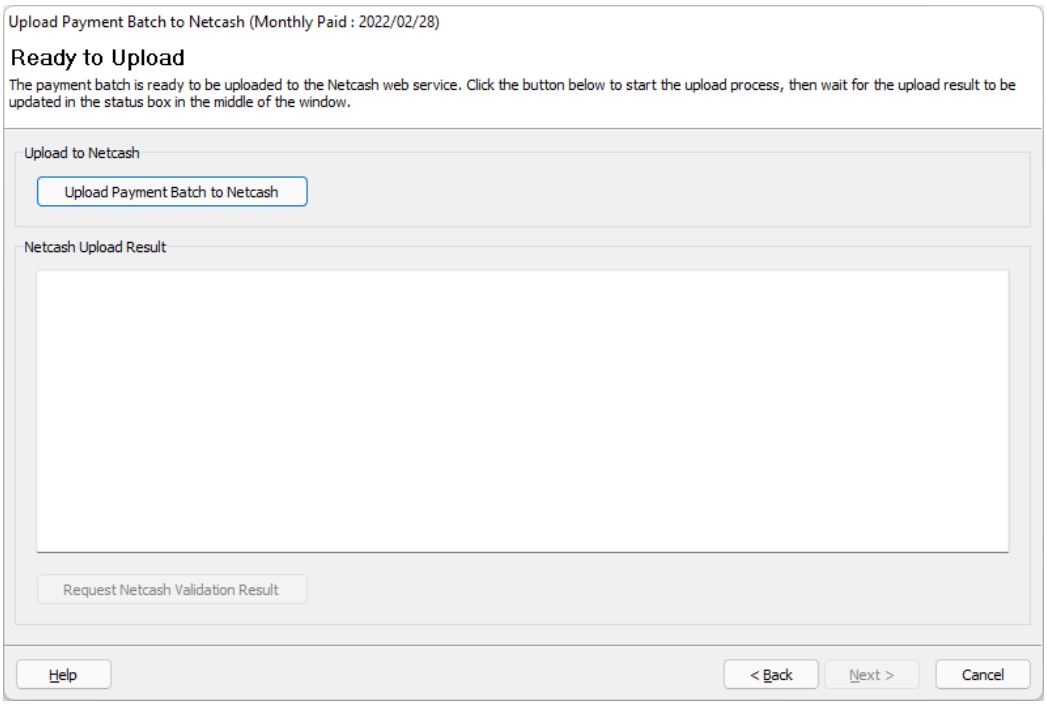


In the *Payment Batch Details* window, enter a payment batch reference, select the payment service type, specify the desired payment action date, then click *Next*.

