INTERCODE PAYROLL V6.2.0 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.

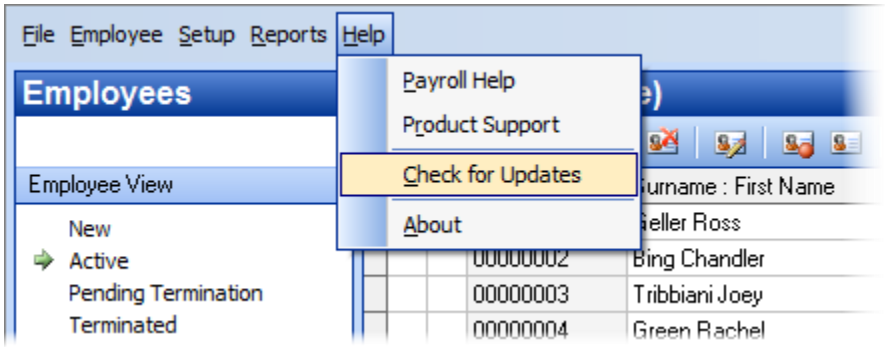
HOW TO INSTALL THE LATEST VERSION OF INTERCODE PAYROLL

There is no need to uninstall your current version of Intercode Payroll before installing a newer version of the software.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 *Download* page on the Intercode web site (http://www.intercode.co.za/download) and click the button 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 *Downloads* 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 *Downloads* folder, 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, open Intercode Payroll and open your employer file. If you see a message stating that your employer file is being updated, wait for this process to finish, following which the employer file will be opened.

The update process is now complete, and you can continue using the software as usual.

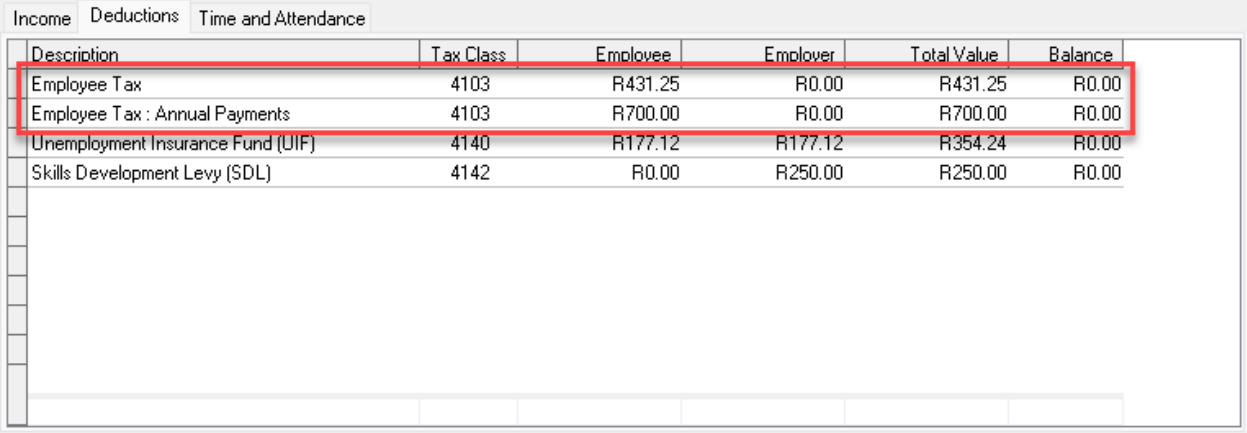
WHAT'S NEW

New Deduction Type (Employee Tax : Annual Payments)

In the past, when an annual payment (such as a bonus) was added to an employee's income under SARS code 3605, the tax on the annual payment would be calculated together with the tax on the employee's normal income and would be reflected as a single deduction on the employee's payslip under SARS code 4103.

As of Intercode Payroll V6.2.0 however, tax on annual payments will now be calculated separately from the tax on an employees normal income and will be reflected under a separate "Employee Tax : Annual Payments" deduction on the employee's payslip, also under SARS code 4103.

In the example below, the employee tax on the employee's normal income comes to R431.25 for the pay period. The employee tax on a bonus that the employee received in the same pay period comes to R700.00 and is calculated and reflected separately.

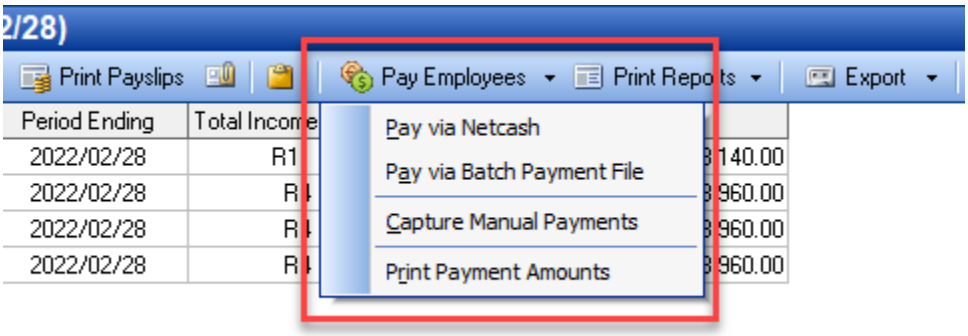


If an employee has been paying additional employee's tax to make provision for the tax on a bonus (i.e. Bonus Tax Provision), the tax provision (when applied) will now first reduce the value of employee tax on annual payments before reducing the value of employee tax on normal income.

Tip: For detailed information on how an employee's normal tax and the tax on an annual bonus was calculated, print the Trace Tax Calculation report by clicking the relevant button on the toolbar at the top of the Employee Payslip window.

New Menu Button (Pay Employees)

A New menu button has been added to the toolbar at the top of the Pay Periods window which provides access to all the functions related to the payment of employees in one place.



