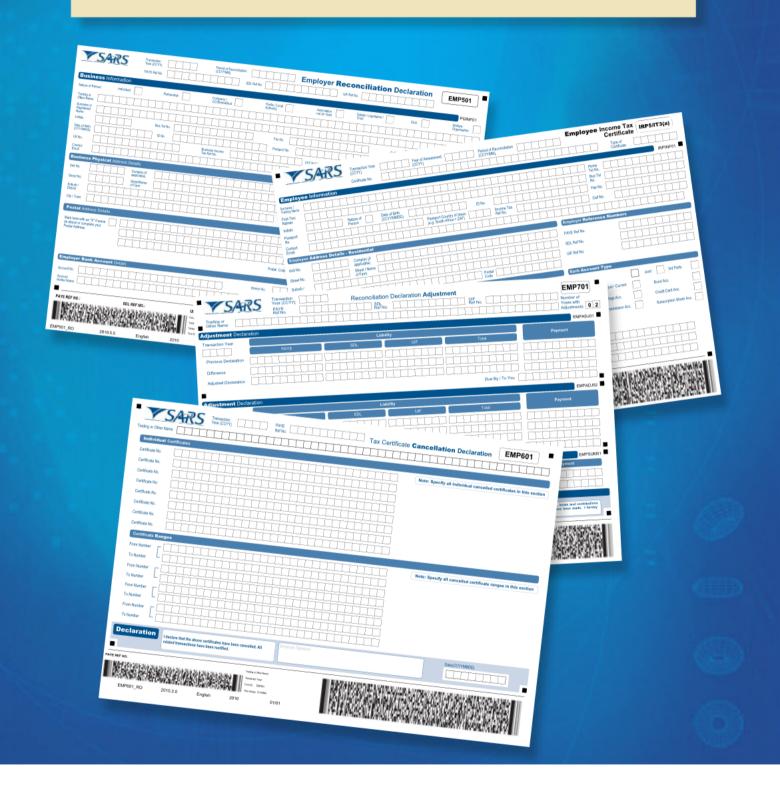
A STEP-BY-STEP GUIDE TO THE EMPLOYER RECONCILIATION PROCESS





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1. **GLOSSARY OF TERMS**

TERM	DESCRIPTION							
Annual period	The tax year transaction period 1 March to 28/29 February							
Bus	Business							
СС	Close Corporation							
CK No	Company number							
Commissioner	The Commissioner for the South African Revenue Service							
CSV file	Electronic data of your employee tax certificates [IRP5/IT3(a)s] which is generated using your payroll system							
EMP201	Monthly Employer Declaration							
EMP301	Underpayment on Account letter							
EMP501	Employer Reconciliation Declaration							
EMP601	Tax Certificate Cancellation Declaration							
EMP701	Reconciliation Declaration Adjustment							
EMPSA	Employer Statement of Account							
ID	Identity number							
Interim period	The six month transaction period 1 March to 31 August							
IRP5/IT3a	Employee Income Tax Certificate							
ITREG	Income Tax Registration							
ITREG certificate	Income Tax Registration certificate							
No	Number							
PAYE	Pay-As-You-Earn (Employees Tax)							
PIT	Personal Income Tax							
RAF	Retirement Annuity Fund							
Ref	Reference							
Reg	Registration							
SARS	The South African Revenue Service							
SDL	Skills-Development-Levy							
SITE	Standard Income Tax on Employees							
Tax liability	Amount of tax withheld from the employees, which is owed to SARS							
Tel	Telephone							
UIF	Unemployment Insurance Fund							
VAT	Value-Added Tax							

OVERVIEW 2.

In terms of the Income Tax Act No. 58 of 1962, employers are required to:

- Deduct the correct amount of tax from employees
- Pay this amount to SARS monthly, ensuring SARS receives a Monthly Employer Declaration (EMP201) and the associated payment
- Reconcile these deductions and payments during the annual Employers Tax Season and the Interim Reconciliation period.
- Issue tax certificates to employees.

Therefore, during the interim and annual Employer Reconciliation employers are required to submit accurate reconciliation declarations (EMP501, if applicable, EMP601 and EMP701) in respect of the EMP201 submitted, the payments made and the IRP5/IT3(a).

SARS has been modernising and simplifying tax processes in line with international best practice.

Each year SARS works hard to improve service standards, incorporating the latest technology and developments in tax standards worldwide. Our aim is to provide a straightforward, user-friendly process and solution.

With this in mind, we are continually enhancing the PAYE process for the Employers Tax Season (interim and annual). We've introduced additional elements, and these changes are a vital part of SARS's long-term vision to have a more accurate reconciliation process, which has been accommodated for in e@syFile™ Employer software.

In partnering with SARS to work towards our vision, the employer plays a critical role. This guide will help you to fulfil your tax responsibilities to ensure that you have a smooth Employers Tax Season (interim and annual).

For further information, please visit a SARS branch, call the SARS Contact Centre on 0800 00 SARS (7277) or visit www.sars.gov.za.

3. UNDERSTANDING THE EMPLOYER RECONCILIATION PROCESS

The Employer Reconciliation process is where an employer is required to submit accurate reconciliation declarations (EMP501, if applicable, EMP601 and EMP701) in respect of the EMP201 submitted, the payments made and the IRP5/IT3(a)s for the:

- Interim period which is for the transaction period 1 March to 31 August, or
- Annual period which if for the full tax year 1 March to 28/29 February.

The interim reconciliation was introduced in September 2010 and has now become an integral part of the Employer Reconciliation. The interim reconciliation process is intended to assist employers by:

- Enabling an easier and more accurate annual reconciliation submission
- Maintaining an up-to-date employee database
- Registering employees for Income Tax purposes, as required.

Note: Employer reconciliation submissions must be made to SARS by the date, as prescribed by the Commissioner, by notice in the Government Gazette.

The Employer reconciliation process has been enhanced since 2008, to provide a simplified process and introduced a free custom-built software (e@syFile™ Employer) to assist employers in managing their engagements with SARS quickly, easily and conveniently.

The basic reconciliation process has remained constant, with the EMP501 allowing employers to calculate the difference, if any, between the total value of the tax certificates they issued, their total declared liability (EMP201) and their total payments to SARS.

All mandatory fields must be completed, as required, and remains the responsibility of the employer to ensure the information provided to SARS is accurate at the time of submission.

This information is critical in fulfilling SARS's long-term vision to have a more accurate reconciliation process. It will also set the foundation for increasingly efficient processing of PAYE submissions.

Making your submission:

Submission can be made via the following channels:

Electronic submissions:

It is important to note that only the latest version of e@syFile™ Employer must be used as any information submitted to SARS using a previous version will not be accepted. For the latest version, refer to SARS eFiling website www.sarsefiling.co.za.

- Online using e@syFile™ Employer via SARS eFiling using an eFiling username and password.
- On a disc at a SARS branch the disc must contain an encrypted file created by the e@syFile™ Employer software. To create the encrypted file, generate the CSV tax certificate file from the payroll system, import this into e@syFile™ Employer and prepare the employer reconciliation declarations for submission. Signed hard copies of the EMP501, and, if applicable, the EMP601 and EMP701 must be submitted together with the disc. Once SARS has captured the information, the disc will be returned to you, to sustain the security of the information provided.

Note: Employers must import CSV files into e@syFile™ Employer as SARS no longer accepts CSV files directly from payroll systems.

Manual submissions:

- Over the counter at a local SARS branch
- By placing it in a SARS drop box
- By post.

Note: The original Employer Reconciliation forms that were posted to you by SARS must be submitted, as these forms contain a unique printed barcode for purposes of capturing and storing data. No copies or self-printed forms will be accepted. Copies of all declarations submitted must be retained for a period of five (5) years.

e@SYFILE™ EMPLOYER 4.



A major development in the reconciliation process was the introduction of free software (e@syFile™ Employer) to reduce turnaround times and errors, and ultimately provides a simpler, more convenient process for both employers and SARS.

e@syFile™ Employer is a software package which has been designed by SARS to help employers manage their engagements with SARS quickly, easily and conveniently on the computer, in the comfort of the office or home. This software can be used offline and only need to connect to the internet when submitting to SARS.

Using e@syFile™ Employer, employers can:

- 1. Finalise, submit and pay Monthly Employer Declaration (EMP201).
- 2. Finalise and submit interim and annual Employer Reconciliation Declarations in five basic steps:
- Step 1 The employer's current payroll system generates electronic IRP5/IT3(a)s in a CSV file which is imported into e@syFile™ Employer.
- Step 2 The employer uses e@syFile™ Employer to capture all manual certificates.
- Step 3 e@syFile™ Employer uses information from all the IRP5/IT3(a)s to automatically populate certificate totals for the EMP501. The employer enters the monthly liabilities and payments, and e@syFile™ Employer calculates the rest.
- Step 4 You can make your declaration by generating the CSV tax certificate file from the payroll system, and importing this file into e@syFile™Employer for submission to SARS.
- Step 5 Cancel certificates (EMP601), or makes adjustments to previous year's reconciliation submissions EMP701, if applicable. Then submit your reconciliation declarations to SARS.

e@syFile™ Employer automatically generates an Adobe PDF version of all IRP5/IT3(a)s which can be given to employees (either printed or electronically) for Personal Income Tax (PIT) filing season.

When creating the reconciliation submission, employers have the option of storing the PDF certificates created as part of the reconciliation.

