EXTERNAL GUIDE

GUIDE FOR COMPLETION AND SUBMISSION OF

EMPLOYEES TAX CERTIFICATES 2023

SARS

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REVISION HISTORY TABLE

Date	Version	Description
11-09-2020	8	2020/2021 PAYE BRS for Employer Reconciliation
10-09-2021	9	2021/2022 PAYE BRS for Employer Reconciliation
28-02-2022	10	2021/2022 Updated to align with the legislation
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1 PURPOSE

- This guide in its design, development, implementation and review phases is guided and underpinned by the SARS Strategic Plan 2020/21 – 2024/25 and the applicable legislation. Should any aspect of this guide conflict with the applicable legislation the applicable legislation will take precedence.

- An "Employees" Tax certificate" is defined in terms of paragraph 1 of the Fourth Schedule to the Income Tax Act 58 of 1962. The purpose of this guide is to assist employers in understanding the rules for issuing and completing Employees' Tax certificates (IRP5 and IT3(a)).

2 SCOPE

- This guide prescribes the rules for issuing and submitting Employees' Tax certificates.

- For validation rules relating to a specific field on an Employees' Tax certificate as well as rules relating to a specific income or deduction code, refer to external guides: PAYE-AE-06-G07 - Guide for Validation Rules Applicable to Reconciliation Documents 2023 and PAYE-AE-06-G06 – Guide for Codes Applicable to Employees' Tax Certificates 2023.

- The employer's demographic information is no longer part of the certificate as the "Certificate Number" now contains the PAYE reference number of the employer, which links the employer demographic information to the employee.

3 BACKGROUND

3.1 LEGISLATION BACKGROUND

- The Fourth Schedule to the Income Tax Act 58 of 1962 places, amongst other things, the following obligations on an employer:

  - To furnish employees to whom remuneration is paid or has become payable with Employees' Tax certificates within the prescribed period; and
  - To submit all reconciliation documents to SARS within the prescribed period.

Note 1: The legal requirements would apply if the employer ceased to be an employer or the employee dies, retires or resigns before the closing of the half-yearly period (e.g. 31 August). A final tax calculation at the end of the employee's tax period must be done and the certificate must be issued as a final tax certificate with a calendar month indication of "02" in the certificate number.

- *Paragraph 13(1B) of the Fourth Schedule to the Income Tax Act 58 of 1962* prescribes that where an employer has exercised an option to apply an alternate period to all his/her employees or any class of his/her employees, any remuneration paid or payable to such employee(s) during such alternate period shall be deemed to have been paid or to have become payable to such employee(s) during the year of assessment ended on the last day of February of the calendar year in which such alternate period ended.

- *Paragraph 13(2) of the Fourth Schedule to the Income Tax Act 58 of 1962* prescribes that the employer must deliver to each of his/her employees' an Employees' Tax certificate within:

  - Sixty (60) days after the end of the year of assessment if the employer has not ceased to be an employer in relation to the employee concerned.
  - Fourteen (14) days after an employee has left the employer's service (i.e., the employer has ceased to be an employer in relation to the employee concerned).
  - Fourteen (14) days after the employer has ceased to be an employer (i.e., the employer has ceased to be an employer in relation to **all** his/her employees); or
  - Such further period as the Commissioner may approve in any particular case

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Note 2: In instances where the employee has passed away, resigned or retired, the employer is required to submit the Employees' Tax certificate within 14 days after the date of death to the executor acting as a representative taxpayer of the deceased employee, or to the employee on resignation or retirement.

- *Paragraph 14(5) of the Fourth Schedule to the Income Tax Act 58 of 1962* prescribes that no Employees' Tax certificate shall be delivered by the employer to the employee until such time that an acceptable EMP501 has been rendered to SARS. The provisions of paragraph 14(5) are not applicable in the case where an employee ceased to be an employee as a result of death, retirement or resignation (paragraph 13(2)(*b*)).

- *Paragraph 13(4) of the Fourth Schedule to the Income Tax Act 58 of 1962* prescribes that the employer may not show amounts on any Employees' Tax certificate which have already been included in any other Employees' Tax certificate unless such other certificate has been cancelled by the employer.