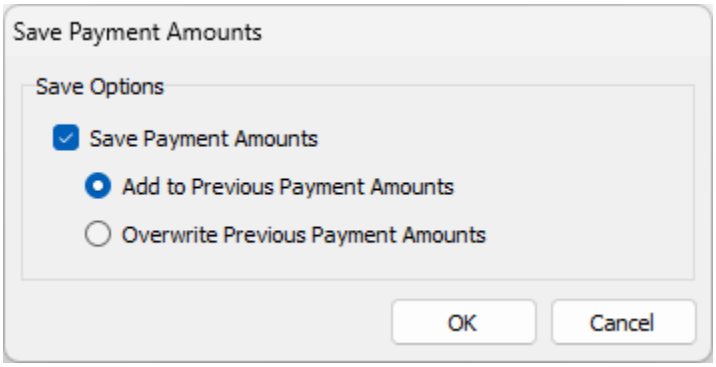
Clicking this button reveals a drop-down menu which contains the following menu items:

- Pay via Netcash. This used to be a separate button on the toolbar but has now been moved to the Pay Employees menu.
- Pay via Batch Payment File. This function used to be located under the Export menu (and still is for now). The function can still be accessed from the Export menu as well but will be removed from that menu in the next version of the software.

- Capture Manual Payments. This is a new feature that is used to capture the value of payments made to employees in cash, by cheque or via EFT (Manual) (i.e.: payments not made via a batch payment file or via Netcash).
- Print Payment Amounts. This used to be a separate button on the toolbar but has now been moved to the Pay Employees menu.

Export Batch Payment File (Saving Payment Amounts)

When generating a batch payment file, it is now possible to save the payment amounts that were paid to employees as "processed" payments against each employee's payslip. After a batch payment file has been generated, you will now be presented with a Save Payment Amounts Window.



If you do not want to save the payment amounts as processed payments against employees' payslips (if you were just creating a test payment file for example) you can simply deselect the option to Save Payment Amounts and click OK to close the window.

If you select the option to Save Payment Amounts however, you will then be presented with two further options:

- Add to Previous Payment Amounts: Choose this option to add the amounts that are now being paid to employees to the values of any amounts that were already paid to the employees in the same pay period.
- Overwrite Previous Payment Amounts: Choose this option to overwrite any previous payments that were already saved as processed payments against these employees' payslips with the values of the amounts now being paid to the employees instead.

After saving payments as processed payments, the next time you open the Export Payment Batch File window, the total value of all previous payments made to the employees in the same pay period will be deducted from the value of the amounts now being paid to the employees, displaying only the balance of the employee's nett pay still owed to the employee.

	Nett Annual Pay...	Nett Pay	Paid To Date	Payment Balance	Payment Amount	Payment Reference
	R 3 750.00	R 8 880.00	R 8 880.00	R 0.00	R 0.00	SALARY
	R 14 300.00	R 23 691.63	R 10 000.00	R 13 691.63	R 13 691.63	SALARY
	R 0.00	R 990.00	R 0.00	R 990.00	R 0.00	SALARY

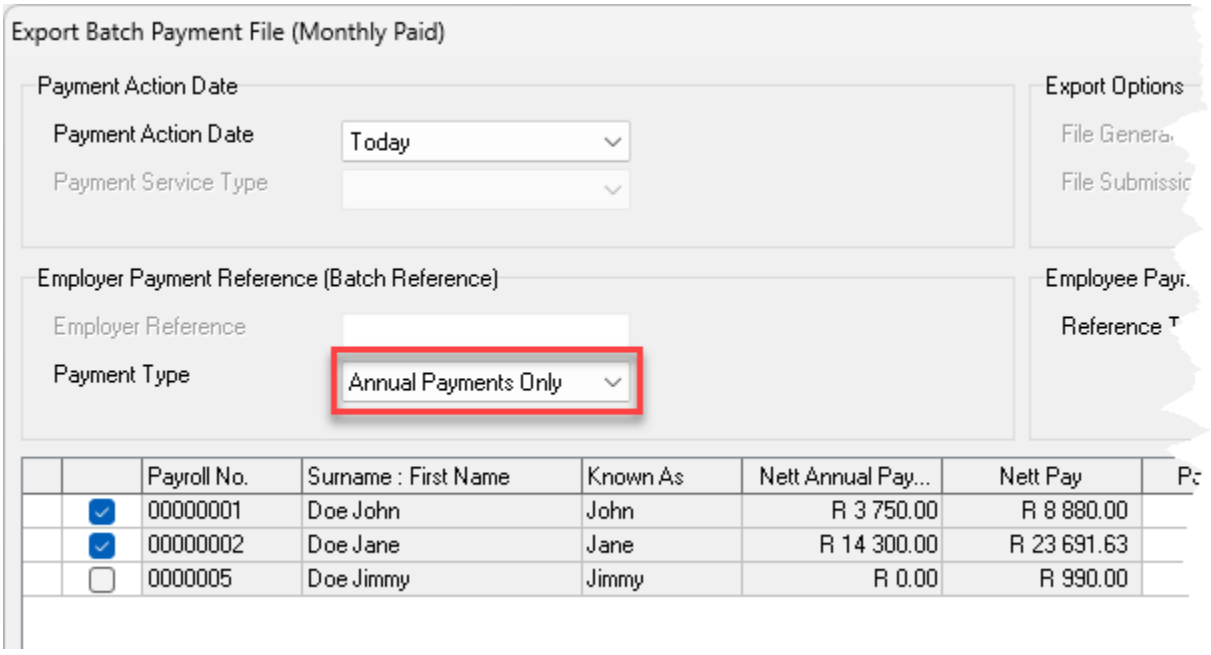
If an employee's full salary or wage has already been paid to the employee, then the Payment Balance will reflect zero. If only part of the employee's salary or wage has been paid to the employee in advance (employee bonuses for example) then the Payment Balance will reflect only the balance of the employee's Nett Pay amount, after deducting the total value of all amounts already paid to the employee.