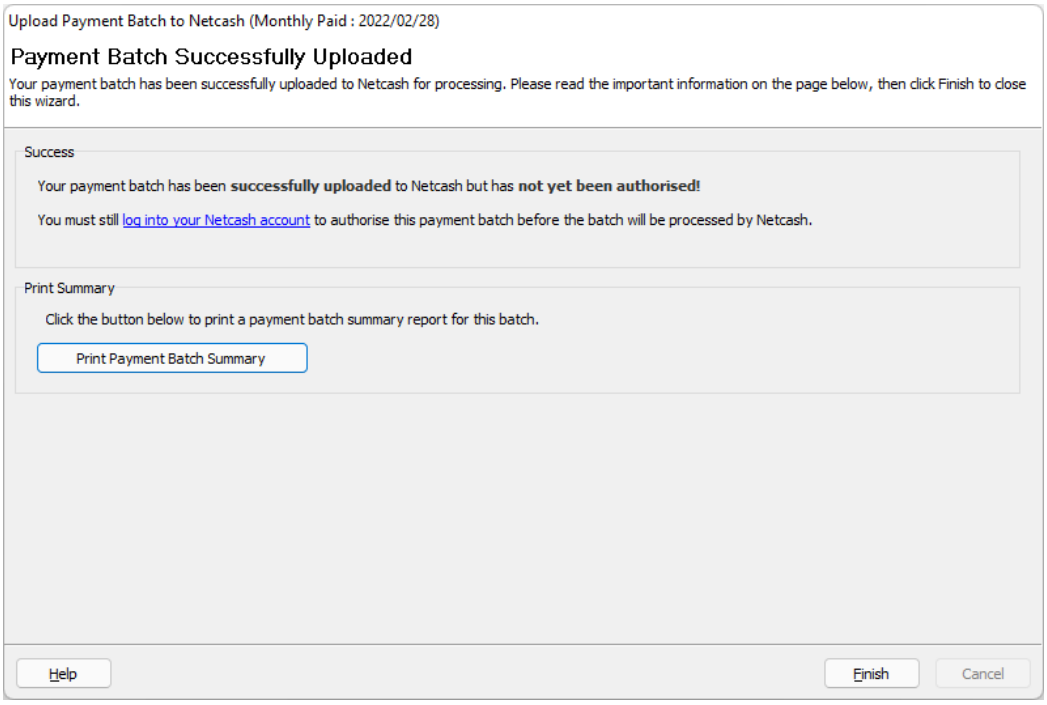


Select the employees you want to include in this payment batch, then click *Next*.

The payment information of the selected employees will first be validated to ensure that the required information is present and correct. If the validation passes you will automatically be taken to the next page.



Click *Upload Payment Batch to Netcash* to upload the payment batch to the Netcash web service for processing. Once the upload has been completed you will be taken to the next page automatically.



Click *Print Payment Batch Summary* to print a summary of the payment batch that was just uploaded to Netcash, then click *Finish* to close the window.

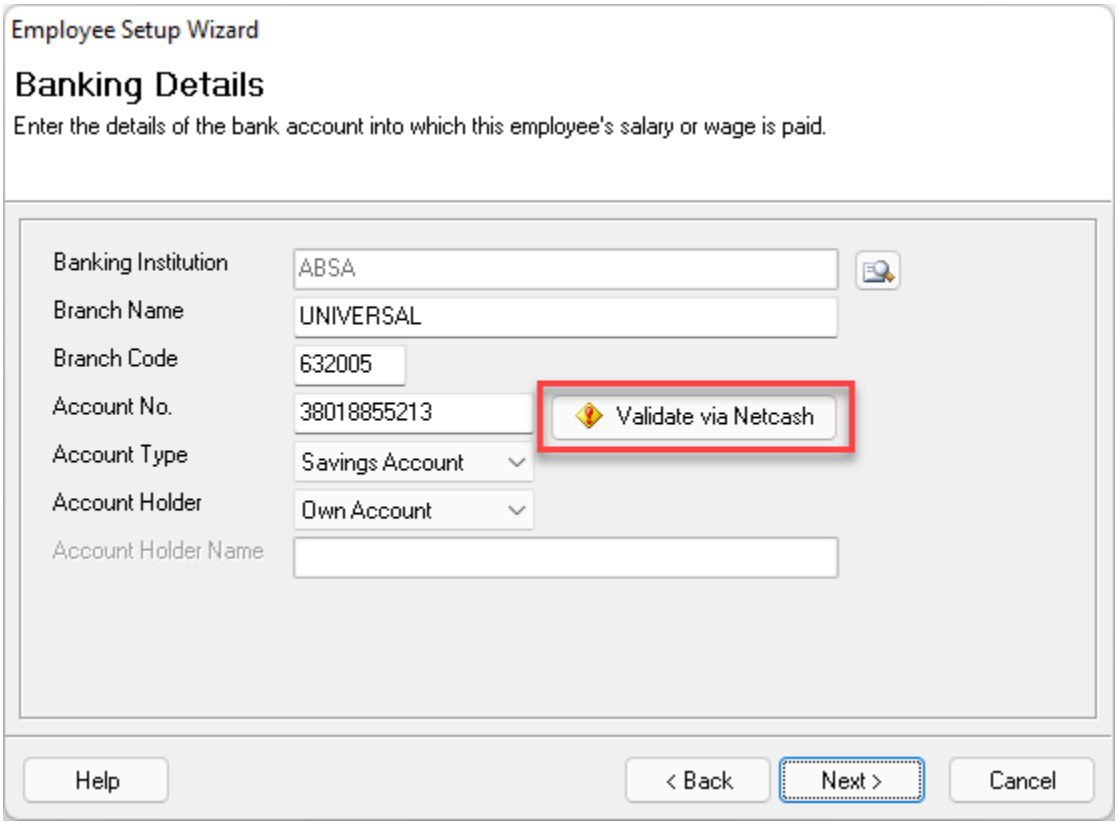
That's it! The payment batch has now been uploaded to Netcash and is ready for processing. All you need to do now is to log in to your Netcash account to authorise the payment batch, and the relevant payment amounts will be paid into your employees' bank accounts on the selected action date.