- *Paragraph 13(7) of the Fourth Schedule to the Income Tax Act 58 of 1962* states that it shall be sufficient compliance with regards to the delivery of an Employees' Tax certificate to any employee or former employee, if such certificate is sent to the employee, former employee, the employee's authorised agent or the representative taxpayer by a registered post, where delivery cannot conveniently be effected by personal delivery.

- *Paragraph 13(15) of the Fourth Schedule to the Income Tax Act 58 of 1962* states that any Employees' Tax certificate on which appears the name or any trade name of any employer shall until the contrary is proved be deemed to have been issued by such employer if such certificate is in a form prescribed by the Commissioner.

4   EMPLOYEES' TAX CERTIFICATES [IRP5/IT3(A)]

4.1   FORMATS OF EMPLOYEES' TAX CERTIFICATES

- The following different formats for Employees' Tax certificates were prescribed by the Commissioner, namely:

    □   2012 ADOBE format;
    □   2013 ADOBE format;
    □   2014 ADOBE format;
    □   2015 ADOBE format;
    □   2016 ADOBE format;
    □   2017 ADOBE format;
    □   2018 ADOBE format;
    □   2019 ADOBE format,
    □   2020 HTML5 format,
    □   2021 HTML5 format;
    □   2022 HTML5 format;
    □   2023 HTML5 format.

- Each of the formats has different fields and each field has its own applicable validation rules which must be adhered to when completing the Employees' Tax certificate.

4.2   ISSUING OF EMPLOYEES' TAX CERTIFICATES

- The Employees' Tax certificate may only be issued to an employee, in respect of the half-year reconciliation where:

    □   The employer has ceased to be an employer in relation to the employee concerned (e.g. death, retirement, or resignation of the employee);
    □   The employer has ceased to be an employer (e.g. employer stops trading).

- The financial information (e.g. remuneration, deductions, etc.) of the relevant employee must be reflected on the certificate and must be for the transaction period 1 March to 31 August (6 months).

- Employees' tax paid must be reflected under code 4102 (PAYE).

4.3 RULES APPLICABLE FOR ISSUING IRP5/IT3(a)

- All employees' tax certificates submitted to SARS after 28 February 2022 should be completed or created and submitted in the 2023 format:

  - Manually completed Employees' Tax certificates should be completed on the correct HTML5 format.
  - A CSV file (which contains the Employees' Tax certificates) should be created according to the rules prescribed under the heading "Validation rules/codes applicable for submissions after 28 February 2010".
  - ZipCentralFile should be created by e@syFile™ Employer which contains the relevant Business Requirements Specification (BRS) PAYE reconciliation rules which is available on the SARS website www.sars.gov.za
  - Only manual Employees' Tax certificates relating to an employer reconciliation declaration (EMP501) submitted to SARS before 1 March 2008 should be completed on the 1999 manual format.
  - All standards and validation rules prescribed in the Guide for Employers in respect of Employees' Tax for the 2023 year of assessment must be adhered to.

- The general rules are:

  - All fields are mandatory;
  - Pre-printed blank EMP501s will no longer be accepted;
  - The pre-printed blank EMP501s will be accepted for periods prior to 31 May 2011;
  - All manual Employees' Tax certificates must be completed in a black ink;
  - All electronic Employees' Tax certificates may only be printed in a black ink;
  - Tippex (correction fluid) may not be used on any reconciliation document;
  - Corrections may not be made to any financial information completed on a reconciliation document. This should be done by cancelling the incorrect certificate and completing a new certificate;
  - All income and deductions should be reflected in the appropriate space on the certificate;
  - Under no circumstances may a blank certificate be issued to an employee;
  - A separate certificate may not be issued to an employee in respect of remuneration reflected on another certificate.
  - All fields completed must comply with the validation rules applicable to the specific field;
  - Employees' Tax certificate must at least have one income code with a value greater than zero. Where the remuneration for the director of a private company or a member of a close corporation cannot be determined at the end of the tax year, code 3620 and 3621 with a value greater than zero must be reported on the tax certificate;
  - For employees whose services were terminated before the closing of the interim period e.g. resigned, retrenched, retired, died, immigrated or employer ceased to be an employer, the month of the reconciliation period in the tax certificate number (code 3010) must be specified as "02" to indicate that this is a final certificate for the tax year and not an interim certificate. If the certificate is cancelled and replaced with a new certificate, the certificate number of the cancelled / replaced certificate MAY not be reused or allocated to the same employee or another employee in the same year.
  - It is optional to consolidate foreign employment income onto one tax certificate. Therefore, only one certificate may be issued to an employee if the employee's remuneration consists of local and foreign remuneration for the period employed by the same employer during a transaction year. All additional mandatory information must be completed.
  - All income and deductions must be classified according to the different codes allocated for income and deductions. Note that certain source codes have been specified as "sub-codes" and their values must be consolidated into a main source code on the certificate;
  - All codes used on a certificate must be in numeric sequence with the exception of the gross totals;
  - Each field completed must comply with the validation rules applicable to that field;

