

Dear employer

There are only three weeks left in the 2011 Employers Tax Season!

Thanks to all those employers who have submitted their annual Employer Reconciliation Declarations already - but there are still a very large number of declarations and certificates outstanding.

We remind those of you who have not yet submitted that the deadline for submission of declarations is **Friday 3 June 2011**, and that failure to submit your declaration by this date will result in an administrative penalty.

However, SARS fully understands that certain employers have had difficulty in obtaining information to complete their submissions especially in respect of obtaining complete details for employees including income tax reference numbers.

In cases where employers can show that they have made every effort to meet their obligations, SARS will be sympathetic in considering applications for remission of penalties.

The principle that SARS will follow is that the more complete the submission, the higher the proportion of the penalty likely to be remitted (on application) will be.

To help employers prioritise their efforts over the next three weeks, these are the factors in order of importance which SARS will consider in the remission of penalties:

1. Has the employer submitted a reconciliation declaration (EMP501) and all employee tax certificates by 3 June 2011?
2. Are the employer's monthly declarations (EMP201) and payments for the 2010/11 tax year up to date?
3. What is the employer's compliance history? i.e Did the employer submit declarations on time for prior declaration periods including the interim reconciliation in August/September 2010 and the annual reconciliation in May 2010?
4. How complete is the employee information provided and how much effort has the employer made to provide complete employee details?

SARS understands that the inaugural bulk registration process for employees introduced as part of the interim reconciliation last September has been a significant change for employers and has not always been successful especially where employees are already registered or have multiple IRP5s or IT3As from different employers, or where sufficient information was not provided to enable SARS to register the employee.

This process is being reviewed and enhanced. In the coming months SARS will introduce a facility for employers to register multiple employees and obtain the results using the e@syFile and eFiling application, for those employees not registered previously.

The following are a few of the most common examples of challenges faced by employers and how to resolve them:

**1. No submission was made in August 2010 or the employee joined the organisation after August 2010**

In this case, SARS would not have registered your employees. Employers can register employees individually on e@syFile and eFiling and where SARS can register the employee, feedback will be provided directly to the employer.

Where SARS is unable to register the person because the person is already registered, employers should obtain the income tax reference number from the employee. An employee can obtain their income tax reference number by visiting any SARS branch. They should have proof of ID (ID book, passport or driver's licence) with them when visiting for authentication.

Employers are reminded that in order to successfully register, the following minimum information of the employee must be provided to SARS:

- Surname
- First name/s
- South African Identity Number or Foreign passport number
- Work Address
- Residential and or postal address
- One contact telephone number

**2. There was a submission made in August 2010 but there was insufficient information provided for SARS to complete the registration**

Where employers did not provide the above minimum information, SARS was unable to register these employees. Employers should ensure that their current submission for this Employers Tax Season contains this minimum information to allow SARS to register the employees.

**3. A submission was made with sufficient information to register the individual but the income tax registration number was not received.**

This occurred where employers, when attempting to obtain tax reference numbers, synchronized the e@syFile application using different data than that used in the August 2010 submission. This resulted in the employer receiving a blank notification letter, which did not contain any income tax numbers.

**To correct this the employer will need to:**

- a. Ensure that they are using e@syFile with the database that includes all the August 2010 tax certificates
- b. Request SARS to retransmit the Income Tax registration information during the next application synchronisation. This can be done by sending an email with the relevant PAYE reference numbers to [itreg@sars.gov.za](mailto:itreg@sars.gov.za)
- c. Complete a synchronisation on e@syFile to obtain the Income Tax reference numbers, after receiving confirmation from SARS.

An additional list of frequently asked questions is attached to help employers address other common challenges.

To assist you in making your submission the latest version of e@syFile Employer can be downloaded from [www.sarsefiling.co.za](http://www.sarsefiling.co.za). To help you understand what is required when completing and submitting your declaration we have also developed a range of step-by-step guides which are available on the PAYE page on [www.sars.gov.za](http://www.sars.gov.za).

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

Regards

**SARS**

**Please note** that SARS will never request a taxpayer's banking details in any correspondence that you receive per post, via email or SMS. SARS will also not send you hyperlinks to other websites - even those of banks. Please note that the SARS website does not have links to any banks. Should you wish to verify the authenticity of correspondence from SARS, kindly call the SARS Contact Centre on **0800 00 7277**. Information about the latest phishing scams and fraudulent emails abusing the SARS brand is regularly updated on the SARS website. Go to [www.sars.gov.za](http://www.sars.gov.za) for examples of these scams. Report all suspicious incidents to the SARS Anti-Corruption Hotline on **0800 00 2870** or email [phishing@sars.gov.za](mailto:phishing@sars.gov.za)