



QUICK TO LEARN. QUICK TO USE.

PAYE Tax Year End Guideline

Quick Payroll & HR
February 2018



PAYE Tax Year End Guide

Introduction

Are you prepared for the PAYE Tax Year End?

We understand your day-to-day challenges; that is why we want to try and make your business life easier. We've prepared this guide to help you work more smartly and efficiently, giving you more time to do what you do best - grow your business. And – if you get stuck, rest assured we always have real people to support you. Whenever you get stuck, there's a knowledgeable person just a call or email away.

This guide provides you with comprehensive, easy-to-follow instructions and screen illustrations to assist you in completing your PAYE Year End in good time.

The year-end procedures for Quick Payroll & HR outline the printing of relevant reports according to your auditor or company's requirements and backing up and restore procedures.

This guide includes

- Printing hard copy reports for your own records.
- Creating a copy company for record purposes.
- Making proper backups.

Please note that all companies are required by law to submit their returns to the Receiver of Revenue, within 60 days after the start of the PAYE Filing season, unless otherwise specified by the Minister of Finance.

If you get stuck, we have your back

You can contact our Support Team on:

Telephonic Support: +27(0) 10 203 4300

Email: Support@Quickbooks.co.za

Should you require an on-site Consultant: <https://www.quickbooks.co.za/onsite-support/>



PAYE Tax Year End Guide

Checklist

Phase 1 – Completing the February pay period

1. Click on Help...About.

- Ensure that you process the Year End on Quick Payroll & HR 2018 Update 2b or later.

Note: Should you require an update, go to : <https://www.quickbooks.co.za/support/#downloads> and download the latest update.

- Ensure that you make a backup and run a Legislative Release from the ...File menu after updating your software.

2. Go to Utility...System Status.

- If you process multiple pay frequencies on the same company, e.g. Monthly and weekly employees, you will have to be in the final month and/or week of the tax year before you will be able to update into the Year End period.
- Ensure that you are in the final processing period of the Tax Year (I.e. February). Monthly Period 12, Weekly Period 52/53 and/or Fortnightly Period 26/27.
- Ensure that the number of Processed Employees is zero.
- If there are processed employees, go to Process...Clear Run Flags to ensure that all employees are Not Processed.



System Status

Total Employee Status

Employees	6	Processed Employees	0	Employees On Leave	0
New Employees	0	Not Processed Employees	4	Terminated Employees	2

Pay Frequency Status

Monthly		Weekly		Fortnightly	
Current Period No.	12	Current Period No.	52	Current Period No.	
Period End Date	28/02/2018	Period End Date	27/02/2018	Period End Date	
Month End Date	28/02/2018	Month End Date	27/02/2018	Month End Date	

Employee Status

	Total	New	Not Proc	Processed	On Leave	Terminated
Monthly	2	0	1	0	0	1
Weekly	4	0	3	0	0	1
Fortnightly	0	0	0	0	0	0

Tax Year
Last Legislative Release Done for Tax Year 2017 - 2018

Users

	Active	Open Batch
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>

OK

3. Go to View...Statutory Reports...IRP5/IT3(a) Exception Report.

- Print the IRP5/IT3(a) Exceptions Report.
- Print the report for all employees.
- Select Both under the Print Status.

Note: Some of the exceptions can only be corrected in the last processing period, so we advise that you do not do a pay period update into the Year End period before these errors are all corrected. Should you be pressed for time to update into Year End, ensure that you make a copy company in the last pay period so that these errors can be corrected in your copy company at a later stage.

Important: QuickPayroll & HR allows you to continue with your Year End processing even though exceptions may be detected, but will not allow you to generate the electronic tax certificate export file for employees with exceptions. If you decide to continue without correcting the exceptions first, you will have to make the necessary corrections at a later stage in BOTH your copy company and your live data being used for processing from March onwards.

- *Clear all the exceptions listed in this report before processing the final payroll run*.

Note: For more information on the different levels of exceptions and the required corrections, please refer to the Exceptions Report Guide.



4. *Reinstating an employee that is on maternity leave.

