



# Future Proof Payroll & HR

Mid Year Tax Submission Guide



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# INTRODUCTION

The purpose of the Mid-Year Tax Submission Guide is to provide you with an overview of the mid-year employer tax submission process as well as a handy checklist to apply to the process.

It must be emphasized that it is a legal requirement for employers to submit their details in time and failure to do so will result in penalties.

Specific SARS reference guides and manuals pertaining to SARS E@syFile Employer and the PAYE reconciliation process are available for download from the SARS website.

Please refer to the link below for these guides:

[CLICK HERE](#)

# OVERVIEW

During the Employer Reconciliation process, employers are required to submit their Employer Reconciliation Declaration (EMP501), which reconciles the taxes collected from employees with the payments made to SARS and the total tax value of employees' tax certificates, for the respective period.



# CHANNELS OF SUBMISSIONS

Submissions can be made via one of the following channels:

**1**

## Manual Submissions

- Max 50 Certificates
- Capture Tax Certificates and EMP501 on SARS eFiling

**2**

## Electronic Submissions

- More than 50 Certificates (If the employer has 50 or less IRTP5/IT3(a) certificates, the required details can also be submitted via the Electronic Submission Channel.)
- Submitted to SARS eFiling via SARS e@syFile™ Employer



# SUBMISSION CHECKLIST

The checklist below highlights the important steps of the submission process.

For more detail, please enquire about our Mid-Year Tax Submission Training Course [here](#) . The course will dive into the theory and practical application of the mid-year submission process and will provide you with the necessary knowledge and skills to prepare your payroll and retrieve the CSV Tax File from PaySpace.

## Preparation of the Payroll

- 1) Finalise your August Pay Run
- 2) Verify Company Information
- 3) Verify employee information
- 4) Determine the Liability for PAYE, UIF, SDL, and ETI, including manual certificates according to the information on the payroll
- 5) Determine the EMP201 Payments made to SARS eFiling
- 6) " Use an MS Excel Spreadsheet to compare the figures in Step 4 & 5 to establish if there are any differences. No differences: Proceed to generate the CSV Test File. Differences: Note the month the difference occurred and proceed to Step 7."
- 7) Determine the specific employee records where variances occurred.
- 8) Make Corrections.

## Validation of the CSV Test File

## Submission of the CSV Live File

## Employment Tax Validation (ETV)



# EMPLOYMENT TAXES VALIDATION



[ETV]

From the 2020 year of assessment, SARS is performing a second round of validations on the PAYE and SDL values on the IRP5/IT3(a) certificates that have been submitted during the Interim Reconciliation process via e@syFile™ Employer.

Values will be recalculated based on the data provided on the IRP5/IT3(a) certificates. Where it is found that the incorrect amount of tax was deducted from the employee (or an incorrect SDL amount paid over), a letter will be issued, accompanied by a file containing a list of the certificates that have failed the SARS calculation.

It is currently understood, that where SARS has identified an underpayment of PAYE or a difference on SDL, the difference should be rectified, the relevant tax certificates amended, and then resubmitted to SARS using e@syFile™ Employer.

For more information on ETV, please refer to this link on the SARS website:

[CLICK HERE](#)



# Contact Us

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Thank you!

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