Bank Account Validation via the Netcash Web Service

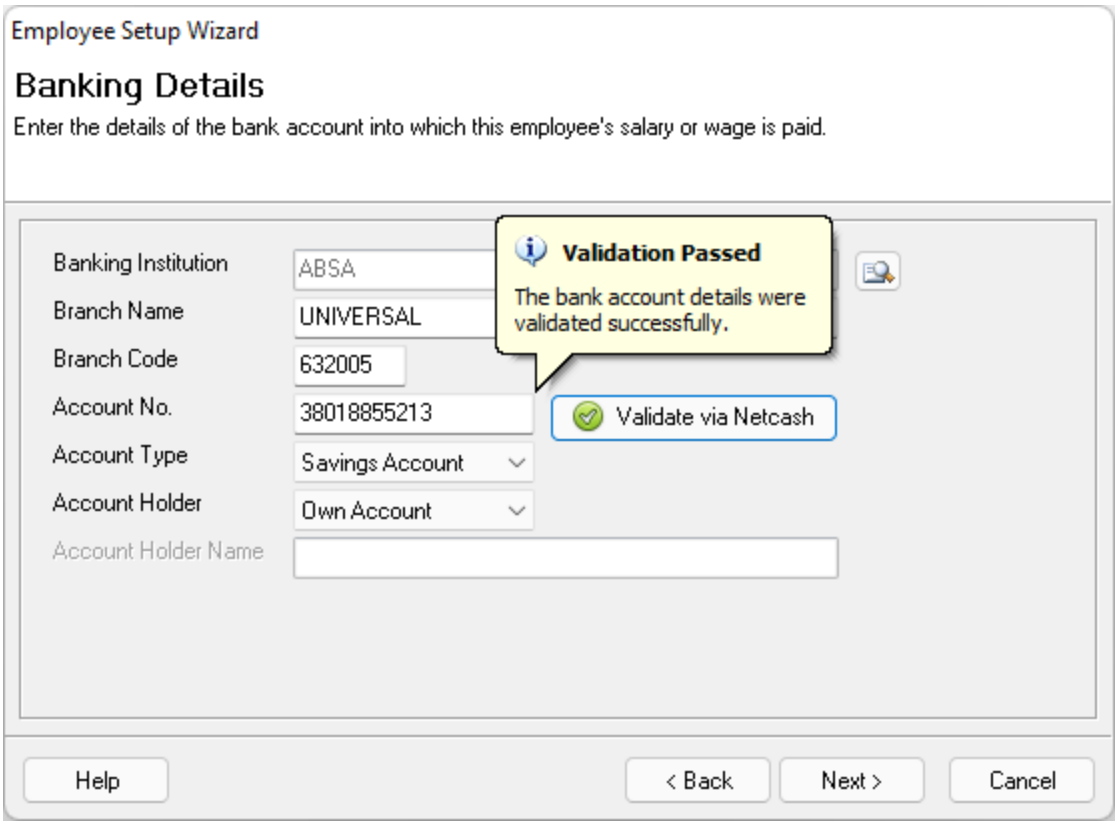
When entering an employee's banking details on the *Banking Details* page of the *Employee Setup Wizard* Intercode Payroll will now automatically validate the employee's banking details via the online Netcash web service.

Note: Even though this is a free service, this functionality will only be available to employers who have an active Netcash account.