This feature now makes it easy to capture the value of cash advances paid to employees, bonuses paid to employees in the middle of a pay period, or any other amounts that have already been paid to an employee and therefore need to be excluded from the employee's final payment for the pay period.

IMPORTANT: This feature is currently not available when paying employees via Netcash. Support for savings processed payments made via Netcash will be available in the next version of the software.

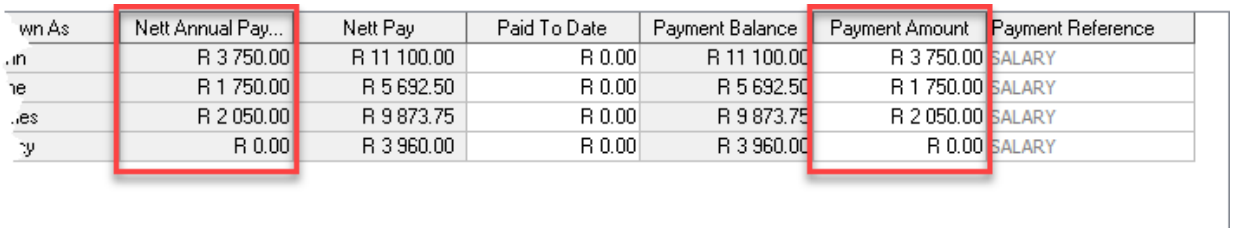
Export Batch Payment File (Annual Payments Only)

When generating a batch payment file, it is now possible to generate a payment file containing the nett value of annual payments only. This can be done by changing the Payment Type from Nett Pay Amounts to Annual Payments Only, as is shown in the example below.



Once this option is selected, Intercode Payroll will automatically select only employees who had annual payments (e.g.: bonuses) paid to them in the current pay period.

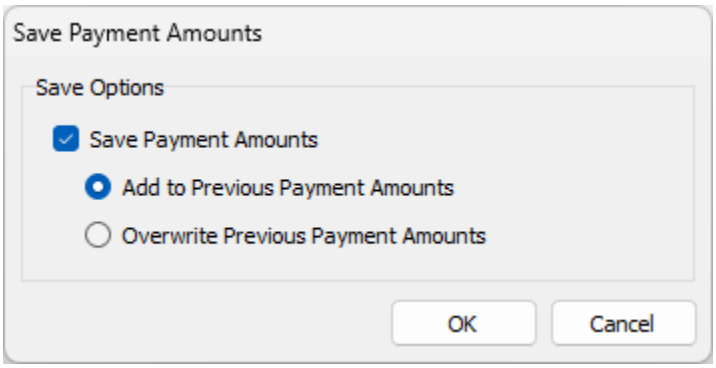
The Payment Amounts for the batch payment file will then automatically be set to the nett (i.e.: after tax) value of the annual payments paid to the employee in that pay period, instead of the value of the employee's nett pay as would usually be the case.



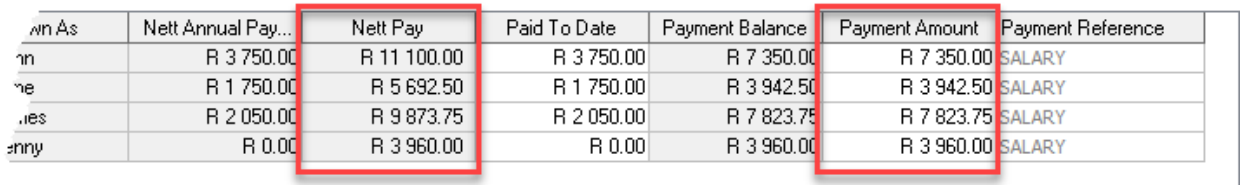
wn As	Nett Annual Pay...	Nett Pay	Paid To Date	Payment Balance	Payment Amount	Payment Reference
.in	R 3 750.00	R 11 100.00	R 0.00	R 11 100.00	R 3 750.00	SALARY
ne	R 1 750.00	R 5 692.50	R 0.00	R 5 692.50	R 1 750.00	SALARY
.ies	R 2 050.00	R 9 873.75	R 0.00	R 9 873.75	R 2 050.00	SALARY
:y	R 0.00	R 3 960.00	R 0.00	R 3 960.00	R 0.00	SALARY

This batch payment file can then be used to pay only nett bonus amounts to employees in the middle of a pay period.

Remember to select the option to Save Payment Amounts after the batch payment file has been generated, to save the payments as processed payments against the relevant employees' payslips.



The next time you open the Export Batch Payment File window, any bonus amounts that were paid to employees in the middle of the pay period will automatically be excluded from the payment amounts paid to the employees at the end of the relevant pay period, leaving only the balance of the employee's nett pay to still be paid to the employee.



wn As	Nett Annual Pay...	Nett Pay	Paid To Date	Payment Balance	Payment Amount	Payment Reference
in	R 3 750.00	R 11 100.00	R 3 750.00	R 7 350.00	R 7 350.00	SALARY
ne	R 1 750.00	R 5 692.50	R 1 750.00	R 3 942.50	R 3 942.50	SALARY
ies	R 2 050.00	R 9 873.75	R 2 050.00	R 7 823.75	R 7 823.75	SALARY
enny	R 0.00	R 3 960.00	R 0.00	R 3 960.00	R 3 960.00	SALARY