However, for the Employer Interim Reconciliation, IRP5/IT3(a)s these certificates must not be issued to employees, as they are for SARS's administrative purposes only. Certificates should only be provided to the employees whose employment was terminated prior to the closing of the interim period, due to resignation, death, immigration or any employer ceasing to be an employer, the certificate number must reflect the full reconciliation period (02).

Register employees for Income Tax and obtain feedback

Employers are able to use e@syFile™ Employer to register employees for Income Tax. To help employers three registration options are made available namely:

- Individual Income Tax Registration (ITREG), where an employer can apply to register employees individually.
- Bulk ITREG, where SARS registers employees using the Employer Reconciliation submissions provided by employers.
- Bundled ITREG which enables employers to register multiple employees (maximum of 100) at a time and limited to 1000 employees per month, for those employees that were not registered as partof the employer's previous PAYE submission.

Feedback to employers on the outcome of the registration process for employees is made available.

For more information on the registration of employees, refer to the e@syFile™ Employer User Guide available on the SARS website www.sars.gov.za.

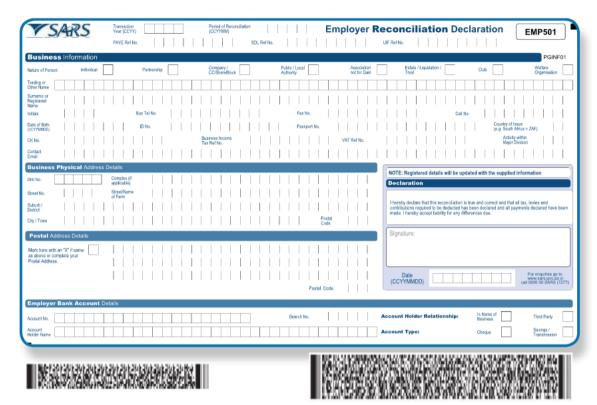
4. Receive all letters and correspondence issues by SARS - All communication issued by SARS on eFiling is also available through e@syFile™ Employer. Employers can therefore keep abreast of any changes or matters of interest which may affect them.

It is important to note that only the latest version must be used as any information submitted to SARS using a previous version of e@syFile™ Employer, will not be accepted.

The updated version of e@syFile™ Employer can be accessed by:

- Visiting the SARS eFiling website www.sarsefiling.co.za and downloading the latest version.
- Calling the SARS Contact Centre on 0800 00 SARS (7277) or visiting your local SARS branch and requesting the latest version of the e@syFile™ Employer CD to be posted. (It may take more than two weeks to be delivered to you and will only be delivered to physical street addresses, not post boxes).

THE EMPLOYER RECONCILIATION DECLARATION (EMP501) 5.



Employers are now required to complete two reconciliation declarations per tax year. All fields are mandatory.

RECONCILIATION 5.2

5.2.1. How to reconcile

Reconciliation involves matching all tax due (liabilities) with all tax paid and checking these against the total value of all tax certificates issued. These three (3) amounts should all be equal. The reconciliation process only relates to the tax paid and not additional tax, penalties or interest.

5.2.2. Reconciliation steps for employers:

Step

Before completing the EMP501 (for interim and annual submission), determine the total income of each employee for that year and recalculate the tax based on that amount. IRP5/IT3(a)s should reflect the income, deductions and tax as calculated at this point.

If the recalculated liability according to the tax certificates is different to the previously declared monthly EMP201s, it will need to be determined in which month(s) these differences occurred.

Capture all the relevant demographic information in the Business Information and Contact Details sections.

Step 4

Capture all the monthly liabilities for PAYE, SDL and UIF using these revised figures in the Financial Particulars section on the EMP501 (i.e. where different, the liabilities inserted on the EMP501 should be the final calculated liabilities rather than the liabilities declared on the EMP201).

Step

Capture the total monthly payments made in respect of PAYE, SDL and UIF but excluding payments made in respect of interest and additional tax. These are the actual payments made to SARS throughout the year - no recalculations needed.

Step 6

Calculate the totals and difference fields (If using e@syFile™ Employer simply click on the self-assess button in order to populate all the totals and difference fields for you).

Step

Employers must calculate the SDL and UIF totals and capture the values. If the SDL and UIF contributions are not on the certificates this value must be calculated and completed.

8 Step

When settling any shortfall reflected in the reconciliation, the payment must be allocated to the period(s) in which the shortfall occurred. If the relevant period cannot be determined, the payment should be allocated to the last active period within the transaction, which is August (interim) and February (annual).

5.3 **ISSUES WHICH MAY ARISE**

- Where you had a credit due that was used in settling a liability this year, you should add this to the payment field for that particular month when finalising your reconciliation.
- The following are the most common instances where the recalculated (actual) monthly liabilities could differ from the original declared liability amount on the EMP201s:
 - A delay in implementing the correct tax tables. This may have resulted in and over/under-deduction of tax in the months prior to the tax tables being introduced. As long as the adjustments are made in the month following the tax tables being made available, the original EMP201 amounts need not be revised.
 - When performing your final tax liability calculation for employees, difference could arise as a result of fluctuations in monthly remuneration. Where this has occurred, the differences must be reflected in the relevant month (e.g. in the month that a person resigns or end of the tax year).
 - When an employer spreads an employees' tax on their 13th cheque over a tax year and the employee resigns before the bonus is due, there might be an over/under-deduction.
 - Any administrative timing difference in updating your payroll records (e.g. resignation or death of an employee which is only updated after running the payroll, resulting in an over-payment to SARS).
- If you change any data in respect of any reconciliation that has already been submitted to SARS, the certificate(s) can be amended and the EMP501 adjusted accordingly. The revised EMP501 or EMP701 (if changing a declaration for a previous year), and any revised certificates, must then be submitted to SARS.

COMPLETING THE EMP501

Note: The sections will either be optional, mandatory or not required, and must be completed according to the Nature of Person. Please note which alphabet has been used to denote the relevant Nature of Person field when completing your EMP501:

- · A: Individual
- B: Partnership
- · C: Company/CC/Shareblock
- · D: Public/Local Authority
- · E: Association not for Gain
- F: Estate/Liquidation/Trust
- · G: Club; or
- · H: Welfare organisation.



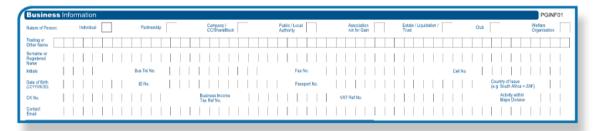
Completing the header details:



- Transaction Year: This is an internal term representing the year to which the EMP501 refers.
- Period of Reconciliation: Complete the submission period to which the declaration relates. This value is the transaction year followed by the concluding calendar year month of the reconciliation, i.e. if the reconciliation is for the period up to August 2011, use 201108.
- PAYE Ref No: Complete the employer's PAYE reference number.
- SDL Ref No: Complete the employer's SDL reference.
- UIF Ref No: Complete the employer's UIF number.



Completing the Business Information:



- Nature of Person: Please check the applicable box for the relevant business type.
- Trading or Other Name: Complete the business trading or other name.
- Surname or registered name: For a natural person (A and where applicable F) complete the surname and initials. For non-natural person (B, C, D, E, G, H and where applicable F) complete the registered name.
- Initials: Complete the initials (mandatory for A, optional for F).

Note: For the Bus Tel No, Fax No and Cell No fields, please only use numerals without any spaces in between. If you are entering a landline number, ensure that the area code is completed. You must complete either the Bus Tel No or Cell No field.





- Bus Tel No: Complete the business telephone number.
- Fax No: Complete the business fax number.
- Cell No: Complete the cellular number.
- Date of Birth: Complete the employer's date of birth if you are an Individual (A). For F this field is mandatory where the Initials field has been completed.
- ID No: For an individual (A) either the ID No or Passport No is mandatory. For F this field is mandatory where the Initials field has been completed.
- Passport No: For an individual (A) either the ID No or Passport No is mandatory. For F this field is mandatory where the Initials field has been completed.
- Country of Issue: If you have completed the Passport No field, please select the country in which the passport was issued. Please see section 9 - Codes for the country that issued the passport.
- CK No: Please use numerals (optional for C and F).
- Business Income Tax Ref No: Please use numerals (optional for A, C, E, F, G and H).
- VAT Ref No: Complete the business VAT reference number using only numerals.
- Activity within Major Division: Complete the relevant business activity code. Refer to VAT 403 Trade Classification Guide available on www.sars.gov.za.
- Contact Email: Complete the email contact details for the business, e.g.: business@email.co.za.



Completing the Business Physical Address Details:



- Unit No: Complete the unit number if the business is not in a standalone building.
- YSARS: Where applicable, complete the name of the complex.
- Street No: Complete the street number in which the business is located.
- Street/Name of Farm: Complete the name of the street or farm in which the business is located.
- Suburb/District: Complete the name of the suburb or district in which the business is located.
- City/Town: Complete the name of the city or town in which the business is located



Completing the Business Postal Address Details:



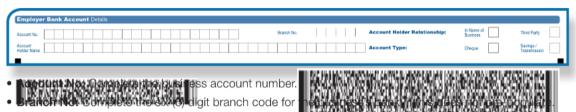
Where the postal address is the same as the residential address details please check the box Mark here with an "X" if same as above or complete you Postal Address. If not, complete the employer's postal address and postal code.