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- □ A unique certificate number must be allocated according to the prescribed rules to each certificate issued by the employer for the specific transaction year;
- □ Where an employer does not employ an employee on a permanent basis but employs an employee frequently for shorter periods during a year of assessment, the employer may issue only one IRP5/IT3(a) certificate for that year of assessment or issue multiple certificates
  - o The first date from and the last date of the tax period in the relevant Year of Assessment declared on this certificate should be specified under the 'Certificate Tax Period Start Date' (field 3170) and 'Certificate Tax Period End Date 'Although the employee is not employed on a full time basis, the values to be specified under – 'Pay periods in year of assessment' (field 3200) should be correctly specified in terms of the date the "Certificate Tax Period Start Date (field 3170) and 'Certificate Tax Period End Date' (field 3180), and 'No. of Periods Worked' (field 3210) should contain the number of pay periods for which the employee was paid during the relevant year of assessment;
  - o All other requirements applicable to IRP5/IT3(a) certificates must be complied with.
- □ The total income codes may not exceed 20 and the total deduction codes may not exceed 12. In cases where this total is exceeded, the following rules must be applied:
  - o If the same code is repeated on the certificate, combine the values and reflect the total value under the relevant code;
  - o Ignore codes 4003 if there are still more than 12 codes present.
- □ The certificate number must comply with the following:
  - o Must be unique for each employee;
  - o May not be used more than once by the employer. The number may be used twice only if the employer replaces a certificate submitted to the employee already;
  - o May not be duplicated in either the current or in the previous transaction years.
- □ The year of assessment to which the income on the certificate relates must be completed.
- □ All numeric fields must be completed from right to left.
- □ The following codes may only appear once on a certificate:
  - o All the employer information code
  - o All the employee information codes, excluding code 3230
  - o All Tax Certificate Information codes representing financial information, excluding following codes:
    - ▪ Income Received Codes: 3601 to 3924 and 3651 to 3957,
    - ▪ Deduction/Contribution codes: 4001 to 4587, and
    - ▪ Employment Tax Incentive Information codes: 7002 to 7005, 7007 to 7009.

4.4 SUBMISSION OF A RECONCILIATION DECLARATION

- Paragraph 14(3) of the *Fourth Schedule to the Income Tax Act 58 of 1962* prescribes that:

  - □ The employer is obliged to render a reconciliation declaration as prescribed to the Commissioner –
    - o By such date/dates as prescribed by the Commissioner by notice in the Government Gazette;
    - o Within 14 days after the date on which the employer has ceased to carry on any business or other undertaking or to be an employer, if:
      - ▪ The employer ceases to carry on any business or other undertaking in respect of which the employer has paid or becomes liable to pay remuneration to any other employee;
      - ▪ Otherwise ceased to be an employer
  - □ The submission period relating to the interim reconciliation process will also be published in the Government Gazette.
    - o The legal requirements will apply if the employer ceased to be an employer or the employee dies, retires, resigns or immigrates before the closing of the interim period (e.g. 31 August).
    - o A final tax calculation at the end of the Employee's Tax period must be done and the certificate must be issued as a final tax certificate with a month of the reconciliation period indication of "02" in the certificate number.

- Paragraph 14(5) of the *Fourth Schedule to the Income Tax Act 58 of 1962* prescribes that no Employees' Tax certificate shall be delivered by the employer to the employee until such time that an acceptable reconciliation declaration has been rendered to SARS.