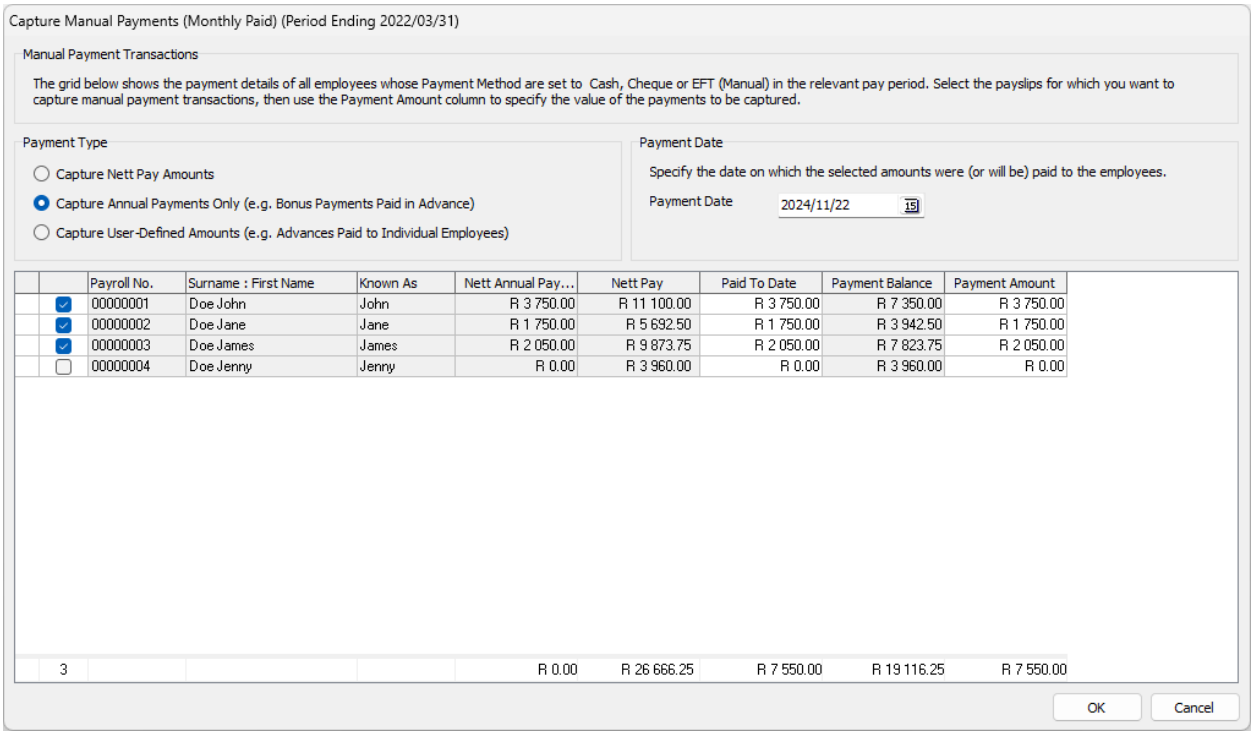
IMPORTANT: This feature is currently not available when paying employees via Netcash. Support for processing annual payments only via Netcash will be available in the next version of the software.

Capture Manual Payments

We've already seen how you can now automatically save payments made via batch payment files as processed payments against employees' payslips, or process batch payment files for annual payments only, but what about employees who are not paid via batch payment files?

The Capture Manual Payments window now provides an easy way to capture and save payments that were made to employees in cash, by cheque or via manual EFT payments (i.e.: not via batch files) as processed payments against the relevant employees' payslips.

The Capture Manual Payments window can be accessed by selecting Capture Manual Payments from the new Pay Employees menu on the toolbar at the top of the Pay Periods window.



This window shows only employees whose Payment Method are set to Cash, Cheque or EFT (Manual) in the relevant pay period.

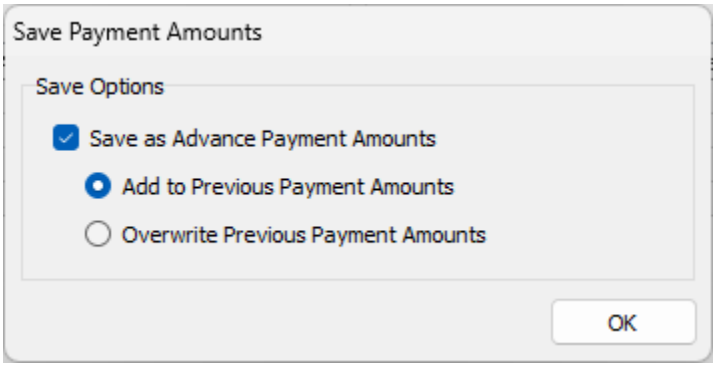
Start by selecting the type of payments you want to capture in the Payment Type section. The following options are available:

- Capture Nett Payment Amounts: Select this option to save a processed payment to the value of each employee's full nett pay against each employee's payslip. This option would normally be used at the end of a pay period to record the value of the nett pay amounts paid to employees.
- Capture Annual Payments Only: Select this option to save a payment to the value of each employee's nett annual payments as a processed payment against each employee's payslip. You would choose this option if you've already paid the relevant nett annual payment amounts

(such as bonuses for example) to the relevant employees in the middle of a pay period and now need to exclude those amounts from those employees' final payments at the end of the relevant pay period.

- Capture User-Defined Amounts: Select this option to save a payment for a user-defined amount as a processed payment against the selected employees' payslips. When using this option, the value of each user-defined payment must be specified in the Payment Amount column. Once the payments have been saved as processed payments, the relevant amounts will be excluded from those employees' final payments at the end of the pay period.