Completing the Employer Bank Account Details:



- Account Holder Name: Complete the account holder's name.
- · Account Holder Relationship: Indicate whether the business's account is in the name of the business or a 3rd party.
- Account type: Indicate whether the business account type is a cheque or savings/transmission.

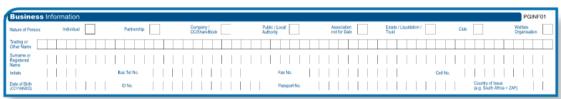


Completing the Declaration section:



Sign and date your Declaration.





Note: Optional for A and F, but mandatory for B, C, D, E, G and H.

- Surname: Complete the representative's surname.
- **Initials:** Complete the representative's initials.

Note: For the Bus Tel No, Fax No and Cell No fields, please only use numerals without any spaces in between. If you are entering a landline number, ensure that the area code is completed. You must complete either the Bus Tel No or Cell No field.

- Bus Tel No: Fill in the representative's business telephone number.
- Fax No: Fill in the representative's fax number.
- Cell No: Fill in the representative's cellular number.
- Monathe 12.4% of tase ort No. is mandatory.
- Passport No: Either ID No. or Passport No. is man
- Country of Issue: If you have filled in the Passport No. field, please select the country in which the passport was issued. Please see section 9. Codes for the country that issued the passport.
- Capacity: Select the relevant block for the capacity in which you are representing the business.
- Contact Email: Fill in the representative's email contact details, e.g.: business@email.co.za.



Completing the Contact Person Details:



Note: Please complete the contact person details, where the representative details have not been completed.

- Surname: Complete the contact person's surname.
- Initials: Complete the contact person's initials.

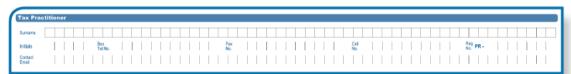
Note: For the Bus Tel No, Fax No and Cell No fields, please only use numeral without any spaces in between. If you are entering a landline number, ensure that the area code is completed. You must complete either the Bus Tel No or Cell No field.



- Fax No: Complete the contact person's fax number.
- Cell No: Complete the contact person's cellular number.
- ID No: Complete either the ID No or Passport No which is mandatory.
- Passport No: Complete either the ID No or Passport No which is mandatory.
- Country of Issue: If you have completed the Passport No field, please select the country in which the passport was issued. Please see section 9 - Codes for the country that issued the passport.
- Contact Email: Complete the contact person's email contact details, e.g.: business@email.co.za.



Completing the Tax Practitioner Details:



Note: This section is optional.

- Surname: Complete the tax practitioner's surname.
- Initials: Complete the tax practitioner's initials.

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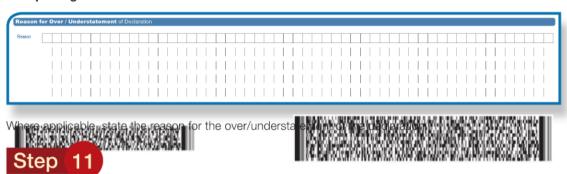
between. If you are

entering a landline number, ensure that the area code is completed. You must complete either the Bus Tel No or Cell No field.

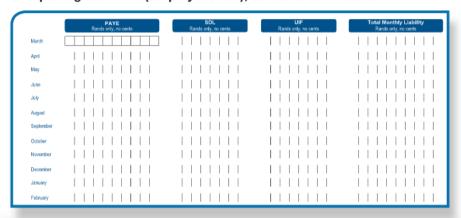
- **Bus Tel No:** Complete the tax practitioner's business telephone number.
- Fax No: Complete the tax practitioner's fax number.
- Cell No: Complete the tax practitioner's cellular number.
- Reg No: Complete the tax practitioner's registration number.
- Contact Email: Complete the tax practitioner's email contact details, e.g.: business@email.co.za.



Completing the Reason for Over/Understatement of Declaration Details:



Completing the PAYE (Employees Tax), SDL and UIF Details:



Note: These fields are a summary of the monthly liabilities for PAYE, SDL and UIF as recalculated during the reconciliation process.

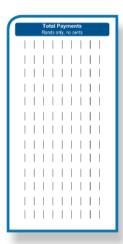
All these fields are numeric and cents must be omitted or rounded off to the nearest rand.



- The totals may be for a six (6) month or twelve (12) month period, for the interim and annual reconciliations respectively.
- **PAYE:** Complete the PAYE amounts for the business per month.
- SDL: Complete the SDL amounts for the business per month.
- UIF: Complete the UIF amounts for the business per month.

Step 12

Completing the Total Payments Details:



- Complete the total payments for the business per month.
- The monthly total of all actual payments made to SARS in respect of PAYE, SDL and UIF for the relevant month should be indicated. This must exclude any additional tax, interest and penalties paid.

are numeric and cents must be omitted or rounded off to the nearest rand.

Completing the Total Details:

Areual Total	111111	111111	
Difference – Liability & Cartificates Values			

Note: If using e@syFile™ Employer simply click on the self-assess button in order to populate all the totals and difference fields for you.

. The 'Annual Total' is the sum of all the monthly liabilitie (annual) period in respect of natically be calculated when co

Note: Where the SDL and UIF contributions have not been included on the IRP5/IT3(a) certificates, these values must be calculated and included.

Step 14

Completing the Difference - Liability and Certificate Values Details:



Note: If using e@syFile™ Employer simply click on the self-assess button in order to populate all the totals and difference fields for you.

Subtracting the total liability from the total value of certificates in respect of PAYE, SDL and UIF will give a difference (if any).

- Difference Liability and Certificate Values (PAYE): To calculate the value, subtract the 'Annual Total' (PAYE) amount from the 'Total Value of Tax Certificates' (PAYE) amount.
- Difference Liability and Certificate Values (SDL): To calculate the value, subtract the 'Annual Total' (SDL) amount from the 'Total Value of Tax Certificates' (SDL) amount.
- Difference Liability and Certificate Values (UIF): To calculate the value, subtract the 'Annual Total' (UIF) amount from the 'Total Value of Tax Certificates' (UIF) amount.
- Difference Liability and Certificate Values (Total Monthly Liability): To calculate the value, add the differences' calculated for PAYE, SDL and UIF.



Completing the Total Value of Electronic Tax Certificates Details:



Note: If using e@syFile™ Employer simply click on the self-assess button in order to populate all the totals and difference fields for you.

Complete the sum total amount of the tax value of all electronic tax certificates issued by the employer.



Completing the Total Value of Manual Tax Certificates Details:



Note: If using e@syFile™ Employer simply click on the self-assess button in order to populate all the totals and difference fields

the tax value of all ma



Step

Completing the Total Value of Tax Certificates Details:



Note: If using e@syFile™ Employer simply click on the self-assess button in order to populate all the totals and difference fields for you.

- Total Value of Tax Certificates (PAYE): To calculate this value, add the Total Value of Electronic Tax Certificates and the Total Value of Manual Tax Certificates.
- . Total Value of Tax Certificates (SDL): To calculate this value, add the total of the SDL contribution on each tax certificate (where applicable). Alternatively, calculate and capture this value manually.
- . Total Value of Tax Certificates (UIF): To calculate this value, add the total of the UIF contribution on each tax certificate (where applicable). Alternatively, calculate and capture this value manually.



Completing the Declared Liability Details:

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	П	Ш	

the self-assess button in order to populate all the totals and difference fields

To arrive at the final declared liability amount, add together the 'Total Monthly Liability' amounts calculated for the 'Annual Total' and the 'Difference - Liability and Certificate Values' (if any).



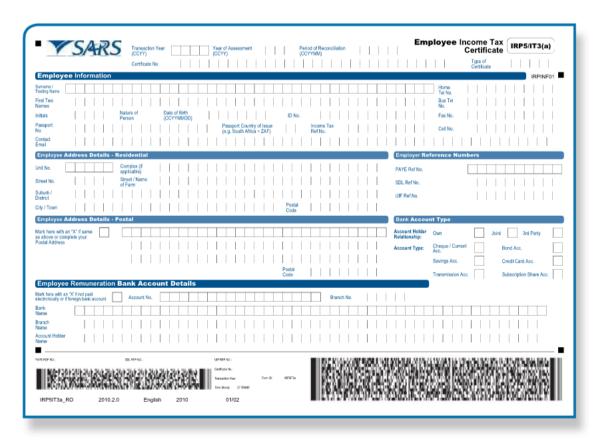
Completing the Due By/To You Details:

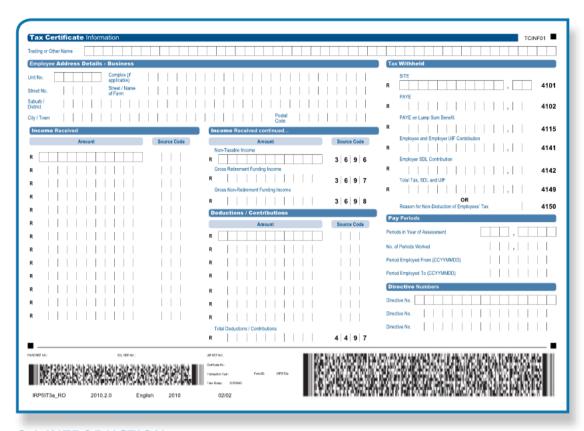


mployer simply click on the self-assess button in order to populate all the totals and difference fields

- To calculate the Due By/To You amount, subtract the 'Total Payments' amount calculated for the 'Annual Total' from the 'Declared Liability'.
- Any positive amount calculated is 'Due by you', whereas a negative amount is 'Due to you'.