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- □ *Paragraph 13(2)(a) of the Fourth Schedule* prescribes that Employees' Tax certificate must be delivered by the employer who has not ceased to be employer in relation to the employee concerned, within 60 days after the end of the period to which the certificate relates. This rule only relates to certificates which must be delivered in terms of paragraph 13(2)(*a*) of the *Fourth Schedule* within 60 days after the end of the year of assessment.
  - □ *Paragraph 13(2)(c) of the Fourth Schedule* prescribes that Employees' Tax certificate must be delivered by the employer who ceased to be an employer, within 14 days of the date on which the employer has so ceased. This rule relates to the delivery of the Employees' Tax certificate within 14 days after the employer has ceased to be an employer, in terms of paragraph 13(2)(c) of the Fourth Schedule.
  - □ Chapter 15 of the Tax Administration Act, 2011 (the TA Act) imposes penalty for the non-rendition of the EMP501 by the employer.
  - □ The Commissioner may remit the penalty or a portion thereof if he/she is satisfied that the circumstances warrant it.

- *Paragraph 14(7) of the Fourth Schedule* provides that, it the total amount of employees' tax deducted or withheld, or which should have been deducted or withheld for the period described in subparagraph (3), is unknown, the Commissioner may estimate the total amount based on information readily available and impose the penalty under subparagraph (6) on the amount so estimated

- *Paragraph 14(8) of the Fourth Schedule* provides that where upon determining the actual employees' tax of the person in respect of whom the penalty was imposed under subparagraph (7), it appears that the total amount of employees' tax was incorrectly estimated under subparagraph (7), the penalty must be adjusted in accordance with the correct amount of employees' tax with effect from the date of the imposition of the penalty under subparagraph (6) read with subparagraph (7).

Note: Employers must submit the EMP501 Reconciliation for a specific period through one channel only, i.e. if employers elect to submit the EMP501 Reconciliation through e@syFile for period e.g. 202208, the employer cannot revise the submission through eFiling, or vice versa. However, the employers have the option to elect a different channel for the submission of the next filing period.

5   LAYOUT ON EMPLOYEES' TAX CERTIFICATES (IRP5/IT3(A))

5.1   LAYOUT FOR 2023 HTML5 FORMAT

- The 2023 HTML5 format is divided into the following main sections, namely:

  - □ Header;
  - □ Employee Information;
  - □ Employer Information;
  - □ Tax Certificate Information.

- Each of the main sections (except for the header) consists of sub-sections (e.g. address details, directive information, income received, deductions, tax withheld, ETI financials etc.).

- Determine if the employee is an individual or other entity.

  - □ If individual:
    - o Determine if a ID number or passport number is available:
      - ▪ If available, complete the relevant nature of person as well as all mandatory fields relating to the completed nature of person;
      - ▪ If not available, complete the nature of person as well as all mandatory fields relating to the nature of person
  - □ If entity other than individual:
    - o Determine the nature of person applicable to the entity:
      - ▪ Complete the determined nature of person as well as all mandatory fields relating to the completed nature of person

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- Determine if any other information relating to the optional fields can be completed and complete accordingly.

- Complete the codes and values for income and deductions in the Tax Certificate information section as well as all gross totals.

- Complete the values for the Employees' Tax deducted or the reason code for the non-deduction of Employees' Tax in the Tax Certificate information section.

- Complete ETI and Directive information and amounts in the relevant sections, if any.

- Check all information completed on the certificate and verify if it complies with the relevant validation rules applicable to the specific field.

- Ensure that the employee's Income Tax reference number is correct. SARS will compare the information related to the Income Tax reference number, submitted against the information available on SARS records. If the information does not match, the certificate will fail the validations.

6 SUBMISSION OF RECONCILIATION DOCUMENTS TO SARS

6.1 EMPLOYERS ELECTRONICALLY SUBMITTING RECONCILIATIONS

- The ZipCentralFile which contains the data of all reconciliation documents, and which is created by the e@syFile™ Employer must be submitted to SARS via eFiling.

- Upon the submission of the EMP501 via e@syFile application, the application will first determine if there are audit results on any period relating to the reconciliation. If there are no results in one or more of the periods, the employer will be allowed to continue with the submission of the EMP501.

- Where there are audit results found on any periods relating to the submission of the EMP501, the employer will be advised to rectify the affected periods before the submission.