- If you have any employees who will be on maternity leave during Year End, they must be reinstated in the last processing period of the year on their current Masterfile. This will ensure that the necessary tax adjustments are processed before issuing an IRP5/IT3 (a) Tax Certificate. Ensure that the employee's payslip has no values on it.
- After the year end process is completed, you must remember to terminate them again. The termination must be processed in the first processing period of the new tax year.

5. Go to Process...Payroll Run.

Perform the final calculation and print your payslips in the last processing period by processing a Payroll Run.

6. Click on View...Payroll Reports.

Generate all your usual reports for the month ending February, i.e. EMP201, UIF Electronic Declaration, Periodic Variance, etc.

It is recommended that you print a detailed Monthly Analysis report for the entire tax year.

Click on View...Payroll Reports...Monthly Analysis and select to print a detailed report for the last 12 months. Include all employees and all transactions. This report will provide you with details of all processing done for the past tax year.

7. Click on Process...Pay Period Update.

- Process a Pay Period Update.
- QuickPayroll & HR will prompt you to print an IRP5/IT3 (a) Exception Report before processing the Pay Period Update. It is recommended that this report is printed and all exceptions corrected before closing the last processing periods for the tax year.

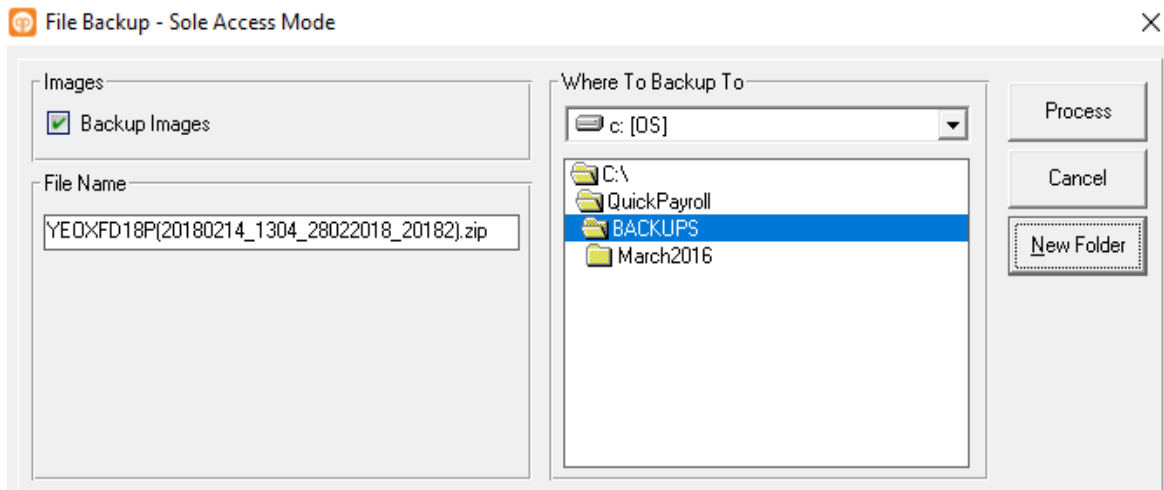
You may select to print the report now and only correct the exceptions when your company is in the Year End period.

- QuickPayroll & HR will prompt you to make a backup



Important: QuickPayroll & HR will not allow you to continue with the final Pay Period Update for the tax year unless you make a BACKUP of your company at this point.

Making use of the backup functionality, create a directory called YE2018 and select to make the backup in the new directory. Specify a unique name for the backup.