EMPLOYEE INCOME TAX CERTIFICATE [IRP5/IT3(a)] 6.





6.1 INTRODUCTION

SARS has made changes to the IRP5/IT3(a) aimed at improving the data quality for both the employer and SARS.

Employers making use of the manual certificates may only issue these to employees once SARS is satisfied that the reconciliation has been completed correctly. The manual certificates together with the signed EMP501, and where applicable the EMP601, EMP701 must be submitted to SARS.

- Employers must allocate unique numbers for each certificate issued to employees
- A manual IRP5/IT3(a) will not be accepted by SARS where all the relevant mandatory fields have not been completed
- All income and deductions reflected on an IRP5/IT3(a) must be classified according to the different codes allocated for income and deductions [Please see 11. List of Income and Deduction codes for IRP5/IT3(a)]
- All income and deductions codes used on an IRP5/IT3(a) must be completed in numeric sequence.
- A separate IRP5/IT3(a) may not be issued to the employee in respect of the same remuneration, and no blank certificates may be issued
- Where the employees' remuneration consist of local and foreign remuneration, separate IRP5/IT3(a)s must be issued for each type of remuneration.

The month of reconciliation for the calendar year is indicated by a two (2)-digit number. If the reconciliation is for the period up to February, the format is "02". If the period is up to August, the format is "08".

This means that the tax certificates submitted for the interim reconciliation will differ from the certificates submitted annually in the following ways:

- Interim IRP5/IT3(a)s will only be issued to SARS and must not be issued to employees
- Interim IRP5/IT3(a)s will reflect information on income and deductions for a maximum period of six (6) months.
- Employees' Tax must be reflected against code 4102 (PAYE). The total amount must not be split into SITE(4101) and PAYE (4102)

- For employees whose employment was terminated prior to the closing of the interim period, for instance due to resignation, death, immigration or where the employer ceased to be an employer:
 - The IRP5/IT3(a) must reflect financial information for the period actually employed
 - Where there were deductions in respect of employees' tax, it must be split and reflected against code 4102 (PAYE) and 4101(SITE)
 - The calendar month in the IRP5/IT3(a) number (code 3010) must be specified as "02" to indicate that this is a final tax certificate. The same certificate should be submitted to SARS at the end of the tax year as part of the final submission.

6.2 COMPLETING THE EMPLOYEE INCOME TAX CERTIFICATE [IRP5/IT3(A)]



Completing the header details:



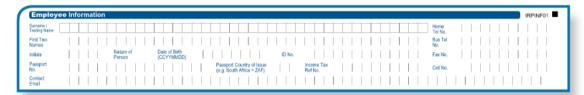
- **Transaction Year:** This is an internal term representing the year to which the EMP501 refers.
- Year of Assessment: Complete the year of assessment to which the income relates.
- **Period of Reconciliation:** Complete the tax period to which the income relates.
- Certificate No: This unique thirty (30)-digit number is allocated by the employer for each specific IRP5/IT3(a) certificate

The certificate number comprises of:

- The ten (10) digit employ PAYE reference number (or alternatively, the Income Tax reference number
- Type of Certificate: Specify whether the certificate is an IRP5 or an IT3(a).

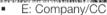


Con SEmployee Information Details:



- Surname/Trading Name: If the certificate is for an individual, complete the individual's surname. However, complete the trading name if the certificate is for a trust, company, partnership or corporation.
- First two Names: Complete the employees' first and second names if the employee is an individual (either with or without an ID No. or Passport No.), a director of a private company/member of a close corporation, or a pensioner.
- Initials: Complete the employees' initials if the employee is an individual (either with or without an ID No. or Passport No.), a director of a private company/member of a close corporation, or a pensioner.
- Nature of Person: Please enter one of the letters below for the applicable description:
 - A: Individual with an ID No. or Passport No.
 - B: Individual without an ID No. or Passport No.
 - C: Director of a private company / member of a





- F: Partnership
- G: Corporation
- H: Employment company/personal service company or CC, or
- N: Pensioner.



- Date of Birth: Complete the employee's date of birth if the employee is an individual (either with or without and ID No. or Passport No.), as a director of a private company/member of a close corporation or a pensioner.
- ID No: Complete the employee's ID No. This is a mandatory for an individual (with an ID No. pensioner.
- Passport No: Complete the employee's Passport No. This is a mandatory for an individual (with an ID No. or Passport No), where the ID No. has not been completed, and optional for a pensioner.
- Passport Country of Issue: This is an optional field for the country in which the passport was issued, e.g. South Africa will be ZAF. Please see section 9. Codes for the country that issued the passport.
- Income Tax Ref No: This is an optional field for the employee's Income Tax reference number, and must start with a 0, 1, 2. 3 or 9.
- Home Tel No: This is an optional field for the employee's home telephone number.
- Bus Tel No: This is an optional field for the employee's business telephone number.
- Fax No: This is an optional field for the employee's fax number.
- Cell No: This is an optional field for the employee's cellular telephone number.
- SARSiil: This is an optional field for the employee's email contact details.



Completing the Employee Address Details - Residential:



- **Unit No:** Fill in the unit number if the employee does not reside in a standalone house.
- **Complex:** Where applicable, fill in the name of the complex.
- Street No: Fill in the street number of the residence in which the employee resides.
- Street/Name of Farm: Fill in the name of the street or the farm where the employee resides.
- Suburb/District: Fill in the name of the suburb or district in which the employee resides.
- City/Town: Fill in the name of the city or town in which the employee resides.
- Postal Code: Fill in the postal code for the suburb 4

Completing the Employer Reference Numbers Details:



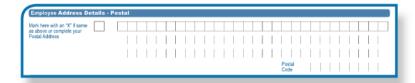
- PAYE Ref No: Complete the employer's PAYE reference no. An employer who is registered for Employees' Tax purposes reference number will begin with a 7, and an employer who is not registered will begin with a 0, 1, 2, 3 or 9.
- **SDL Ref No:** Complete the employer's SDL reference number.
- **UIF Ref No:** Complete the employer's UIF reference number.







Completing the Employee Postal Address Details:



Where the postal address is the same as the residential address details please check the box Mark here with an "X" if same as above or complete you Postal Address. If not, complete the employee's postal address and postal code.





Completing the Bank Account Type Details:



- Account Holder Relationship: Indicate whether the employee's account is:
 - Own
 - Joint

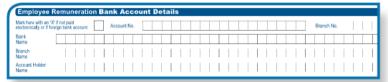


be of account the employee has:

- Savings
- Transmission
- Bond
- Credit Card
- Subscription Share.



Completing the Employee Remuneration Bank Account Details:



employee's salary is paid into a foreign bank a ar ** foreign bank accoun

e box Mark here with

- Account No.: Complete the employee's account number.
- Branch No.: Complete the six (6) digit branch code for the employee's bank. This will automatically pre-populate when selecting the Bank name and completing the certificate electronically.
- Bank Name: Complete the employee's bank or select the bank name from the pop-up list which appears when completing the certificate electronically.
- Branch Name: Complete the branch name for the employee's bank. This will automatically pre-populate when selecting the Bank name and completing the certificate electronically.
- Account Holder Name: Complete the name of the account holder.



Completing the Employee Business Address Details:

Note: Pensioners are not required to complete this section.



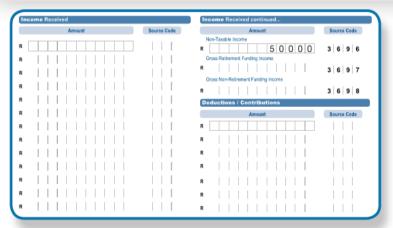
- Unit No: Complete the unit number, where the business address of the employee is not a standalone location.
- Complex: Where applicable, complete the name of the complex in which the business is located.
- **Street No:** Complete the street number for the business location.
- Street/Name of Farm: Complete the street name or farm name where the business is located.
- Suburb/District: Complete the name of the suburb or district in which the business is located.
- City/Town: Complete the name of the city or town in which the business is located.
- Postal Code: Complete the postal code for the suburb in which the business is located.

Step 9

Completing the Income Received section:



Note: Rand amounts should be entered from the right of the grid, and cents must be rounded off to the nearest rand as per the example below.

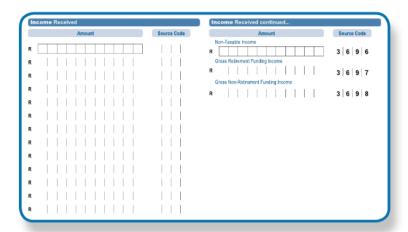


Source code block:





and eliminating certain



• Complete a valid income code. Please see section · IRP5/IT3(a) to obtain that was received

Non-Taxable Income (3696): This is the sum total of all the income amounts which were completed as non-taxable.

Note: The amount completed must be excluded from codes 3697 and 3698.

Gross Retirement Funding Income (3697): This is the sum total of all retirement funding income amounts.

Note: This field is mandatory if no value is completed for code 3696 or 3698.

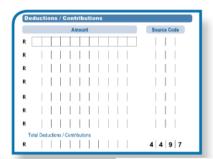
Gross Non-Retirement Funding Income (3698): This is the sum total of all the income amounts which were completed as non-taxable.