- The following steps must be followed when using e@syFile™ Employer:

  - Import the payroll system electronic data (CSV file and only in instances where there is an electronic CSV file);
  - Capture all manual IRP5/IT3(a) certificate information;
  - Capture the liability and payment information on the EMP501, if not pre-populated;
  - Generate the encrypted file which contains the IRP5/IT3(a) certificate information processed as well as all the relevant reconciliation declarations (this file is the ZipCentralFile);
  - Submit the ZipCentralFile to SARS via eFiling

  Note: The employer's demographic information will be pre-populated on the EMP501 return once the employer has imported the file.

- e@syFile™ Employer automatically generates ADOBE PDF versions of all the tax certificates which need to be issued (either printed or electronically) to the relevant employees of the employer.

Note 1: Manual tax certificates will not be accepted by SARS for employers who use e@syFile™ Employer.

- The following rules are specific to the creation of CSV files:

  - A comma-delimited file layout, combined with the prescribed code structure must be used.
  - The CSV file must be created in:
    - o EBCDIC format for mainframe systems
    - o ASCII format for non-mainframe systems.
  - All CSV files submitted to SARS after 28 February 2023 should be according to the prescribed validation rules and source codes applicable for submissions after 28 February 2023.

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Note 2: If a CSV file should be amended (e.g. due to replacement of certificate, etc.) in respect of a reconciliation declaration for the previous tax years submitted to SARS, such CSV file should be created according to the rules prescribed for 2023 and the employer must upload this file on e@syFile™ Employer or eFiling and perform all the prescribed functions in order to submit the relevant reconciliation data to SARS.

- A printed or electronic copy of the electronic Employees' Tax certificate may only be delivered to the employee when the acceptable reconciliation documents have been rendered to SARS.

- The following steps must be followed when using eFiling channel:

    □ Some fields will be pre-populated and auto calculated.
    □ Indicate if the reconciliation includes ETI or not. If 'Yes', the Employment Tax Incentive sections will be added to the form.
    □ All monthly liabilities will pre-populate on EMP501 using information obtained from EMP201 submissions made to SARS. This includes all financials for PAYE, SDL and UIF.
    □ Verify the amounts on EMP501 with the payments made and the amounts on EMP201.
    □ Do corrections to liability or payment amounts on the EMP501.
    □ It is important to note that on eFiling employers can only file a reconciliation that contains maximum of 50 IRP5/IT3(a) (tax certificates). For more details, please refer to EMP-GEN-02-G01 – A Step by Step Guide to the Employer Reconciliation Process – External Guide.

- The electronic reconciliation documents must be retained in the electronic form for record purposes by the employer.

- On request for a duplicate Employees' Tax certificate by an employee or former employee, a print of the electronic record retained by the employer, can be issued as a duplicate.

- Faxed or emailed documents in structured ADOBE formats will not be accepted. Use EMP701 with the EMP601 with 8 digit certificate numbers to adjust reconciliation submission for 1999 – 2008 transaction years. The EMP701 is not applicable for transactions years 2009 onwards however a revised EMP501 must be submitted.

7   CROSS REFERENCES

DOCUMENT #	DOCUMENT TITLE
PAYE-AE-06-G06	Guide for Codes Applicable to Employees' Tax Certificates 2023
PAYE-AE-06-G07	Guide for Validation Rules Applicable to Reconciliation Declarations 2023
PAYE-GEN-01-G05	Guide for Employers in respect of Employment Tax Incentive

8   DEFINITIONS AND ACRONYMS

Alpha field	• An alpha field will include:
	□ Alphabet A until Z
	□ Upper Case and Lower Case
	□ Dash (-)
	□ Space ( )
	□ Apostrophe (')
	□ Characters such as ê, ë etc.
Alphanumeric field	• An alphanumeric field will include:
	□ Any alphabetic letters (i.e. A to Z) in upper or lower case;
	□ Dash (-)
	□ Space ( )
	□ Apostrophe (')
	□ Alphabetical characters such as ê, ë, etc.
	□ Numbers 0 to 9
Alternate period	• A period, whether of 12 months or not, commencing on the day following the last day of the preceding alternate period in relation to the employer and ending on a date falling not more than 14 days before or after the last day of February

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Certificate type	• Type of certificates for which tax is to be levied. Types of certificates include:
	  ▫ IRP5; and
	  ▫ IT3(a).
	Note: Additional certificate types may be added at a later stage.