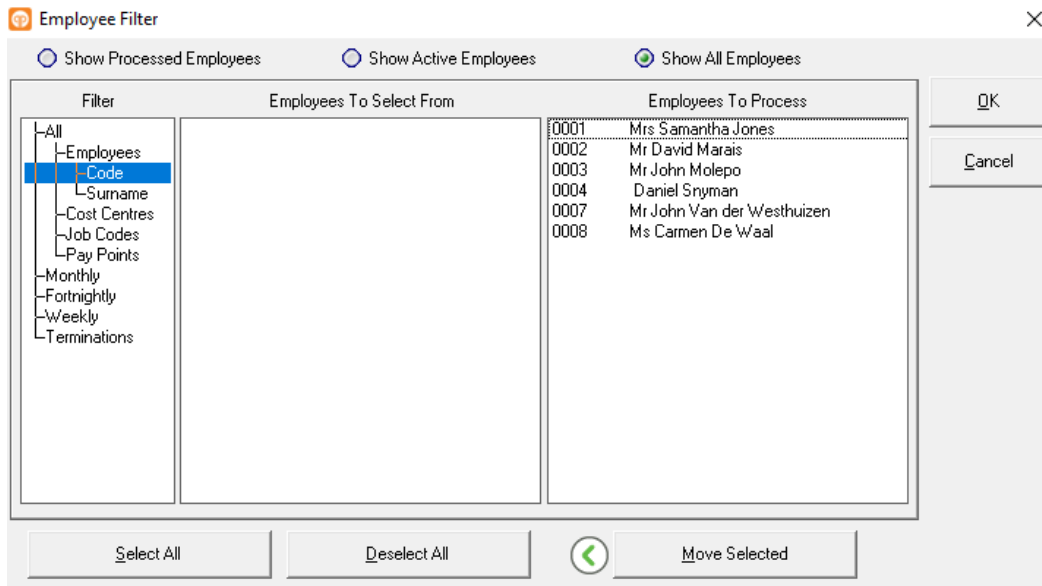


- **Note:** Please store your backup in a safe place. It is recommended that you make at least two backups, storing at least one on an external storage device (like a flash drive or CD) or a server.
- Proceed with the pay period update after the backup process has completed.

8. Printing the IRP5/IT3(a) Electronic Certificates

Select **View...Statutory Reports...IRP5/IT3(a) Electronic Certificates**.

The following screen is displayed:



Select **OK**.

In the First Certificate Number field, enter 00000001.

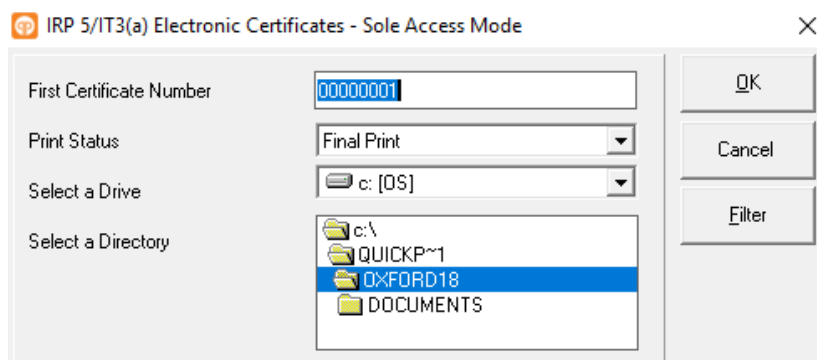
From the **Print Status** dropdown menu, select the **Final Print** option.

Select your preferred folder to save the electronic file.

Important: *It is advisable to create a new folder for all the submission documentation and requirements.*

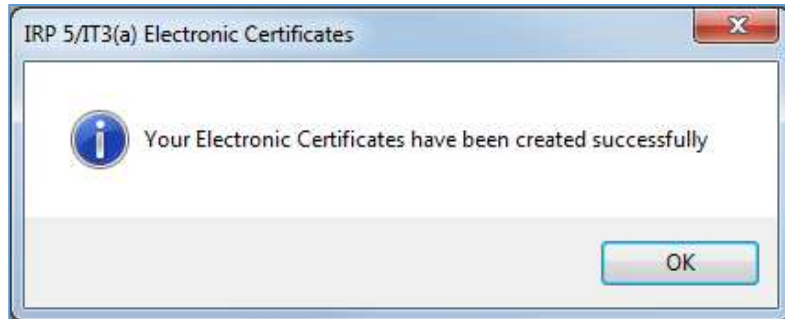
Select **OK**.

The following screen is displayed (The folder name may differ to that of the picture):





The following screen is displayed:



Select **OK**

Phase 2 – Updating into the March pay period

9. Click on Utility...System Status.

- All the activate pay frequencies on your company should now be in the Year End period.
- We recommend that you do the following:
 - Process the Year End Update, select to make a copy company and proceed with your March payslip processing.
 - You have 60 days after the start of the PAYE Filing Season in which you must finalise your employees' IRP5/IT3 (a) Tax Certificates and submit them, together with your completed EMP501 Reconciliation, to SARS.
 - You will be able to finalise and produce the electronic IRP5/IT3 (a) Tax Certificates and EMP501 Reconciliation from the copy company created for the 2017/2018 tax year.