For employers who have a Netcash account, when entering the *Banking Details Page* (for either an existing or a new employee) you will see a button with a warning symbol indicating that the relevant employee's banking details have not yet been validated.



Once the employee's banking details have been completed, click the *Validate via Netcash* button to validate the banking details via the Netcash online web service. You will see an on-screen message informing you that the validation has either passed or failed.



If the banking details were successfully validated, this will be indicated by the symbol on the button changing to a green check mark. Once an employee's banking details have been successfully validated, they will not be validated again unless the branch code, account type or account number are changed.

Validating banking details when they are entered ensures that you won't have problems later with payments failing when trying to pay your employees via EFT. Account validation is therefore a valuable tool both for saving time and for increasing payment information accuracy.

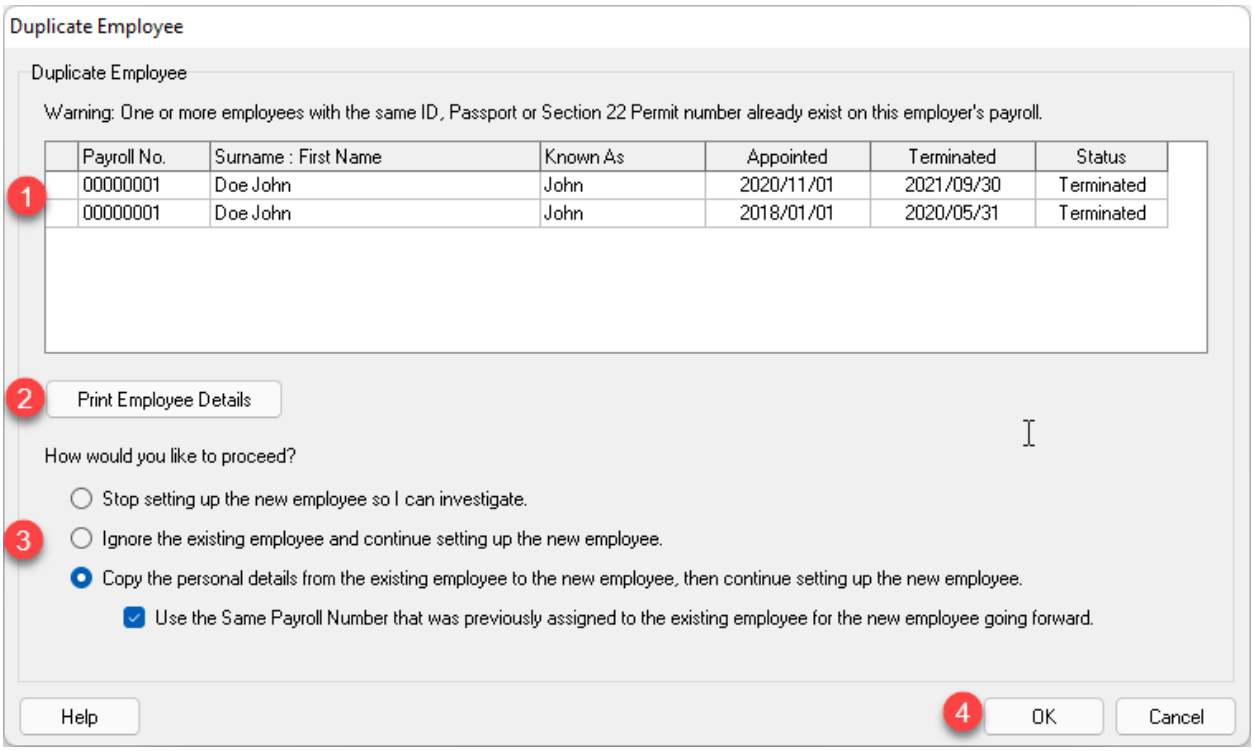
Automatic Account Validation:

Note that you don't *have to* click the *Validate via Netcash* button each time a new employee is loaded or changes to existing banking details are made. Provided that the employer's Netcash account details have been completed in Intercode Payroll's setup options, bank account details that have not yet been validated will be **validated automatically** when you click *Next* at the bottom of the *Banking Details* page.