Note: This field is mandatory if no value is completed for code 3696 or 3697.

Step 10

Completing the Deductions/Contributions Details:

This section must be completed only if any relevant amount has been deducted from or contributed on behalf of the employee.



cents must be rounded off to the nearest rand.

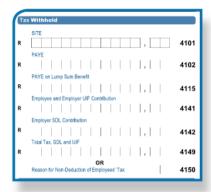
The rand value for the deductions/contributions must be completed from the right, and the code for the deduction/contribution must be entered under 'Source Code' in the four blocks next to the rand amount.

Total Deductions/Contributions: Complete in the sum total of all deductions/contributions.



Completing the Tax Withheld Details:

This section deals with the tax amounts which an employer deducts from the employee prior to paying these amounts to SARS.



Note: Please use rand and cents.

- SITE (4101): Complete the SITE amount deducted. This field is mandatory if the values for source code 4102 and 4115, and the 'Reason for Non-Deduction of Employees' Tax' are not completed.
- PAYE (4102): Complete the PAYE amount deducted. This field is mandatory if the values for source code 4101 and 4115, Reason for Non-Peduction of Employees' Tax' are not completed.

fit (4115): Complete the PAYE amount deducted from the retirement lump sum benefit. This completed in source code 3915 has been completed under 'Income Received'.

- Employee and Employer UIF Contribution (4141): Complete the sum total of both the employee's and employer UIF contributions.
- Employer SDL Contribution (4142): Complete the sum total of the employer's SDL contributions.
- Total Tax, SDL and UIF (4149): Complete this by adding the following totals: 4101 (SITE) + PAYE (4102) + PAYE on Lump Sum Benefit (4115) + Employee and Employer UIF Contribution (4141) + Employer SDL Contribution (4142).
- · Reason for Non-Deduction of Employees' Tax (4150): Complete a valid reason code as to the employer has not deducted any employees' tax from the income. This field is mandatory if the values for source code 4101, 4102 and 4115 are not completed. Please see section 11.7 Employees' Tax Deduction and Reason Codes.



Completing the Pay Periods Details:



- Periods In Year of Assessment: The number of pay periods into which the employer divides the tax year. This is normally divided either into months or days, and can be any value between 1 and 380.
- Worked In the number of periods which the employee worked within the relevant tax year. This is normally lays, and can be any value between 1 and 380.
 - Period Employed From: Complete the date as of when the employee's employment commenced.
 - Period Employed To: Complete the end date for which the employee's tax is being declared.



Completing the Directive Numbers Details:

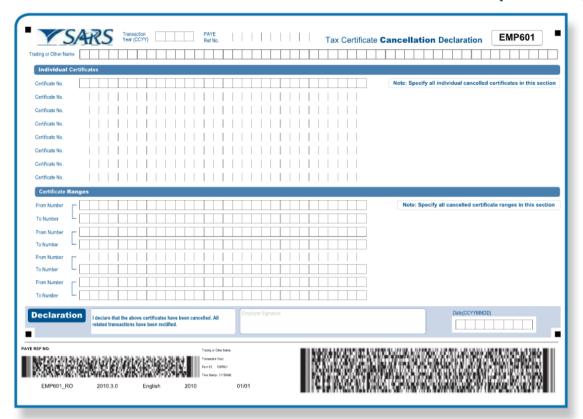




the Natiber as per the Tax directive received for source codes: 3608, 3614, 3664, 3707, 3757, 3718, 4, 3905, 3909, 3915, 3920 or 3921.

Note: Only copies of the final IRP5/IT3(a) certificates must be provided for period 02. Please retain copies for your own records as well.

TAX CERTIFICATE CANCELLATION DECLARATION (EMP601) 7.



SARS enhanced the EMP601 to accommodate for the increase in the length of the IRP5/IT3(a) certificate number. The number of individual certificates that may be captured has been reduced to eight (8), and the range of certificates that can be captured has been reduced to four (4).

The EMP601 must be completed where the employer needs to cancel any IRP5/IT3(a)s that have already been submitted to SARS.



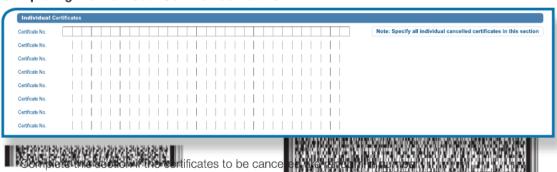
Completing the Header Details:



- Transaction Year: Complete the tax year during which the certificate is being cancelled.
- PAYE Reference No: Complete the employer's PAYE reference number.
- Trading or Other Name: Complete the trading or other name for the employer.



Completing the Individual Certificates Details:

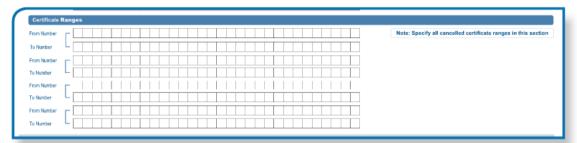




OR

Step

Co SARS Certificate Ranges Details:



Complete this section if the certificates to be cancelled are consecutive in number.



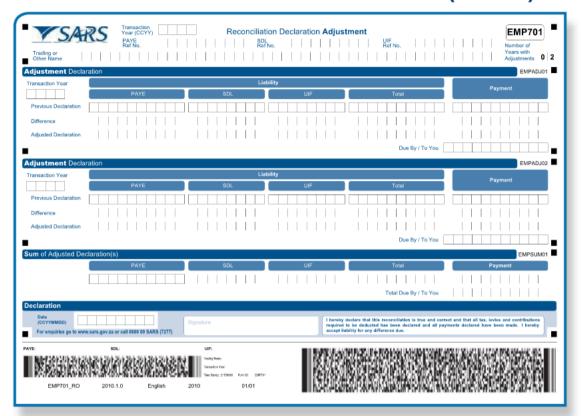


Completing the Declaration Details:



· Sign and date the declaration.

RECONCILIATION DECLARATION ADJUSTMENT (EMP701) 8.



An EMP701 must be completed where an adjustment needs to be made, to a previously submitted EMP501 and the payment, in respect of prior years.



Completing the Header Details:



- Transaction Year: This is an internal term representing the year to which the EMP501 refers.
- Reference Nos: The tax types (PAYE, SDL and/or UIF) for which you are or were registered for the relevant year must be completed.
- Trading or Other Name: Fill in the trading name for the employer.
- Number of Years with Adjustments: Complete the number of previous years for which adjustments to declarations need to be made.

Note: The EMP701 contains a maximum of two Adjustment Declaration sections, allowing you to change two EMP501s. Please request additional forms if you need to change more EMP501s. Should you use e@syFile™ Employer to complete the form electronically, the Number of Years with Adjustments will dictate how many adjustment declaration containers are created.









Completing the Adjustment Declaration Details:

Fransaction Year												abili	ty															Payment					
				PAY	E				SD	L		I			U	ЛF		I		1	lotal	ı i						Pa	ym	ent			
Previous Declaration																			Ī						Ī	Ī	Ī	Ī	Ī	Ī	Ī	Ī	
Difference																																	
Adjusted Declaration		1	1																													1	

- Transaction Year: Completethe tax year during which the declaration needs to be changed.
- Previous Declaration: Complete the amounts that were declared for the relevant year you would like to change. This is the Total Value of Tax Certificates for PAYE, SDL and UIF. Use the most recent values if the values have been changed at any stage since the original declaration.
- **Difference:** This is the difference between the previ calculated by adding ce amounts.
- Adjusted Declaration: This is the sum of the 'Pre iou
- SARS Previous Declaration' payment is the amount that was already paid relating to the declared liability for that year. The difference payment is any other money that was subsequently paid relating either to the original liability or the new declared liability. The 'Adjusted Declaration' payment is the sum of the 'Previous Declaration' payment and the 'Difference' payment.
- Due By/To You: Calculate any outstanding amounts Due By/To You by subtracting the adjusted declaration payments from your adjusted declaration liability total for the year. Any positive value is due by you and any negative value is due to you.

Step

Completing the Sum of Adjusted Declaration(s) Details:



- PAYE: Complete the sum of the PAYE Adjusted Declarations for the specific years which you stipulated on this EMP701 for PAYE.
- Completethe sum of the SDL Adjusted Declarati Little Combination Summittee LF Adjusted Declaration Total: Complete the sum of the Total Adjusted Declarations for the specific years which you stipulated on this EMP701 for Total.
- Payment: Complete the sum of the Payment Adjusted Declarations for the specific years which you stipulated on this EMP701 for Payment.
- Total Due By/To You: Completethe sum of the Due By/To You amounts specified for each year on this EMP701.



