



CRS TIMES

NOTICE FROM SARS : NEW EMP 701 FORM

Edition : 4

April 2009

New EMP 701 Form : SARS have reported that last year Employers still struggled to get their declarations to reconcile. The primary reason for failing to get liabilities, payments and the value of tax certificates issued to balance, was that these were frequently distorted by adjustments in respect of prior years. SARS have thus introduced this new form which will allow Employers to declare any adjustments in respect of last year's EMP 501, thereby isolating this year's EMP 501 to reflect only liabilities, payments and certificates in respect of the 2008 / 2009 Tax Year.



TAX SEASON 2009



Prepare now for the PAYE reconciliation process :

Ensure that all required information has been captured into your payroll system. Ensure all the data required to reconcile the monthly EMP 201 with Employees tax certificates and payments is completed and ready. Separate any liability, payment and / or certificates which do not relate to the 2009 / 2009 tax year. Ensure that Employee information on certificates is up to date, including tax reference and ID numbers of Employees.

SARS DEADLINES

Following last year's later deadlines to allow for the introduction of PAYE process changes, SARS has this year reverted to the more traditional period of PAYE reconciliation submissions. The Employers submission period commenced on the 1st April 2009 and the deadline is the 30th May 2009. The submission of the new EMP 701 form (if required) must also be submitted to SARS well before the May 2009 deadline



LUMP SUM BENEFITS

Just a reminder that the amendments to the 2nd Schedule to the Income Tax Act No:58 of 1962, relating to lump sum benefit payments on withdrawal (eg: resignation, transfer etc) have been made wef 1st March 2009. A new code 3920 has been introduced to accommodate the reporting of retirement fund lump sum withdrawal benefits on the IRP5 / IT3A tax certificate. Validation rules for code 3920 are: Numeric field / Maximum characters may not exceed 11 / Cents must be omitted / No negative amounts are allowed / Must be right aligned / Only valid from the 2010 tax year / The tax applicable to this lump sum payment must be reflected under code 4115 / The RF indicator must be inserted between the code and the amount and may only be Y, J, N or blank.

Format is respect of CSV data files is : Code , , amount and Code, RF indicator, amount

This new code 3920 will replace codes 3902 and 3904 in respect of retirement fund lump sum withdrawal benefits. The description of code 3920 will be " Remuneration Fund (pension / RAF / provident fund) lump sum withdrawal benefits on or after the 1st March 2009 (PAYE) "

CRS GAUTENG TRAINING



Tuesday 5th May 2009	Introduction to Org and Job
Wednesday 6th May 2009	HR Project Training
Thursday 7th May 2009	HR Project Training
Friday 8th May 2009	HR Project Training
Tuesday 12th May 2009	Payroll Parameters
Wednesday 13th May 2009	Payroll Parameters

Tuesday 19th May 2009	Compensation Management
Wednesday 20th May 2009	Report Writer
Thursday 21st May 2009	Training
Tuesday 26th May 2009	Intro to Payroll Operations
Wednesday 27th May 2009	Leave
Thursday 28th May 2009	Creditors



PASSIVE HOLDING TAX RATE RELIEF



The passive holding company regime was introduced as a result of the perception that individuals would choose to earn a passive income in the name of a company rather than in their own name.

If a company qualifies as a passive holding company, it will be taxed at 10% on dividends received and 40% on other revenue.

It has come as a relief to many tax payers that the legislation that has finally been passed has a definition of passive holding companies that is quite narrow in application.

Certain companies are specifically excluded from the definition of passive holding companies.

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