Warning When Loading Duplicate / Previously Employed Employee

When an employee is terminated on Intercode Payroll and is then re-employed with the same employer later, Intercode Payroll requires (for various reasons) that the employee is reloaded on the payroll as a new employee. The employer is however not always aware that the new employee being loaded was in fact previously employed and could have some history (such as already having previously qualified for ETI for example) on the payroll that might be important to know.

As of Intercode Payroll V5.15, whenever a new employee is loaded onto the payroll, Intercode Payroll will now automatically scan the database with existing employees with the same identification details and will display a warning if a duplicate / previously employed employee is found.



1. At the top of the window you will see a list of all existing employees whose identification details match those of the new employee you are trying to load, sorted by service date and employment status with the latest period of service being at the top.
2. In the middle of the window, the *Print Employee Details* button allows you to print the details of any of the existing employees for reference and comparison purposes.
3. At the bottom of the window are various options indicating how you would like to proceed.
4. Once you have made your selection, click *OK* at the bottom of the window to close the window.

How to Handle Duplicate Employees:

When a duplicate employee is identified, the way in which you should proceed will depend on what you can see in this window:

- If the existing employee reflected at the top of the window appears to be the **same person** as the new employee you are trying to load, it simply means that the new employee was previously employed by this employer, was then terminated at some point, and is now being re-employed by the employer.

  If that is the case you can either:

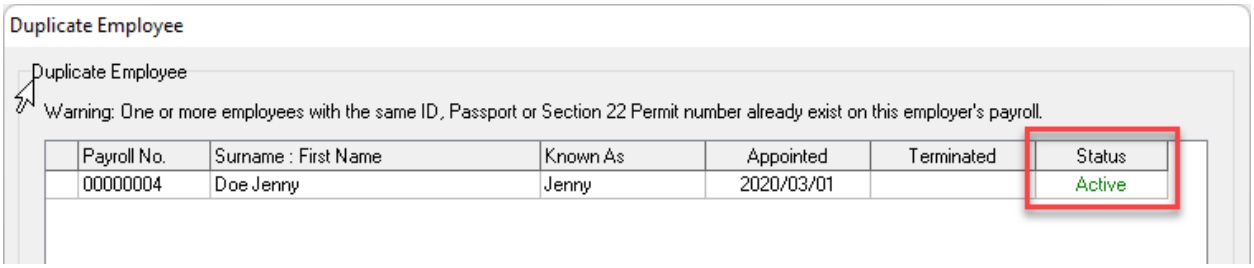
  - Ignore the existing employee and continue setting up the new employee, in which case you will need to re-enter all of the employee's personal details, address details, contact details, banking details etc. manually, or;
  - Copy the employee details from the existing employee to the new employee and then continue setting up the new employee, in which case you will only need to specify the new appointment date, job details, income and deductions and so on. This is the preferred option when re-employing former employees, as the number of months in which the previous employee qualified for the Employment tax Incentive (ETI) will also automatically be transferred to the new employee. Finally, when choosing this option you will also be able to indicate whether or not the existing employee's **payroll number** should be transferred to the new employee, which is highly recommended when re-employing former employees.

- If the existing employee does **not** appear to be the same person as the new employee you are trying to load however, then either the existing or the new employee's ID, passport or Section 22 Permit number might have been entered incorrectly, might not actually belong to the person in question, or might have been falsified. If this is the case, select the option to *Stop setting up the new employee.* If this option is selected, clicking *OK* at the bottom of the window will simply close the window, returning you to the *Employee Type* page of the *Employee Setup Wizard* from where you can then cancel the new employee setup process to investigate the source of the problem.

Once you have indicated how you would like to proceed, click *OK* at the bottom of the window.

Duplicates of Employees who are Still Active:

When entering the *Duplicate Employee* window you might find that the existing employee reflected at the top of the window has an employment status of "Active".



This indicates that the existing employee has not yet been terminated and is in fact still active on the employer's payroll.