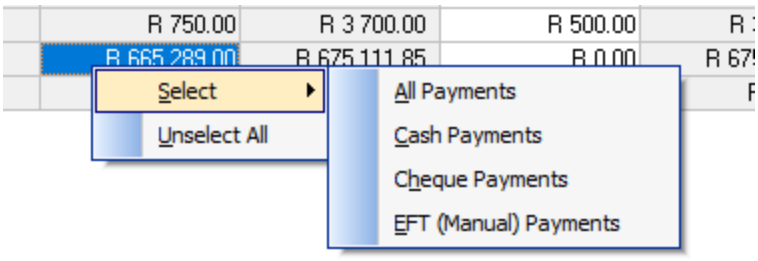
Once you've chosen the relevant option and have confirmed that the Payment Amounts correspond to the amount actually paid to your employees, select the Payment Date on which the amounts were paid to the employees, then click OK to save the payments. You will once again be presented with the Save Payment Amounts window, asking you to confirm whether the relevant amounts should be saved as processed payment amounts.



Select the relevant options, then click OK.

After payments have been saved, the next time you open the Capture Manual Payments window, the value of any processed payments that were paid to employees in that pay period will be visible in the Paid to Date column and will automatically be deducted from the employee's Nett Pay to determine the Payment Balance still owed to the employee.

Note: If you have employees with different payment methods in the same pay group, and those employees are paid on different dates, you can capture payments for the different payment method on different dates by right-clicking on the grid in the middle of the window and selecting the relevant payment method from the resulting popup menu.



Only employees who have the relevant payment method and who have payment amounts that are greater than zero will then be selected, allowing you to process payments for those employees only.

Payment Amounts Report (Payment Balance)

In the past, when printing the Payment Amounts report, the Payment Amount column always reflected the Nett Pay amount from an employee's payslip, regardless of whether some (or all) of the employee's income had already been paid to the employee. With the addition of the ability to record payment transactions in Intercode Payroll V6.2.0 however, the Payment Amounts report has now been updated to reflect an employee's Nett Pay amount, the total value of processed payments already paid to the employee, and the payment balance still owed to the employee.

ELECTRONIC FUND TRANSFERS (MANUAL)

Demo Company

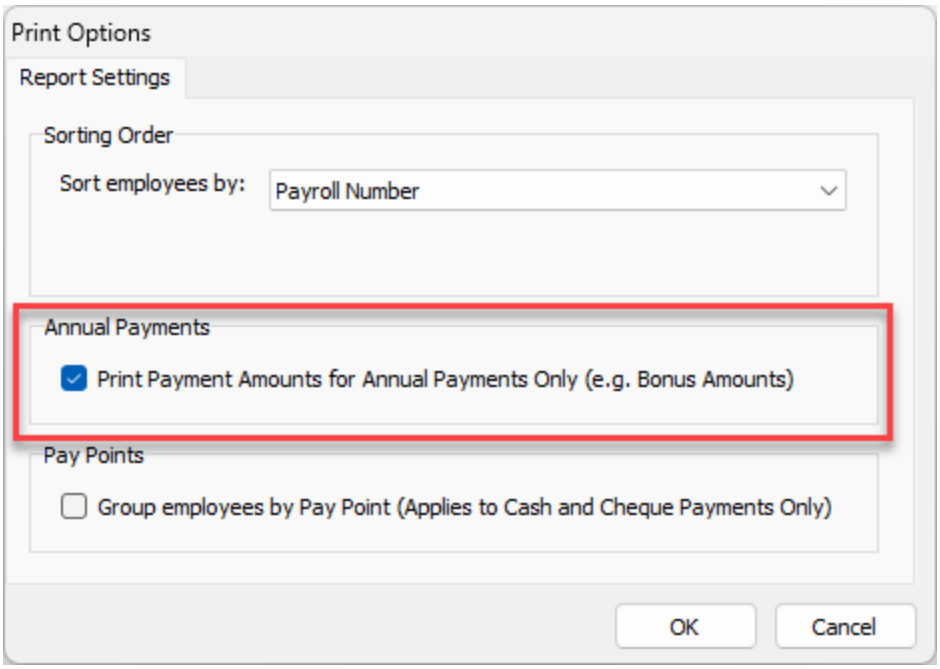
Pay Period Ending : Wednesday 31 August 2022

Bank	Branch	Account No.	Account Type	Nett Pay	Previous Payments	Payment Amount
ABSA	632005	38018821793	Savings	R8 880.00	R3 000.00	R5 880.00
Capitec	470010	6234567898	Savings	R23 691.63	R0.00	R23 691.63
				R990.00	R0.00	R990.00
			Totals:	R33 561.63	R3 000.00	R30 561.63
			No. of Employees:	3	No. of Transactions:	3

This makes it easier to see how much is still owed to each employee at the end of the pay period if the employer paid bonuses or other amounts to employees in advance, before the end of the pay period.

Payment Amounts Reports (Annual Payment Only)

When printing the Payment Amounts report, it is now possible to print the report for annual payments only.



If this option is selected, the Payment Amount column on the Payments Amounts report will reflect the nett annual payment amount for each of the employees who have annual payments on their payslips in the relevant pay period, instead of reflecting the employee's total nett pay as is usually the case.

ELECTRONIC FUND TRANSFERS (MANUAL) (ANNUAL PAYMENTS ONLY)

Demo Company

Pay Period Ending : Wednesday 31 August 2022

ode	Bank	Branch	Account No.	Account Type	Total Annual Payments	Tax on Annual Payments	Payment Amount
	ABSA	632005	38018821793	Savings	R5 000.00	R1 250.00	R3 750.00
	Capitec	470010	6234567898	Savings	R15 000.00	R700.00	R14 300.00
				Totals:	R20 000.00	R1 950.00	R18 050.00
				No. of Employees:	2	No. of Transactions:	2

ny previous payments made to the same employees in the same pay period into account. To print payment amounts that take previous payments into account, reprint this report
Payments only.

The nett annual payment amount is calculated as the Total Annual Payments paid to the employee in the relevant pay period, less the Total Tax on Annual Payments.

Using this report, employers can now easily determine the nett (after tax) value of annual payments to be paid to employees in advance of the employees' usual pay day, should the employer wish to pay nett bonuses amounts to employees in the middle of a pay period.