Completing the Declaration Details:



9. CODES FOR THE COUNTRY THAT ISSUED THE PASSPORT

CODE	COUNTRY OF ISSUE	CODE	COUNTRY OF ISSUE	CODE	COUNTRY OF ISSUE			
AFG	Afghanistan	GRC	Greece	PNG	Papua New Guinea			
ALA	Åland Islands	GRL	Greenland	PRY	Paraguay			
ALB	Albania	GRD	Grenada	PER	Peru			
DZA	Algeria	GLP	Guadeloupe	PHL	Philippines			
ASM	American Samoa	GUM	Guam	PCN	Pitcairn			
AND	Andorra	GTM	Guatemala	POL	Poland			
AGO	Angola	GGY	Guernsey	PRT	Portugal			
AIA	Anguilla	GIN	Guinea	PRI	Puerto Rico			
ATA	Antarctica	GNB	Guinea-Bissau	QAT	Qatar			
ATG	Antigua and Barbuda	GUY	Guyana	KOR	Republic of Korea			
ARG	Argentina	HTI	Haiti	REU	Réunion			
ARM	Armenia	HMD	Heard and McDonald Islands	ROU	Romania			
ABW	Aruba	VAT	Holy See (Vatican City State)	RUS	Russian Federation			
AUS	Australia	HND	Honduras	RWA	Rwanda			
AUT	Austria	HKG	Hong Kong Special Administrative Region of China	SHN	Saint Helena			
AZE	Azerbaijan	HUN	Hungary	KNA	Saint Kitts and Nevis			
BHS	Bahamas	ISL	Iceland	LCA	Saint Lucia			
BHR	Bahrain	IND	India	SPM	Saint Pierre and Miquelon			
BGD	Bangladesh	IDN	Indonesia	VCT	Saint Vincent and the Grenadines			
BRB	Barbados	IRN	Iran, Islamic Republic of	WSM	Samoa			
BLR	Belarus	IRQ	Iraq	SMR	San Marino			
BEL	Belgium	IRL	Ireland	STP	Sao Tome and Principe			
BLZ	Belize	IMN	Isle of Man	SAU	Saudi Arabia			
BEN	Benin	ISR	Israel	SEN	Senegal			
BMU	Bermuda	ITA	Italy	SRB	Serbia			
BTN	Bhutan	JAM	Jamaica	SYC	Seychelles			
BOL	Bolivia	JPN	Japan	SLE	Sierra Leone			
ВІН	Bosnia and Herzegovina	JEY	Jersey	SGP	Singapore			
BWA	Botswana	JOR	Jordan	SVK	Slovakia			
BVT	Bouvet Island	KAZ	Kazakhstan	SVN	Slovenia			
BRA	Brazil	KEN	Kenya	SLB	Solomon Islands			
IOT	British Indian Ocean Territory	KIR	Kiribati	SOM	Somalia			
BRN	Brunei Darussalam	KWT	Kuwait	ZAF	South Africa			
BGR	Bulgaria	KGZ	Kyrgyzstan	SGS	South Georgia and South Sandwich Is.			
BFA	Burkina Faso	LAO	Lao People's Democratic Republic	ESP	Spain			
BDI	Burundi	LVA	Latvia	LKA	Sri Lanka			
KHM	Cambodia	LBN	Lebanon	SDN Sudan				

CODE	COUNTRY OF ISSUE	CODE	COUNTRY OF ISSUE	CODE	COUNTRY OF ISSUE			
CMR	Cameroon	LSO	Lesotho	SUR	Suriname			
CAN	Canada	LBR	Liberia	SJM	Svalbard and Jan Mayen Islands			
CPV	Cape Verde	LBY	Libyan Arab Jamahiriya	SWZ	Swaziland			
CYM	Cayman Islands	LIE	Liechtenstein	SWE	Sweden			
CAF	Central African Republic	LTU	Lithuania	CHE	Switzerland			
TCD	Chad	LUX	Luxembourg	SYR	Syrian Arab Republic			
CHL	Chile	MAC	Macao Special Administrative Region of China	TWN	Taiwan, Province of China			
CHN	China	MDG	Madagascar	TJK	Tajikistan			
CXR	Christmas Island	MWI	Malawi	THA	Thailand			
ССК	Cocos (Keeling) Island	MYS	Malaysia	MKD	The former Yugoslav Republic of Macedonia			
COL	Colombia	MDV	Maldives	TLS	Timor-Leste			
COM	Comoros	MLI	Mali	TGO Togo				
COG	Congo	MLT	Malta	TKL	Tokelau			
СОК	Cook Islands	MHL	Marshall Islands	TON	Tonga			
CRI	Costa Rica	MTQ	Martinique	TTO	Trinidad and Tobago			
CIV	Côte d'Ivoire	MRT	Mauritania	TUN	Tunisia			
HRV	Croatia	MUS	Mauritius	TUR	Turkey			
CUB	Cuba	MYT	Mayotte	TKM	Turkmenistan			
CYP	Cyprus	MEX	Mexico	TCA	Turks and Caicos Islands			
CZE	Czech Republic	FSM	Micronesia, Federated States of	TUV	Tuvalu			
PRK	Democratic People's Republic of Korea	MDA	Moldova	UGA	Uganda			
COD	Democratic Republic of the Congo	МСО	Monaco	UKR	Ukraine			
DNK	Denmark	MNG	Mongolia	ARE	United Arab Emirates			
ILD	Djibouti	MNE	Montenegro	GBR	United Kingdom of Great Britain (Citizen)			
DMA	Dominica	MSR	Montserrat	GBD	United Kingdom of Great Britain (Dependent Territories Citizen)			
DOM	Dominican Republic	MAR	Morocco	GBN	United Kingdom of Great Britain (National Overseas)			
ECU	Ecuador	MOZ	Mozambique	GBO	United Kingdom of Great Britain (Overseas citizen)			
EGY	Egypt	MMR	Myanmar	GBP	United Kingdom of Great Britain (Protected person)			
SLV	El Salvador	NAM	Namibia	GBS	United Kingdom of Great Britain (Subject)			
GNQ	Equatorial Guinea	NRU	Nauru	TZA	United Republic of Tanzania			
ERI	Eritrea	NPL	Nepal	USA	United States of America			
EST	Estonia	NLD	Netherlands	URY	Uruguay			
ETH	Ethiopia	ANT	Netherlands Antilles	UMI	US Minor Outlying Islands			

CODE	COUNTRY OF ISSUE	CODE	COUNTRY OF ISSUE	CODE	COUNTRY OF ISSUE
FLK	Falkland Islands (Malvinas)	NTZ	Neutral Zone	UZB	Uzbekistan
FRO	Faroe Islands	NCL	New Caledonia	VUT	Vanuatu
FJI	Fiji	NZL	New Zealand	VAT	Vatican City State (Holy See)
FIN	Finland	NIC	Nicaragua	VEN	Venezuela
FRA	France	NER	Niger	VNM	Viet Nam
FXX	France, Metropolitan	NGA	Nigeria	VGB	Virgin Islands (British)
GUF	French Guiana	NIU	Niue	VIR	Virgin Islands (United States)
PYF	French Polynesia	NFK	Norfolk Island	WLF	Wallis and Futuna Islands
ATF	French Southern Territories - TF	MNP	Northern Mariana Islands E		Western Sahara
GAB	Gabon	NOR	Norway	YEM	Yemen
GMB	Gambia	PSE	Occupied Palestinian Territory	ZMB	Zambia
GEO	Georgia	OMN	Oman	ZWE	Zimbabwe
DEU	Germany	PAK	Pakistan	ZNC	Any country not on this list
GHA	Ghana	PLW	Palau		
GIB	Gibraltar	PAN	Panama		

10. EMPLOYER'S BUSINESS ACTIVITY CODES

EMPLOYMENT	GROSS INCOME
3501	Agriculture, forestry and fishing
3502	Mining and stone quarrying works
3503	Food, drink and tobacco
3504	Textile
3505	Clothing and footwear
3506	Leather, leather goods and fur (excluding footwear and clothing)
3507	Wood, wood products and furniture
3508	Paper, printing and publishing
3509	Chemicals and chemical, rubber and plastic products
3510	Coal and petroleum products
3511	Bricks, ceramics, glass, cement and similar products
3512	Metal
3513	Metal products (except machinery and equipment)
3514	Machinery and related items
3515	Vehicle, parts and accessories
3516	Transport equipment (except vehicle, parts and accessories)
3517	Scientific, optical and similar equipment
3518	Other manufacturing industries
3519	Electricity, gas and water
3520	Construction
3521	Wholesale trade
3522	Retail trade
3523	Catering and accommodation
3524	Transport, storage and communication
3525	Financing, insurance, real estate and business services
3526	Public administration
3527	Educational services
3528	Research and scientific institutes
3529	Medical, dental, other health and veterinary services
3530	Social and related community services
3531	Recreational and cultural services
3532	Personal and household services
3533	Specialised repair services
3534	Agencies and other services
3535	Members of CC/Director of a company