- If the existing employee reflected at the top of the window appears to be the **same person** as the new employee you are trying to load, it probably means that you're accidentally trying to load the same employee twice. If that is the case you should choose to *Stop setting up the new employee* as the employee has already been loaded and is still active on the payroll. There is no need to load the employee onto the payroll again.
- If the existing employee does **not** appear to be the same person as the new employee you are trying to load however, then either the existing or the new employee's ID, passport or Section 22 Permit number might have been entered incorrectly, might not actually belong to the person in question, or might have been falsified. If this is the case, select the option to *Stop setting up the new employee.* If this option is selected, clicking *OK* at the bottom of the window will simply close the window, returning you to the *Employee Type* page of the *Employee Setup Wizard* from where you can then cancel the new employee setup process to investigate the source of the problem.

Regardless of whether the existing employee and the new employee appear to be the same person or not, you should never load a second employee with the same identification details as any other employee who is still **active** on the employer's payroll. Employee records should only be duplicated for **terminated** employees who are then later re-employed.

What Employee Details are Copied:

When choosing to copy the employee details from an existing employee to a new employee:

The following details are copied:

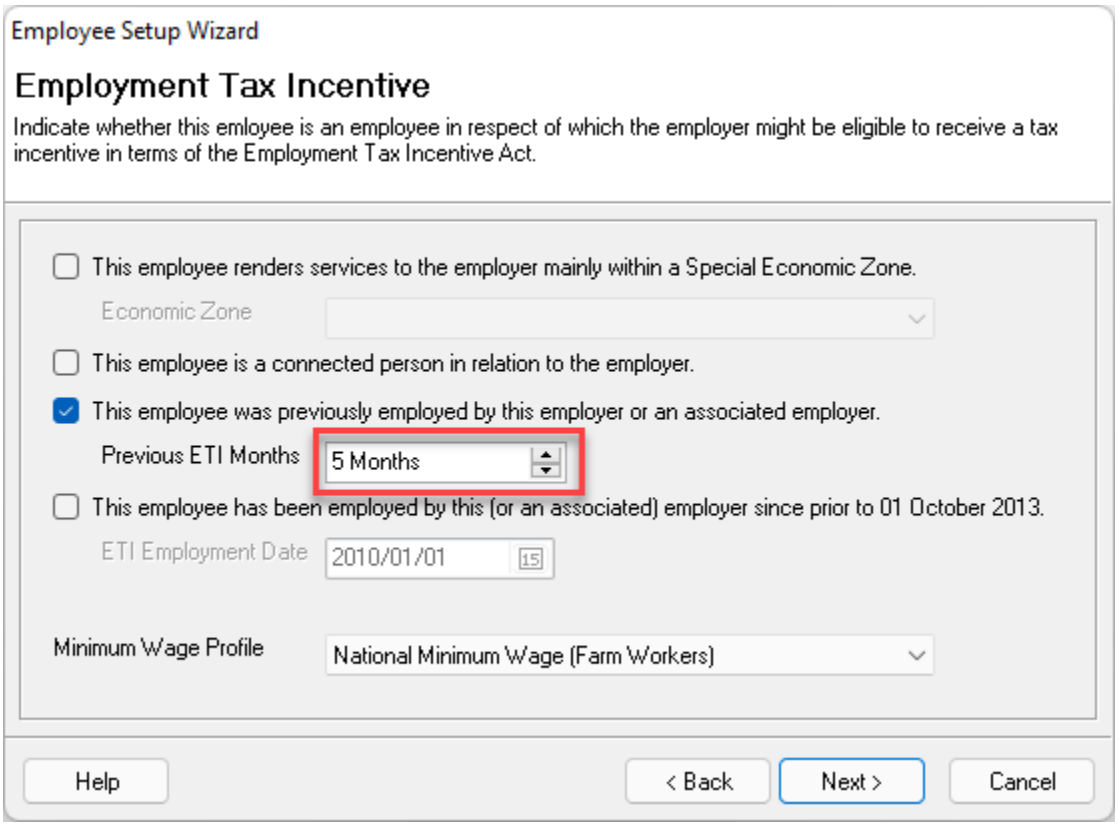
- Personal Details (First names, surname, common name, date of birth, gender, marital status , equity group and disability status).
- Physical Address.
- Postal Address.
- Contact Details.
- Banking Details.
- Income Tax Reference Number.
- Employment Tax Incentive Details (Including No. of Previous Qualifying Months).

