Third Party Appointment (AA88)

e@syFile™
EMPLOYER USER GUIDE
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 INTRODUCTION</td>
<td>3</td>
</tr>
<tr>
<td>2 AA88 FUNCTION ON E@SYFILE™ EMPLOYER</td>
<td>4</td>
</tr>
<tr>
<td>3 THIRD PARTY APPOINTMENTS</td>
<td>9</td>
</tr>
<tr>
<td>4 VIEWING AA88 DETAILS</td>
<td>12</td>
</tr>
<tr>
<td>5 MANAGING OUTCOMES</td>
<td>15</td>
</tr>
<tr>
<td>6 ADDING DEDUCTIONS TO PAYROLL</td>
<td>17</td>
</tr>
<tr>
<td>7 IMPORT STATUS UPDATE FROM PAYROLL SOFTWARE</td>
<td>19</td>
</tr>
<tr>
<td>8 SUBMIT UPDATED OUTCOMES TO SARS</td>
<td>21</td>
</tr>
<tr>
<td>9 MAKING BULK PAYMENTS TO SARS</td>
<td>25</td>
</tr>
<tr>
<td>10 MONTHLY RECONCILIATION PROCESS</td>
<td>30</td>
</tr>
</tbody>
</table>
1 INTRODUCTION

The Tax Administration Act empowers the Commissioner for the South African Revenue Service (SARS) to appoint a third party to withhold and pay over to SARS any amounts due by a taxpayer in terms of the relevant tax Act. Such a third party may be an employer of the taxpayer or any other person who has the management, custody or control of any income, monies or property of the taxpayer.

An appointed third party is required to do the following:
- Review the list of impacted taxpayers (manage outcomes)
- Deduct the stipulated amount from the salary or wages of the respective employees, as indicated
- Pay the amounts over to SARS by the due date.

Where the employer is unable to execute the request, feedback providing the reasons for his/her inability to execute the agent appointment request must be given using one of the following channels:
- Log on to SARS e@syFile™ Employer to view the AA88 Notice and provide a response to SARS by selecting one of the outcomes from the drop-down list
- Contact the SARS Contact Centre or visit a SARS branch where a SARS agent will assist the employer with capturing the outcomes in relation to the taxpayers listed on the AA88 Notice.

Please note: An employee should be encourage to visit a SARS branch to resolve their tax affairs.

For further information or assistance, visit the e@syFile™ webpage on www.sars.gov.za or call the SARS Contact Centre on 0800 00 SARS (7277) or visit the nearest SARS branch.

Please note: If your company is registered via SARS LBC, the employer should contact the LBC for assistance.

2 AA88 FUNCTION ON E@SYFILE™ EMPLOYER

The following is required to receive, manage and pay AA88 notices using e@syFile™ Employer:
- Download the latest version of e@syFile™ Employer by visiting the e@syFile™ webpage on www.sars.gov.za or www.sarsefiling.co.za.
- A valid eFiling login name and password linked to the PAYE number, with the necessary access rights and authorisation level. You must be registered for PAYE and AA88’s on eFiling.
- An internet connection.
- Always synchronise your e@syFile™ Employer software database with your eFiling profile.

Step 1

Click on Synchronise Application under Utilities in the left menu pane.

Select either:
- eFiling Profile and Employer Information - This will synchronise your e@syFile™ Employer database with the data on your SARS eFiling profile.
Please note: First time users must select this option or the “All” option.

- **Letters and correspondence (including AA88 notices)** – This will retrieve the AA88 information.

Click **SYNC**.
Complete your eFiling credentials and click on **login** to start the synchronisation process.

![SARS Secure Login](image)

**Step 2**

Pop-up messages will indicate progress during the synchronisation process, and confirm once the initial synchronisation is complete.

![Progress](image)

Once the synchronisation process is complete, you will be able to retrieve the latest notices and letters from SARS under **Notification Centre under Home**.
When logging on to e@syFile™ Employer, while connected to the internet, you should receive a pop-up message notifying you if you have received electronic correspondence from SARS.

Step 3

Click on Notification Centre under Home.

The Notification Centre will display a list of all employers linked to your eFiling profile, with the number of various letter types available.

Select the relevant employer from the list displayed to view the available correspondence.
Once you have selected an employer from the list, if new AA88 information is available a single AA88 notice will be displayed marked “Processed-Unread”.