11. LIST OF INCOME AND DEDUCTION CODES FOR IRP5/IT3(A)

11.1 NORMAL INCOME CODES

11.1		NCOME CODES
CODE	DESCRIPTION	EXPLANATION
3601	Income	An amount which is paid or payable to an employee for:
(3651)	(PAYE)	Services rendered
		Overtime
		Pension paid on a regular basis, and
		A monthly annuity paid by a fund.
		Examples include:
		Salary/wages
		Backdated salary/wages/pension (accrued in the current year of assessment)
		 Remuneration paid to migrant/seasonal workers/full time scholars or students.
		Note:
		Such income as paid to a director must be reflected under code 3615
		Code 3651 MUST only be used for foreign service income
		 With effect from 2010 year of assessment, amounts previously included under codes
		3603/3653, 3607/3657 and 3610/3660 must be included in this code (3601/3651).
3602	Income (Excl)	Any non-taxable income excluding non-taxable allowances and fringe benefits. For
(3652)		example, this code accommodates all payments of a capital nature.
		Examples include:
		 Non-taxable pension paid on a regular basis (e.g. war pension, etc.)
		Non-taxable income of a capital nature.
		 Non-taxable arbitration award, i.e. a portion of a settlement agreement between an
		employer and an employee as ordered by Court or allocated via a settlement out of
		Court or in respect of Labour disputes;
		 Non-taxable portion (capital interest) received on an annuity purchased from a Fund.
		NI-L-:
		Note:
		Code 3652 MUST only be used for foreign service income. With a ffect foreign service income.
		With effect from 2010 year of assessment, amounts previously included under codes COOL (2015) and 0010 (2005) and 1010 (2006) asset has included this trip and a (2006) (2015).
0000	D	3604/3654, 3609/3659 and 3612/3662 must be included in this code (3602/3652).
3603	Pension	Any pension paid on a regular basis as well as backdated pension payments (for current tax
(3653)	(PAYE)	year).
		0.1.0050.0007
		Code 3653 MUST only be used for foreign service income.
		Note: This source code is valid from:
		1999 – 2009 year of assessment and from the 2013 year of assessment
		2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign
		Service Income [the source codes denoted in (brackets)].
3605	Annual	An amount which is defined as an annual payment.
(3655)	payment	All amount which is defined as all amual payment.
(0000)	(PAYE)	Examples include:
	(17(12)	Annual bonus
		Incentive bonus
		Leave pay (on resignation/encashment)
		Merit awards
		 Bonus/incentive amount paid to an employee to retain his / her service for a specific
		period.
		political
		Note:
		Code 3655 MUST only be used for foreign service income.
		-

CODE	DESCRIPTION	EXPLANATION
3606 (3656)	Commission (PAYE)	An amount derived mainly in the form of commission based on sales or turnover attributable to the employee.
		Note: Code 3656 MUST only be used for foreign service income.
3607 (3657)	Overtime (PAYE) Not applicable from 2010	 An amount paid as overtime for rendering services. The tax on such payments is calculated as on income taxable. Note: Code 3657 MUST only be used for foreign service income The value of this code must be included in the value of code 3601/3651 with effect from the 2010 year of assessment.
3608 (3658)	Arbitration award (PAYE)	The taxable portion of a settlement agreement between an employer and an employee as ordered by court or allocated via a settlement out of Court or in respect of Labour disputes. Note: Code 3658 MUST only be used for foreign service income.
3610 (3660)	Annuity from a RAF (PAYE)	A monthly annuity paid by a RAF to any person Code 3660 MUST only be used for foreign service income. Note: This source code is valid from: 1999 – 2009 year of assessment and from the 2013 year of assessment 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign Service Income [the source codes denoted in (brackets)].
3613 (3663)	Restraint of trade (PAYE)	Restraint of trade income paid to an employee. Note: Code 3663 MUST only be used for foreign service income.
3614	Other retirement lump sums (PAYE)	A retirement lump sum payment paid by a fund according to Section 1(eA) of the Act.
3615 (3665)	Director's remuneration (PAYE)	Such income as would normally be reported under code 3601 as paid to a director of a private company/member of a close corporation. Note: Code 3665 MUST only be used for foreign service income.
3616 (3666)	Independent contractors (PAYE)	Remuneration paid to an independent contractor. Note: MUST only be used for foreign service income.
3617	Labour Brokers (PAYE/IT)	Remuneration paid to a labour broker - irrespective if the labour broker is in possession of an exemption certificate (IRP 30) or not.

11.2 ALLOWANCE CODES

CODE	DESCRIPTION	EXPLANATION
3701	Travel	An allowance or advance paid to an employee in respect of travelling expenses for
(3751)	allowance	business purposes - includes fixed travel allowances, petrol, garage and maintenance
	(PAYE)	cards.
		Note:
		Code 3751 MUST only be used for foreign service income.

CODE	DESCRIPTION	EXPLANATION			
3702	Reimbursive	A reimbursement for business kilometres exceeding 8 000 kilometres per tax year or at a			
(3752)	travel allowance (IT)	rate exceeding the prescribed rate per kilometre or the employee receives any other form of compensation for travel. Note: Code 3752 MUST only be used for foreign service income.			
3703	Reimbursive	A reimbursement for business kilometres not exceeding 8 000 kilometres per tax year and			
(3753)	travel allowance (excl)	at a rate which does not exceed the prescribed rate per kilometre. Should only be used if the employee does not receive any other form of compensation for travel. Note: Code 3753 MUST only be used for foreign service income.			
3704	Subsistence	An allowance paid for expenses in respect of meals and/or incidental costs for local travel,			
(3754)	allowance – local travel (IT)	which exceeds the deemed amounts. Note:			
3707	Chara antions	Code 3754 MUST only be used for foreign service income.			
(3757)	Share options exercised (PAYE)	Any amount in terms of a qualifying equity share disposed or gain made under a share scheme operated for the benefit of employees. Note:			
		Code 3757 MUST only be used for foreign service income.			
3708	Public office	An allowance granted to a holder of a public office to enable him/her to defray expenditure			
(3758)	allowance (PAYE)	incurred in connection with such office.Note:Code 3758 MUST only be used for foreign service income.			
3713	Other	All other allowances, which do not comply with any of the descriptions listed under			
(3763)	allowances (PAYE)	allowances, must be added together and reflected under this code on the certificate. Examples include: Entertainment allowance Tool allowance Computer allowance Telephone allowance Cell phone allowance. Note: Code 3763 MUST only be used for foreign service income With effect from 2010 year of assessment, amounts previously included under codes			
		3706/3756, 3710/3760, 3711/3761 and 3712/3762 must be included in this code			
3714 (3764)	Other allowances	(3713/3763). All other non-taxable allowances, which do not comply with any of the descriptions listed under allowances, must be added together and reflected under this code on the certificate.			
	(Excl)	 Examples include: Non-taxable Relocation allowance Non-taxable Subsistence allowance for local and foreign travel not exceeding the daily limits Non-taxable Uniform allowance. Note: Code 3764 MUST only be used for foreign service income With effect from 2010 year of assessment, amounts previously included under codes 3705/3755, 3709/3759 and 3716/3766 must be included in this code (3714/3764) 			

CODE	DESCRIPTION	EXPLANATION
3715	Subsistence	An allowance paid for expenses in respect of meals and/or incidental costs for foreign travel, which exceeds
(3765)	allowance -	the deemed amounts.
	foreign travel	
	(IT)	Note:
		Code 3765 MUST only be used for foreign service income.
3717	Broad-based	An amount received/accrued from the disposal of any qualifying equity share or any right of interest in a
(3767)	employee share	qualifying equity share in terms of certain conditions.
	plan (PAYE)	
		Note:
		Code 3767 MUST only be used for foreign service income.
3718	Vesting	Any gain in respect of the vesting of any equity instrument.
(3768)	of equity	
	instruments	Note:
	(PAYE)	Code 3768 MUST only be used for foreign service income.

11.3 FRINGE BENEFIT CODES

11.5 TRINGE BENEFIT CODES			
CODE	DESCRIPTION	EXPLANATION	
3801 (3851)	General fringe benefits (PAYE)	All fringe benefits, which do not comply with any of the descriptions listed under fringe benefits, must be added together and reflected under this code on the certificate.	
		 Examples include: Acquisition of an asset at less than the actual value and/or insurance policies ceded; Right of use of an asset (other than a motor vehicle) Meals, refreshments and meal and refreshment vouchers Free or cheap accommodation or holiday accommodation Free or cheap services Low interest or interest free loans and subsidies Payment of an employee's debt or release of an employee from an obligation to pay a debt Bursaries and scholarships. 	
		Barbarios and soriolaromps.	
0000	lles of makes	 Note: Code 3851 MUST only be used for foreign service income. With effect from 2010 year of assessment, amounts previously included under codes 3803/3853, 3804/3854, 3805/3855, 3806/3856, 3807/3857, 3808/3858 and 3809/3859 must be included in this code (3801/3851). 	
3802 (3852)	Use of motor vehicle (PAYE)	Right of use of a motor vehicle.	
(0002)	7 3 7 10 10 (7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7		
		Note:	
3805	Accommodation	Code 3852 MUST only be used for foreign service income. Free or cheap accommodation or holiday accommodation.	
(3855)	(PAYE)	Code 3855 MUST only be used for foreign service income	
(5555)	(, , , , _)	,	
		 Note: This source code is valid from: 1999 – 2009 year of assessment and from the 2013 year of assessment 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign Service Income [the source codes denoted in (brackets)]. 	
3806 (3856)	Services (PAYE)	Free or cheap services. Code 3856 MUST only be used for foreign service income.	
		 Note: This source code is valid from: 1999 – 2009 year of assessment and from the 2013 year of assessment 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign Service Income [the source codes denoted in (brackets)]. 	