Printing Payslips (Annual Payments Only)

It is common practice for some employers to pay annual bonuses to their employees in the middle of December, before the employees' usual pay day.

This creates three distinct challenges for employers:

1. The bonus amount paid to the employee in advance needs to be the employees nett bonus amount, after the deduction of any employee's tax applicable to the bonus.
2. Employers want to provide their employees with interim payslips in respect of the bonuses paid in advance, reflecting the gross bonus amount, the tax on the bonus and the nett bonus amount paid to the employee.
3. The nett bonus amounts paid to employees in advance need to be excluded from the amounts paid to employees at the end of the pay period, on their usual pay day.

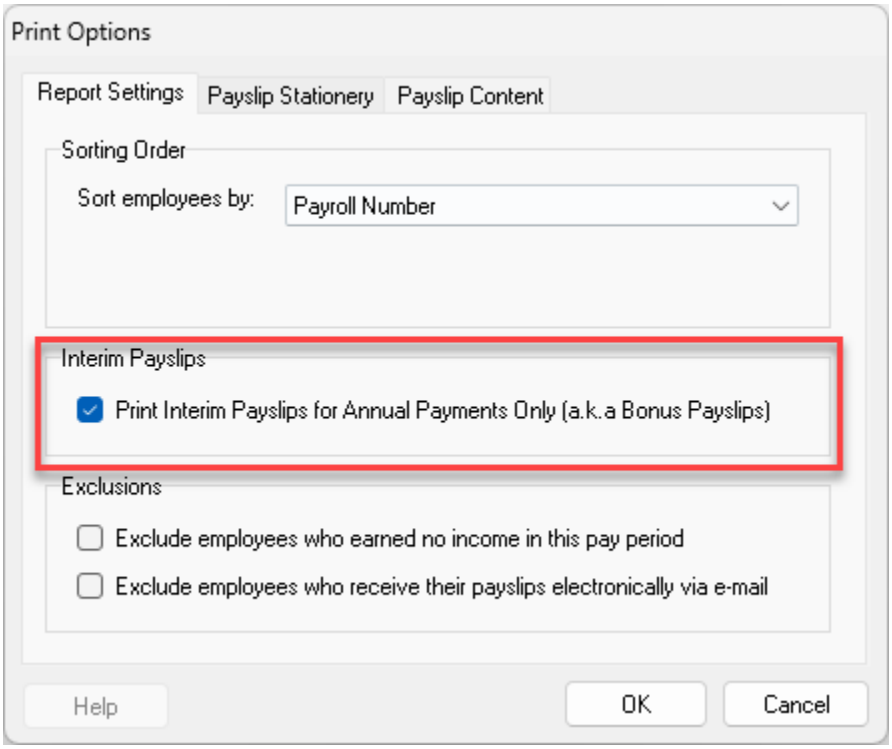
As discussed earlier in this document, the first challenge has now been solved by providing the ability to either process Annual Payments Only when generating batch payment files, or to print the Payment Amounts report for Annual Payment Only and then using that report to determine the nett bonus amounts to pay to employees manually.

The second challenge has also been solved by the introduction of the ability to print interim payslips for annual payments only.

To do this:

- Go to the Payroll section, select Pay Periods at the top left of the window, and select the relevant pay period.
- On the toolbar at the top of the Pay Periods window, click Print Payslips.

- In the Payslip Print Options window, select the option to Print Interim Payslips Only.



This will produce interim payslips that look similar to the normal payslips that are printed for employees at the end of each pay period, but with some important differences.

- The interim payslips will have the word “INTERIM” printed on them, indicating to the employee (or any relevant third parties) that this is not the employee’s full or final payslip.
- The interim payslips will reflect only income in respect of annual payments (i.e.: any income paid to the employee that is classified under SARS code 3605).
- The interim payslips will reflect only one deduction, which will be in respect of the employee tax on the annual payments.
- The Nett Pay amount reflected on the interim payslips will be the nett value of annual payments only (i.e.: total annual payments less tax on annual payments).
- Finally, the payslips will include notes at the bottom of the payslip to indicate to employees that the relevant payslips are not full or final, and that the tax calculated on annual payments might still change on the employee’s final payslip.

Below is an example of what an interim payslip might look like:

CONFIDENTIAL INTERIM PAY SLIP

Payroll Number	00000001	23 Daisy Drive
Employee	Doe John	Meadowdale, Pretoria
Known As	John	0050
ID Number	7207235069089	
Income Tax No.		23 Daisy Drive
Industry No.		Meadowdale, Pretoria
Appointment Date	01 Jan 2019	0050
Job Title		
Pay Point	Pretoria	ABSA
Payment Method	EFT	UNIVERSAL (632005)
Pay Period	01 Aug 2022 to 31 Aug 2022	38018821793 (Savings)

Fold Here

Income	Quantity	Rate	Benefit Value	Cash Value
Annual Bonus	1.00	R5 000.00		R5 000.00

Deductions & Contributions	Balance	Employee	Employer	Deduction
Employee Tax : Annual Payments		R1 250.00	R0.00	R1 250.00

Payslip Summary (Current Period)	Total Income	Total Benefits	*Sub Total Income*	Total Deductions	**NETT PAY**
	R5 000.00	R0.00	*R5 000.00*	(R1 250.00)	R3 750.00

END OF PAYSLIP

PLEASE NOTE:

1. This payslip is an interim, non-final payslip reflecting only the nett value of annual payments (such as bonuses) paid in advance of the employee's usual pay day. The final payslip for the relevant pay period will only be issued at the end of the pay period.
2. The value reflected under Employee Tax : Annual Payments is only an estimate of the employees tax that will be payable on the total value of all annual payments received in this pay period. The actual tax payable in respect of annual payments can only be determined accurately at the end of the pay period once the employee's total income for the pay period is known, and might therefore still change.

