

Dear Stakeholder

EMPLOYER INTERIM DECLARATIONS (EMP501): 16 SEPTEMBER TO 31 OCTOBER 2024

The South African Revenue Service (SARS) enables government to build a capable State that serves the wellbeing of all South African citizens. Tax compliance by all businesses and employers, whether small, medium or large, contributes significantly to our country's economic growth and development.

This letter aims to provide the clarity and certainty that employers need to meet their tax obligations during the upcoming Employer Interim Reconciliation period.

Employers' Interim Reconciliation Is Part of Filing Season

The Employer Interim Reconciliation submission period runs from **16 September to 31 October 2024**. Employers, in both the private and public sectors, must reconcile their declarations for the first six months of the reconciliation year (1 March 2024 to 31 August 2024) and submit their Employer Reconciliation Declaration (EMP501) via eFiling or e@syFile™ Employer.

NB: for employers to submit their reconciliation correctly, their declaration must include:

- Monthly Employer Declarations (EMP201) submitted with the tax values (PAYE, UIF, SDL) matching the interim IRP5/IT3(a) certificates generated;
- Payments made (excluding penalties and interest paid); and
- Accurate payroll information and tax certificates (IRP5/IT3[a]) generated for the period 1 March 2024 to 31 August 2024.

Reconciliation Made Easier

- Step 1: Employers, tax practitioners and payroll administrators, must download the latest e@syFile™ Employer version from www.sarsefiling.co.za.
- Step 2: Import the electronic Employee Tax Certificates (IRP5/IT3[a]) CSV files from their current payroll system.
- Step 3: Capture all additional IRP5/IT3(a)s manually. Note e@syFile™ Employer will use the information from all the tax certificates to calculate the certificate totals for the EMP501 automatically.
- Step 4: Enter their monthly liabilities, payments and [Employment Tax Incentive \(ETI\)](#) information (if applicable). Note e@syFile™ Employer will calculate the rest. e@syFile employers have the

option to use prepopulated data or work offline without prepopulated data. Employers who declare ETI must use the “Accept SARS Data” option to ensure that ETI is prepopulated on the EMP501. ETI values may not be captured or increased on the EMP501.

- Step 5: Make sure that their details are correct and up to date.
- Step 6: Submit Reconciliation, view EMP501 Dashboard and view PAYE Dashboard to ensure reconciling processed successfully. For large reconciliation allow a couple of minutes for process.

Submission Channels

- Employers with **50 or less employees** can use either **SARS eFiling** or **e@syFile™ Employer**. If the employer has **50 or less IRP5/IT3(a) certificates**, a tax-certificate file can be generated from the payroll system and this file can be imported into SARS eFiling.
- Employers that file EMP501s for **more than 50 employees** must use **e@syFile™ Employer**.
- An exception is made for employers with a **maximum of five IRP5/IT3(a)s**. The employer can visit the nearest SARS branch, and an agent will help to capture these IRP5/IT3(a)s and the EMP501. Remember to [book an appointment](#) before visiting a SARS branch.

Note: SARS is in the process of moving to a new platform (Replatform). Therefore, for this submission period, both the BETA Flex and Replatform versions will be available, and for the 02 submissions (2025 onwards) only the e@syFile TC version should be used.

For more information about the submission channels, employers can refer to the Frequently Asked Questions on the SARS website. They must go to the SARS website, sars.gov.za, and click on the e@syFile webpage under Business & Employers.

Accuracy and Timely Filing Are Critical

- Employers must capture the correct PAYE liability on the monthly EMP201 returns. Incorrect calculation of the monthly PAYE liability could result in the imposition of both penalties and interest. This includes corrections made on the EMP501 reconciliation, because any shortfall is attributed to the last month of the reconciliation period.
- Employers must submit an accurate EMP501 using the e@syFile™ Employer or SARS eFiling by **31 October 2024** to avoid penalties.

Consequences of Non-compliance

If an employer submits the EMP501 late, SARS will charge administrative penalties. The penalty will equal 1% of the year's PAYE liability, which will increase each month by 1% up to a maximum of 10% of

the year's PAYE liability. Furthermore, an employer who wilfully or negligently fails to submit an EMP201 or EMP501 return to SARS is guilty of an offence. As a result, they are liable, upon conviction, for a fine or imprisonment for up to two years.

What Constitutes a Criminal Offence?

An employer will be guilty of an offence and subjected to a fine or imprisonment for up to two years if the employer:

- Fails to deduct employees' tax from remuneration or pay tax to SARS within the prescribed period;
- Does not deliver IRP5s or IT3(a)s to employees or former employees within the prescribed periods; and/or
- Uses employees' deducted tax or withholds it for purposes other than to pay the amount to SARS.

Status of Submission

Employers must always check the status of submissions to ensure that their EMP501 was correctly filed with SARS.

More Information

For additional information about completing manual certificates, employers can go to the [e@syFile™ Employer User Guide](#) or access the [Step-by-Step Guide to the Employer Reconciliation Process](#) under the Businesses and Employers page on the SARS website at www.sars.gov.za.

Sincerely

SOUTH AFRICAN REVENUE SERVICE

16 September 2024