Commissioner	• The Commissioner for the South African Revenue Service
Computerised employer	• Employer with a PC which has the e@syFileTM application installed
Conditional fields	• Fields that must be completed subject to defined conditions, e.g. mandatory if related fields have been completed.
CSV file	• Comma Separated Value file.
e@syFile™	• The package supplied by SARS which has the functionality to create reconciliation documents in the prescribed formats and produced an electronic file in ZipCentralFile format submission purposes
EMP701	• Reconciliation adjustment declaration form • Use EMP701 with the EMP601 with 8 digit certificate numbers to adjust reconciliation submissions for 1999 – 2008 transaction years. • The EMP701 is not applicable for transaction years 2009 onwards.

Employee Income Tax certificates	• A certificate in the form prescribed by Commissioner which shows remuneration paid or payable to employee/former employee by employer and the sum of amounts of Employees' Tax deducted or withheld by employer from such remuneration.
	• The Employees' Tax certificate format is prescribed on the:
	  ▫ 1999 to 2007 format: IRP5 and IT3(a); and
	  ▫ From 2008 format: IRP5/IT3 (a)

Employees' Tax	• Means required tax deducted or withheld by an employer i.t.o paragraph 2 of Fourth Schedule from remuneration paid or payable to employee.
Employer	• Any person who pays or is liable to pay a person an amount by way of remuneration including a person responsible for the payment of an amount by way of remuneration to a person under the provisions of a law or out of public funds or out of funds voted by parliament or Provincial Council. This definition excludes any person not acting as a principal but includes any person acting in a fiduciary capacity or in his/her capacity as trustee in an insolvent estate, an executor or an administrator of a benefit fund, pension fund, pension preservation fund, provident fund, provident preservation fund, retirement annuity fund or any other fund.
ETI	• Employment Tax Incentive
Foreign Bank Account	• Bank Account with a financial institution not recognised by BANKSERV

Free text field	• A free text field may include the following:
	  ▫ Alphabet A until Z
	  ▫ Upper and Lower Case Characters
	  ▫ Number 0 to 9
	  ▫ Dash (-)
	  ▫ Space ( )
	  ▫ Inverted Commas ("")
	  ▫ Back slash(\)
	  ▫ Forward slash (/)
	  ▫ Question Mark (?)
	  ▫ At sign (@)
	  ▫ Ampersand (&)
	  ▫ Dollar sign ($)
	  ▫ Exclamation Mark (!)
	  ▫ Hash (#)
	  ▫ Plus (+)
	  ▫ Equals (=)
	  ▫ Semi colon (;)
	  ▫ Colon (:)
	  ▫ Apostrophe (')
	  ▫ Left and Right Brackets (( ))
	  ▫ Full Stop (.)
	  ▫ Characters such as ê, ë etc.
	• All special characters are allowed, however for XML development purposes