System Status

Total Employee Status

Employees	6	Processed Employees	0	Employees On Leave	0
New Employees	0	Not Processed Employees	4	Terminated Employees	2

Pay Frequency Status

Monthly		Weekly		Fortnightly	
Current Period No.	Year End	Current Period No.	Year End	Current Period No.	
Period End Date		Period End Date		Period End Date	
Month End Date		Month End Date		Month End Date	

Employee Status

	Total	New	Not Proc	Processed	On Leave	Terminated
Monthly	2	0	1	0	0	1
Weekly	4	0	3	0	0	1
Fortnightly	0	0	0	0	0	0

Tax Year
Last Legislative Release Done for Tax Year 2017 - 2018

Users

	Active	Open Batch
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>

OK

10. Click on Process...Year End Update.

- Process the Year End Update. This procedure will update your pay frequencies into the new Tax Year, i.e. March.

10a During the Year End Update process

- When processing the Year End Update, QuickPayroll & HR will prompt you to make a BACKUP. It is important that this backup is made in a different directory from the February backup before continuing.
- Making use of the backup functionality, create a directory called Year End 201_ and select to make the backup in the new directory. Specify a name for the backup. It will default to YEND2018P (20180302_1431_28022018_20184).zip for example.
- Proceed with the year-end update after the backup process has completed.

10b Select to make a Copy Company.

- Enter a name for the copy company that is relevant to the Tax Year e.g. YEND2018. The electronic IRP5/IT3(a) Tax Certificates and EMP501 Reconciliation will be generated in the copy company.
- Take note that the password for your copy company will be the same as your selected password at the time of making the copy.



10c **Confirm Processes**

Confirm that you have done the following by selecting the applicable fields:

- I have made a backup of my company data.
- I have printed all the annual reports as indicated in my country's legislative document.
(This process will be completed in your copy company at a later stage.)
- I have printed all the statutory certificates as indicated in my country's legislative document
(This process will be completed in your copy company at a later stage.)



10d Delete Terminated Employees

- You may now select to delete any employees terminated during the tax year.
- Click on the Filter button.
- All the employees terminated during the tax year will be listed in the **Employees To Process** column on the right hand side of the Employee Filter.
- The terminated employees that must be deleted should be selected in the Employees To Process' column on the right hand side of the Employee Filter. Employees that should not be deleted must be moved to the Employees **To 'Select From'** column on the left hand side of the Employee Filter.
- To move employees between the columns, select the employee/s and click on Move Selected Employees.
- Click OK to return to the previous screen.
- Click the Delete button to delete the selected employees.



11 After the Year End Update process

- Once your company is in March (or period 1 of the new Tax Year), Click on Setup...Pay Frequencies.
- Ensure that the Fifth weeks and Third fortnights are indicated correctly for your Weekly and Fortnightly Pay Frequencies.
- Verify that the correct Public Holidays are on the Holidays Tab.

The Public Holidays for the year March 2018 to February 2019 will automatically be updated after you installed QuickPayroll & HR 2018 Update 2b, which will include the new income tax rates and legislative changes announced during the annual budget speech. Alternatively, you can amend the public holidays manually by editing the list displayed in

Setup...Pay Frequencies...Holidays.

If you prefer to use a reference to a tax year in your company name, you may now click on File...Rename and select to rename your existing company for the new tax year. If you chose to rename your company, you cannot restore any backups previously made after you renamed the company.



12 Click on Edit...Employee Masterfile...Tax.

- Employees who had Tax Directives for the previous tax year will be reset to the Average Tax method once you have completed the year end update.
- Your employees are required to apply for new tax directives.
- You are now ready to start processing for the new Tax Year.

PAYE Tax Year-end Guide

Need more assistance?

Call Us: 010 2023 4300

Book an on-site consultant online: <https://www.quickbooks.co.za/onsite-support/>

We may experience high call volumes during the year end period, you can e-mail us at support@quickbooks.co.za . We will return your e-mail enquiry within 48 hours. To ensure a prompt response, please include as much information as possible.

E.g. Your serial number, company name, name and surname, contact details, details of the problem you are experiencing, etc.