The third challenge discussed earlier (excluding nett bonus amount from the employee's final payment amount at the end of the pay period) has also been solved by the fact that any bonus payments saved as processed payments against employees' payslips either via the generation of batch payment files or via the Capture Manual Payments window, will automatically be excluded from subsequent payments made to the employees at the end of the pay period, either via batch payment files, or manually (by reprinting the Payment Amounts report).

IMPORTANT: When printing an employee's final payslip for a pay period, any annual payments that were paid in advance will be reflected on the final payslip as well, and the Nett Pay amount reflected on that payslip will **NOT BE REDUCED** by the value of previous payments. Interim payslips are not separate from normal payslip but are just a subset of an employee's full and final payslip, indicating amounts paid in advance. The fact that an employee's total nett pay for a particular pay period was paid to the employee across multiple payment transactions does not reduce the value of the employee's **nett pay** for that period – it only reduces the value of the **payment balance** still owed to the employee (i.e.: the portion of the employee's total nett pay that has not yet been paid).

BE VERY CAREFULL not to use the nett pay reflected on an employee's final payslip as the amount to be paid to the employee at the end of a pay period if any amounts (such as bonuses) were already paid in

advance. Amounts that were already paid to the employee will not reduce the nett pay reflected on the employee's payslip – use the **Payment Amount** reflected on the employee's payslip or on the Payment Amounts report instead, as that amount is reduced by previous payments and reflects only the balance owed to the employee.

Printing Payslips (Payment Amount)

As mentioned earlier, when we are talking about an employee's nett pay for a pay period, we are referring to the total amount of take-home pay that the employee was paid (or "got out") in a pay period. If for example, an employee is paid a basic salary of R 10 000.00, a bonus of R 5 000.00, and has total deductions of R 3 000.00, the employee's nett pay (the amount of take-home pay the employee got out) would be R 12 000.00.

Now suppose the employer pays the employee's nett bonus amount (let's say it's R 4 000.00 after tax) to the employee in advance. At the end of the pay period, the employer then pays the remaining balance of R 8 000.00 to the employee.

What was the employee's nett pay for that pay period?

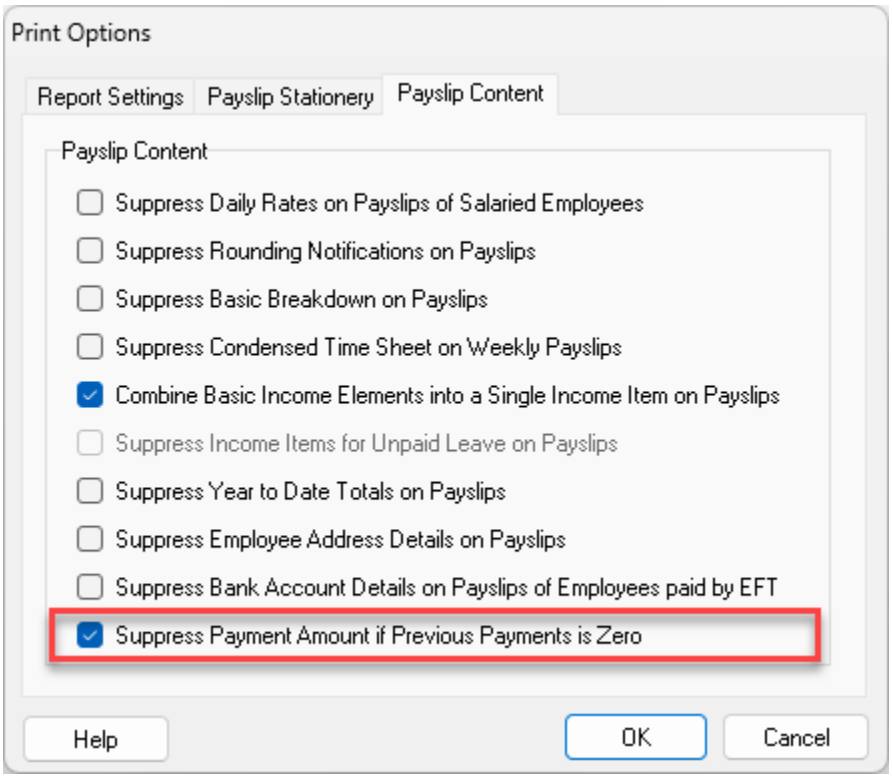
If we reduced the amount of nett pay reflected on the employee's payslip by the value of the bonus that was paid in advance (R 4 000.00), it would appear as if the employee received only R 8 000.00 for the month. That is not correct, however, as the employee was paid R 4 000.00 in the middle of the month and was then paid another R 8 000.00 at the end of the month. The employee's total take-home pay for the month was therefore R 12 000.00, which means that the nett pay reflected on the employee's payslip for the month must be R 12 000.00 as well. Advance payments therefore cannot reduce the value of an employee's total nett pay for a pay period – they only reduce the value of the outstanding payment amount.

For this reason, as of Intercode Payroll V6.2.0, employee payslips will now reflect and additional information line below the employee's nett pay, indicating the total value of previous payments (if any) as well as the outstanding payment amount (i.e. the payment balance) after taking previous payments into account.

Payslip Summary (Current Period)	Total Income	Total Benefits	*Sub Total Income*	Total Deductions	**NETT PAY**
	R15 000.00	(R0.00)	*R15 000.00*	(R3 000.00)	R12 000.00
		Previous Payments	(R4 000.00)	Payment Amount	R8 000.00

This will assist employers in determining the outstanding payment amount that still needs to be paid to an employee at the end of a pay period, if any amounts were already paid to the employee in advance.