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	the following standard must be adhered to: ISO-8859-1 encoding or informally referred to as Latin-1. The definition of this standard can be found on: http://en.wikipedia.org/wiki/ISO/IEC_8859-1
ID-number	• The 13 digit identity number indicated in the green bar-coded identity document issued in accordance with the Identification Act, No. 72 of 1986
Interim reconciliation process	• Administrative process at a specific point in time not subject to the same legal requirements (e.g. issuing Employee Tax certificate to employee, etc.) as those for the end of Employer's Tax period or end of tax year
IRP5	• An Employees' Tax certificate where Employees' Tax deducted or withhold are indicated
IT3(a)	• An Employees' Tax certificate where no Employees' Tax was deducted or withhold and a reason for the non-deduction are indicated
Liabilities	• The amount of Employees' Tax, SDL and UIF which an employer is obliged to deduct, withhold and/or contribute in terms of the provision of the Fourth Schedule, SDL Act and UIF Act
Manual employer	• Employer completing an EMP501 reconciliation and Employee Income Tax certificates manually and do not create the relevant information with a PC which has the e@syFile™ installed
Nature of Person	• Nature of person includes: ▫ A = Individual with an identity or passport number that is not a Director of a Company / Member of a CC, Asylum Seeker, Pensioner or Refugee; ▫ B = Individual without identity or passport number that is not a Director of Company/Member of CC, Asylum Seeker, Pensioner or Refugee; ▫ C = Director of a private company / member of a CC; ▫ D = Trust; ▫ E = Company / CC; ▫ F = Partnership ▫ G = Corporation; ▫ H = Personal Service Provider; ▫ M = Asylum Seekers ▫ N = Retirement Fund Lump Sum Recipient/Pensioner. ▫ R = Refugee
Numeric field	• Numbers from 0 to 9
Optional fields	• Fields that can be completed based on applicability and availability.
PAYE	• Pay-As-You-Earn (Employees' Tax)
Payroll authors	• Refers to a group of companies who supply and support computerised payroll systems on a commercial basis
Payroll employer	• Employer who creates a CSV file from electronic payroll information
Reconciliation declaration	• EMP501 return on which an employer's PAYE, SDL and UIF liabilities are declared with associated payments, certificate values and the resulting net effect of setting off payments again liabilities
Reconciliation submission process	• Process through which an employer submits all required PAYE, SDL and UIF documentation to SARS for processing i.e. IRP5/IT3(a), EMP501, EMP601 and an EMP701 if applicable. • Use EMP701 with the EMP601 with 8 digit certificate numbers to adjust reconciliation submissions for 1999 – 2008 transaction years. The EMP701 is not applicable for transaction years 2009 onwards.
SARS	• The South African Revenue Service
SARS' website	• www.sars.gov.za
SDL levy	• Skills development levy referred to in section 3 of the Skills Development Act No. 9 of 1999 and any administrative penalty leviable under this Act; • Subsection (1) comes into operation on a date determined by the Minister of Finance by notice in the Government Gazette.
SEZ	• Special Economic Zones which are approved by the Minister of Finance for the purposes of section 6(a)(ii) of the Employment Tax Incentive Act, 2013 (Act No. 26 of 2013) which allows eligible employers to claim ETI for qualifying employees, regardless of age. **Note:** The Minister of Finance has identified six SEZ s for purposes of ETI as from 1 August 2018.

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SIC7	Standard Industrial Classification
TA Act	Tax Administration Act No.28 of 2011
Tax period	- In relation to any employer, as a period of 12 months ending on last day of February of the relevant tax year or at the option of employer, an alternate period, in respect of which remuneration is paid or has become due - In relation to an employee, a tax year (1 March to 28/29 February of the next year) or any unbroken period during the tax year: ▫ During which the employee was employed by one employer in the Republic in standard employment; or ▫ During which any annuity was paid or became payable to him/her by one employer; or ▫ Such period as the Commissioner considers appropriate in the circumstances, where the Commissioner has in relation to the employment of any employee, issued a ruling to the employer.
Tax year	Basically, same as definition of transaction year for purposes of reconciliation documents submitted to SARS prior to availability of e@syFile™
Taxpayer	In terms of Tax Administration Act No. 28 of 2011, taxpayer means a: ▫ Person chargeable to tax; ▫ Representative taxpayer; ▫ Withholding agent; ▫ Responsible third party; or Person who is subject of a request to provide assistance under an international tax agreement
Transaction year	- The tax year during which the employer deducted and paid employees' tax in respect of remuneration paid or payable to an employee. Could include employees' tax on remuneration which accrued during a previous tax year. - The Transaction year may only be a year subsequent to the 'Year of Assessment' in the case of 'Variable Remuneration' as defined in section 7B and other exceptional circumstances.
UIF contributions	Are compulsory contributions payable in terms of the Unemployment Insurance Contributions Act No. 4 of 2002 (the UIC Act) to fund the benefits available to workers in terms of the Unemployment Insurance Act, 2001 (the UI Act). Effective from 1 April 2002, contributions collected by SARS are transferred to the UIF which is administered by the UI Commissioner.
XML	Extensive Mark-up Language
Year of assessment	The year of assessment in which the remuneration was paid or became payable to the employee.

9   QUALITY RECORDS

Number	Title
IRP5/IT3(a)	Employees' Tax certificate
EMP201	Monthly employer declaration
EMP501	Employer reconciliation declaration
EMP601	Certificate cancellation declaration
EMP701	Reconciliation Adjustment Declaration