The following details are **not** copied and will still have to specified manually:

- Employee Type.
- Employment Details (Appointment date, appointment type etc.)
- Job Details.
- Payment Details (Pay group, pay point, pay method etc.)
- Payslip Delivery Details (Payslip encryption password etc.)
- Work Schedule.
- Tax Calculation Details (Tax directives etc.)
- Standard Income and Deductions.
- Overtime Rates.
- Leave Cycle Details (Leave entitlements, cycle start and end dates etc.)

Employment Tax Incentive (ETI) Qualifying Months:

When an employee who was previously employed by an employer is then re-employed at a later date and that employee is a "qualifying employee" in terms of the Employment Tax Incentive (ETI) Act, the number of months in which the employee had already qualified for ETI during the previous period of employment must be specified as an opening balance for ETI qualifying months when the employee is reloaded onto the payroll. When employee information is copied from an existing employee to a new employee using the process described above however, the number of months in which the employee had already previously qualified for ETI will **automatically** be copied to the new employee and will then reflect as the opening balance for ETI qualifying months.



Custom Email Body Text When Emailing Payslips

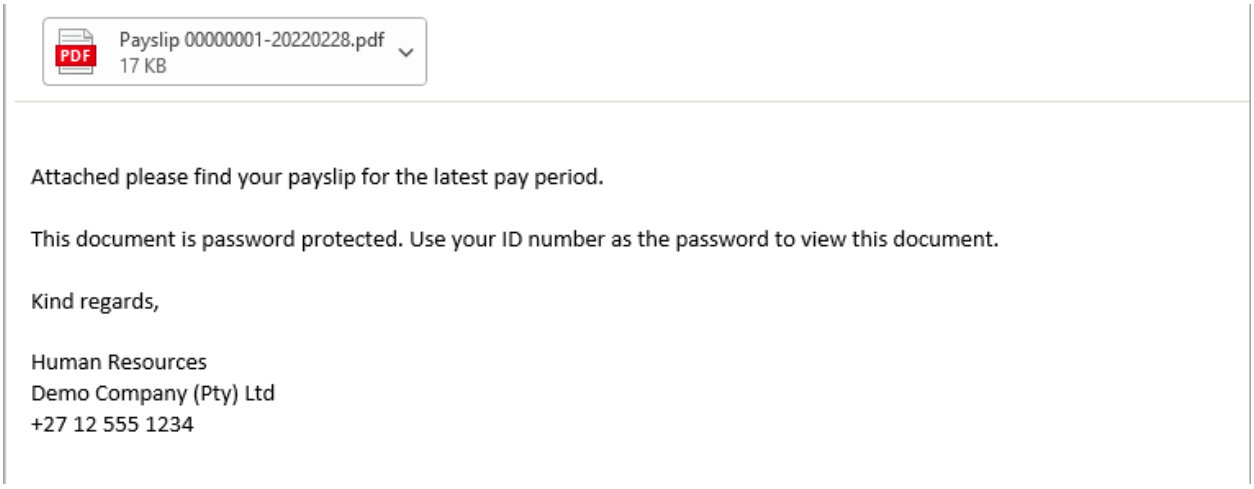
When emailing payslips to employees from within Intercode Payroll, the text in the email body has always been “fixed” and could not be changed.

As of Intercode Payroll V5.15 however you now are now able to replace the default email body text with text of your own choosing when emailing payslips to employees.

To define specify the email body text to use when sending payslips:

- Select *Setup* → *Options* from the Intercode Payroll main menu.
- Select the *Payslip Email Options* tab.
- Tick the option to *Use custom email content when emailing payslips to employees.*
- Specify the message you would like to display in the email body when emailing payslips.
- Click *OK* to close the window.

Now when emailing payslips to employees, the payslip emails will use the custom message specified here as the email body text.



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.