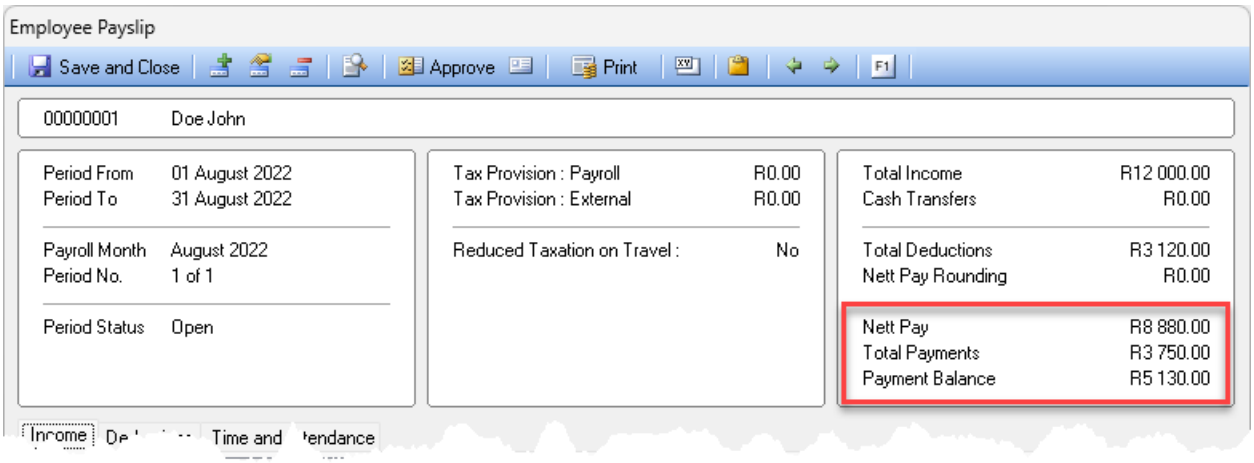
A New option has also been added to the Payslip Print Options window for employers who prefer not to show the new Previous Payments and Payment Amounts fields on the payslips of employees for whom no previous payments were made.



As the name suggests, selecting this option will cause the Previous Payments and Payment Amount fields to be hidden on the payslips of employees where the total of previous payments is zero.

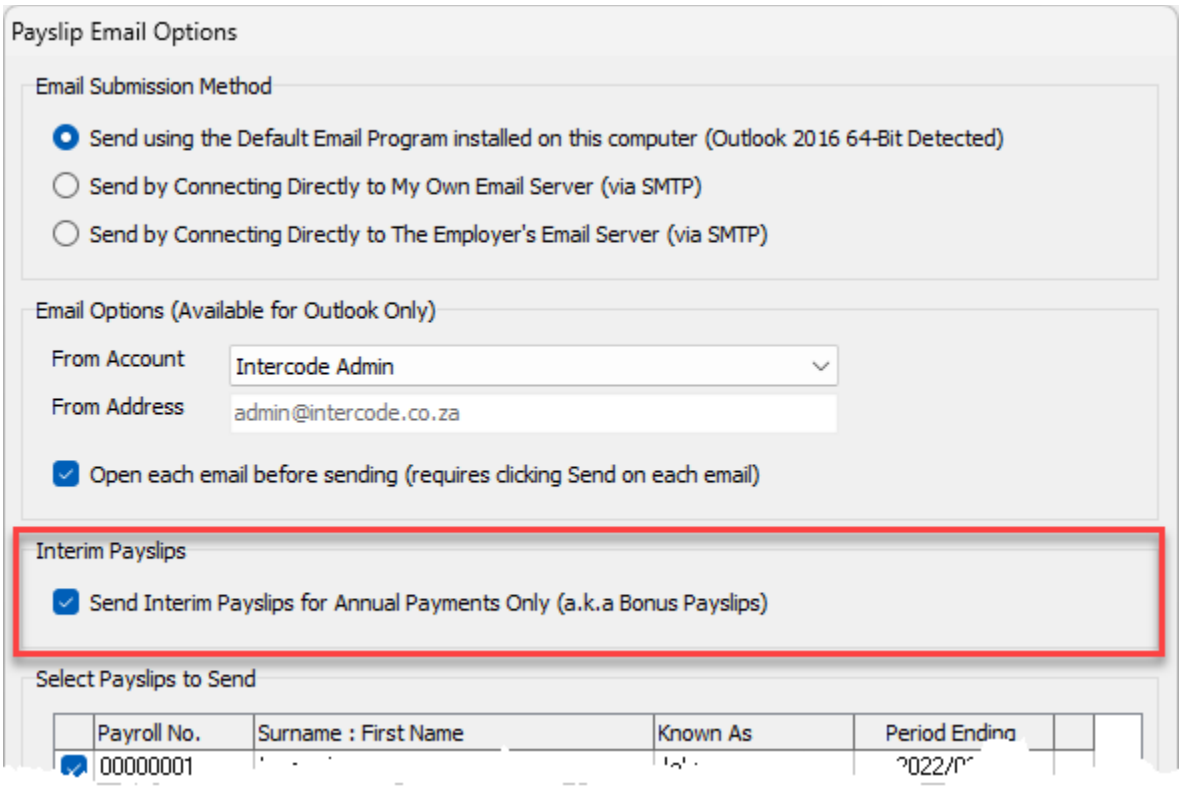
Employee Payslip Window (Payment Balance)

The Employee Payslip Window now includes two new amounts reflected underneath the employee's Nett Pay for the pay period, to indicate the total value of processed payments already paid to employees (either via the Export Batch Payment File or the Capture Manual Payments windows), and the Payment Balance (the employee's Nett Pay less the Total Payments).



Emailing Payslips (Annual Payments Only)

When emailing payslips to employees, it is now possible to email interim payslips to employees in the middle of a pay period (for bonus payments for example) instead of the final payslips that are usually emailed at the end of a pay period.



The payslips that are emailed to employees are the same as the interim payslips discussed above, except that they are emailed instead of printed.

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.