CODE	DESCRIPTION	EXPLANATION
3808 (3858)	Employee's debt (PAYE)	Payment of an employee's debt or release an employee from an obligation to pay a debt. Code 3858 MUST only be used for foreign service income. Note: This source code is valid from: 1999 – 2009 year of assessment and from the 2013 year of assessment 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign Service Income [the source codes denoted in (brackets)].
3809 (3859)	Taxable bursaries or scholarships (PAYE)	Bursaries and scholarships. Code 3859 MUST only be used for foreign service income Note: This source code is valid from: 1999 – 2009 year of assessment and from the 2013 year of assessment 2002 – 2009 year of assessment and from the 2013 year of assessment for the Foreign Service Income [the source codes denoted in (brackets)].
3810 (3860)	Medical aid contributions (PAYE)	Medical aid contributions paid on behalf of an employee. Note: Code 3860 MUST only be used for foreign service income.
3813 (3863)	Medical services costs (PAYE)	Medical costs incurred on behalf of an employee in respect of medical, dental and similar services, hospital and/or nursing services or medicine. Note: Code 3863 MUST only be used for foreign service income.
3815 (3865)	Non-taxable bursaries or scholarships	Non-taxable bursaries and scholarships to employees and their dependents – Section 10(1)q – Exempt portion only. Note: Code 3865 MUST only be used for foreign service income. This source code is valid from 2013 year of assessment

11.4 LUMP SUM CODES

CODE	DESCRIPTION	EXPLANATION
3906 (3956)	Special Remuneration (PAYE)	Special remuneration paid to proto-team members. Note:
	(, , , , _ ,	Code 3956 MUST only be used for foreign service income.
3907 (3957)	Other lump sums (PAYE)	Other lump sum payments. Examples include: Backdated salary/wage/pension extending over previous year of assessments Lump sum payments paid by an unapproved fund Gratuity paid to an employee due to normal termination of service (e.g. resignation). Note: Code 3957 MUST only be used for foreign service income.
3908	Surplus apportionments (Excl)	Surplus apportionments on or after 1 January 2006 and paid in terms of section 15B of the Pension Funds Act of 1956.
3909	Unclaimed benefits (PAYE)	Unclaimed benefits prior to 1 March 2009 and paid by a fund in terms of the provisions of General Note 35.

CODE	DESCRIPTION	EXPLANATION
3915	Retirement lump sum benefits (PAYE)	Lump sum payments accruing after 1 October 2007 from a fund (pension/pension preservation/retirement annuity/provident/provident preservation fund) in respect of retirement or death. Note: With effect from 2009 year of assessment, amounts previously included under codes 3903/3953 and 3905/3955 must be included in this code (3915).
3920	Lump sum withdrawal benefits (PAYE)	Lump sum payments accruing after 28 February 2009 from a Pension/Pension preservation/Retirement annuity/Provident/provident preservation fund in respect of withdrawal (e.g. resignation, transfer, divorce, maintenance, housing loan payments). Note: With effect from 2010 year of assessment, amounts previously included under codes 3902/3952 and 3904/3954 (where applicable) must be included in this code (3920).
3921	Living annuity and section 15C surplus apportionments (PAYE)	 Lump sum payments accruing after 28 February 2009 from a Pension/ Pension preservation/Retirement annuity/Provident/provident preservation fund in respect of withdrawal due to: Surplus apportionments paid in terms of section 15C of the Pension Funds Act of 1956 Withdrawal after retirement from a living annuity in terms of paragraph (c) of the definition of living annuity, where the value of the assets become less than the amount prescribed by the Minister in the Gazette. Note: With effect from 2010 year of assessment, amounts previously included under codes 3902/3952 and 3904/3954 (where applicable) must be included in this code (3920).

11.5 GROSS REMUNERATION CODES

CODE	DESCRIPTION
3696	Gross non-taxable income (amounts under codes 3602/3652, 3703/3753, 3714/3764, 3908).
3697	Gross retirement funding employment income.
3698	Gross non-retirement funding employment income.

11.6 DEDUCTION CODES

CODE	DESCRIPTION		
4001	Current pension fund contributions.		
4002	Arrear pension fund contributions.		
4003	Current and arrear provident fund contributions.		
4004 Not	Employee's arrear provident fund contributions		
applicable from 2010	Note: Value of this code must be included in the value of code 4003 with effect from the 2010 year of assessment.		
4005	Medical aid contributions.		
4006	Current retirement annuity fund contributions.		
4007	Arrear (re-instated) retirement annuity fund contributions.		
4018	Premiums paid for loss of income policies.		
4024	Medical services costs deemed to be paid by the employee in respect of himself / herself, spouse or child.		

CODE	DESCRIPTION
4025	
Not	Medical contribution paid by employee allowed as a deduction for employees' tax purposes
applicable from 2010	Note: This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code.
4026	Arrear pension fund contributions – Non-statutory forces (NSF).
4030	Donations deducted from the employee's remuneration and paid by the employer to the Organisation.
4472 Not	Employer's pension fund contributions
applicable	Note:
from 2010	This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code.
4473 Not	Employer's provident fund contributions
applicable	Note:
from 2010	This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code.
4474	Employer's medical scheme contributions in respect of employees not included in code 4493. As of 1 March 2012 the contributions paid by an employer on behalf of an employee 65 years and older and who has not retired from that employer, should also be reflected under this code.
4485 Not	Medical services costs deemed to be paid by the employee in respect of other relatives
applicable	Note:
from 2010	This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code.
4486 Not	Capped amount determined by the employer in terms of Section 18(2)(c)(i)
applicable	Note:
from 2010	This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code.
4487 Not	No value benefits in respect of medical services provided or incurred by the employer
applicable	Note:
from 2010	This code is not applicable with effect from the 2010 year of assessment and must not be included in any other code.
4493	Employer's medical aid contributions in respect of an employee who qualifies for the "no value" provisions in the 7th Schedule.
4497	Total Deductions / Contributions

11.7 EMPLOYEES' TAX DEDUCTION AND REASON CODES

CODE	DESCRIPTION
4101	SITE (Standard Income Tax on Employees)
4102	PAYE (Pay-As-You-Earn)
4115	Tax on retirement lump sum benefits (tax on code 3915, 3920 and 3921)
4116	Medical scheme fees tax credit taken into account by employer for PAYE purposes
4141	UIF contribution (employer and employee contributions)
4142	SDL contribution
4149	Total Tax, SDL and UIF

CODE	DESCRIPTION		
	01 or 1 =	Invalid from 1 March 2002	
	02 or 2 =	Earn less than the tax threshold	
4150	03 or 3 =	Independent contractor	
	04 or 4 =	Non taxable earnings (including nil directives)	
	05 or 5 =	Exempt foreign employment income	
	06 or 6 =	Directors remuneration – income quantified in the following year of assessment	
		(only valid from 1 March 2002)	
	07 or 7 =	Labour Broker with valid IRP 30 (only valid from 1 March 2004)	

12. **RULES FOR THE CONSOLIDATION OF SOURCE CODES** FROM 2010 YEAR OF ASSESSMENT

SARS has undertaken an initiative to simplify the PAYE data submission process through the combination of required source codes and elimination of redundant codes. The source codes to be used for income and deduction declarations for current submissions or for initial (first) submissions for prior tax years are contained in the table below.

The codes reflected under the 'Main Code' heading are now the only valid codes that may be used. The codes reflected under the 'Sub-Code Rationalisation' heading are the codes that may no longer be used. This table reflects how these codes are absorbed in to the remaining codes.

TYPE OF INCOME	MAIN CODE	SUB-CODE RATIONALISATION
TIPE OF INCOME		
	3601/3651	Codes 3607/3657, and 3603/3653 and 3610/3660 must be incorporated into 3601/3651.
	3602/3652	Codes 3604/3654, 3609/3659 and 3612/3662 must be incorporated into 3602/3652
	3603/3653	Only from the 2013 year of assessment
	3605/3655	
	3606/3656	
Income	3608/3658	
	3610/3660	Only from the 2013 year of assessment
	3611/3661	
	3613/3663	
	3614	
	3615/3665	
	3616/3666	
	3617/3667	
	3701/3751	
	3702/3752	
	3703/3753	
	3704/3754	
	3707/3757	
	3708/3758	
Allowances	3713/3763	Codes 3706/3756, 3710/3760, 3711/3761 and 3712/3762 must be incorporated into 3713/3763.
	3714/3764	Codes 3705/3755 and 3709/3759 and 3716/3766 must be incorporated into 3714/3764.
	3715/3765	
	3717/3767	
	3718/3768	

TVDE OF INCOME	MAIN CODE	CUR CORE RATIONALICATION
TYPE OF INCOME		SUB-CODE RATIONALISATION
Fringe Benefit	3801/3851	Codes 3803/3853, 3804/3854, 3805/3855, 3806/3856, 3807/3857, 3808/3858
	0000/22-	and 3809/3859 must be incorporated into 3801/3851.
	3802/3852	
	3805/3855	Only from the 2013 year of assessment
	3806/3856	Only from the 2013 year of assessment
	3808/3858	Only from the 2013 year of assessment
	3809/3859	Only from the 2013 year of assessment
	3810/3860	
	3813/3863	
	3815/3865	Only from the 2013 year of assessment
	3901/3951	
	3906/3956	
	3907/3957	
	3908	
Lump sum	3909	
	3915	
	3920	
	3921	
Gross Remuneration	3696	
	3697	
Codes	3698	
Deductions	4001	
	4002	
	4003	Code 4004 must be incorporated into 4003.
	4005	
	4006	
	4007	
	4018	
	4024	
	4026	Applicable to non-statutory forces (government).
	4030	
	4474	
	4493	
	4497	
Employees' Tax Deduction and Reason Codes	4101	
	4102	
	4115	
	4116	Only from the 2013 year of assessment
	4141	
	4142	
	4149	
	. 1 10	