



CRS TIMES

SARS REPORTING CODES

Edition : 5

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Submissions have been made to SARS regarding the need to issue two certificate reporting codes and their descriptions, that will be required for the current 2009 / 2010 tax year for the reporting of the 2% Unemployment Insurance Fund contribution and the 1% Skills Development Levy payments on Tax Certificates. Details are awaited from SARS.



TAX DEADLINES REMINDER

1 April to 30 May - EMP 501 Submission PAYE Reconciliations & Employee Tax Certificates.

1 June to 30 June - SARS preparation of pre-populated returns and preparation of income tax returns for individuals (ITR12).

1 July to 18 September – Manual submission of ITR 12 income tax returns for individuals.

1 July to 20 November – Electronic submission of ITR 12 income tax returns for individuals.

PROPOSED ABOLISHMENT OF PROVIDENT FUNDS

The current debate on social security and retirement reforms has raised the need to examine whether Provident Funds should be phased into Pension Funds. This question is also relevant given the different tax treatment of contributions to Pension and Provident Funds. Historically, the benefit of Provident Funds has been that there was no vesting periods for the Employer contribution. This means that when an Employee left employment, they would also receive all of the Employer contributions. However, this requirement has subsequently fallen away and the distinction between the funds now, are as follows:

Pension Funds qualify for the Employee contribution to receive tax relief up to 7.5% of the pensionable earnings, but Employee Provident Fund contributions are not tax deductible: and

Provident Funds on retirement allow complete withdrawal, whilst Pension Funds there is a limitation on withdrawal of one third. Governments problem with this ability to take the whole retirement saving and possibly squander the funds has been raised before.

One option will be to phase out Provident Funds as a prelude to broader social security reforms. This option will no doubt be explored with the relevant stakeholders during 2009.

CSV FILE CHANGES FOR 2010

Earlier this year we advised you of the pending changes to the CSV File layout that SARS will require for February 2010. The new specifications are still being worked on and we hope to have some feedback from SARS in the not too distant future for you.



NEWS UPDATE FROM THE EASTERN CAPE



South African based JSE listed company Aspen is Africa's largest Pharmaceutical manufacturer and a major supplier of branded and generic pharmaceuticals. Their wages systems go live on CRS at the end of June 2009. We wish the CRS Eastern Cape Team success with the implementation.

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