The AA88 details will automatically be transferred to the Third Party Appointments menu. A pop-up message will be display once this process has been completed.

Please note: The detailed AA88 notices will no longer be displayed in the Notification Centre. These details can be viewed on the Third Party Appointments menu.
The following pop-up message will appear when double clicking to view letter received:

```
The Archive button gives the employer the option to archive selected notices in the Notification Centre. These notices can be restored again at any time by clicking on Restore. All archived notices will be populated so that the user can select and restore.
```

<table>
<thead>
<tr>
<th>Letter ID</th>
<th>Tax Payer Name</th>
<th>Tax Year</th>
<th>Message Type</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>240</td>
<td></td>
<td>2012</td>
<td>AA88 Notification</td>
<td>PROCESS-UNREAD</td>
</tr>
<tr>
<td>253</td>
<td></td>
<td>2011/01/3</td>
<td>EMPSA</td>
<td>ISSUED</td>
</tr>
<tr>
<td>252</td>
<td></td>
<td>2011</td>
<td>PAYE_RECON_RESULT</td>
<td>ISSUED</td>
</tr>
</tbody>
</table>
3 THIRD PARTY APPOINTMENTS

Once the e@syFile™ Employer database has updated after synchronisation, all the AA88 notices will be marked as Processed - Unread in the Notification Centre and all the data will automatically be grouped by PAYE reference number (employer name) on the Third Party Appointments Menu. The menu options for Third Party Appointments have changed:

- **Third Party Transaction and Monetary Information** – Details a summary of all AA88’s issued against a PAYE number
- **Third Party Appointments/Cancellations** – Where you are able to view and process details of AA88’s
- **Third Party Reconciliations** – Where you are able to view the details of finalised AA88’s

**Step 1**

Click on **Third Party Appointments** in the left menu pane.

This will open the new summary tab (**Third Party Transaction and Monetary Information**) listing details of all AA88’s (current and historical) for the PAYE number.

![Third Party Transaction and Monetary Information](image)

Please ensure the status reflecting on this screen is “You are in sync with SARS”.

![You are in sync with SARS](image)

A red indicator will be seen, where you are required to update the values reflecting by synchronising.
When working offline on e@syFile™ Employer the red indicator will always be shown, and will display the values obtained from the previous synchronisation.

To view a description of each category listed, click on “What is this?”

- **Issued AA88s** - This represents the total number of AA88 transactions issued against your PAYE number since the inception of the AA88 process on e@syFile™ Employer and displays the number of transactions and the Rand value amount. Please note that some employees may have multiple transactions.

- **Completed AA88s** - This represents the total number of completed AA88 transactions against your PAYE number. To complete a transaction it should either be finalised (settled/paid) or Cancelled. No further action is required from the employer regarding these transactions. It displays the number of transactions and the Rand value amount. Please note that some employees may have multiple transactions in different statuses.

- **Cancelled** - This represents the total number of AA88 transactions with a cancelled status against your PAYE number. A transaction can be cancelled by an employer for various reasons such as “Not employed”, “Deceased” or “Affordability requests”. SARS may also cancel transactions as a result of “Taxpayer disputes”, “New 3rd Party identified”, etc. It displays the number of transactions and the Rand value amount. Please note that some employees may have multiple transactions in different statuses.

- **Finalised** - This represents the total number of AA88 transactions with a finalised status against your PAYE number. A transaction is finalised where the employee’s debt is settled or the total outstanding amount is paid. It displays the number of transactions and the Rand value amount. Please note that some employees may have multiple transactions in different statuses.

- **Active AA88s** – This represents the total number of active AA88 transactions against your PAYE number. These are the transactions that require action by the employer. Active transactions could either be “Not yet due” (prior to due date) or “overdue” (default –
past due date). It displays the number of transactions and the Rand value amount. Please note that some employees may have multiple transactions in different statuses.

- **Not yet due** - This represents the total number of AA88 transactions with an issued status against your PAYE number. These are mostly new transactions issued recently where the due date (Start Date) is in the future indicating that the employer still has time to deduct and pay to SARS the amounts requested. It displays the number of transactions and the Rand value amount. Please note that some employees may have multiple transactions in different statuses.

- **Overdue (Default)** - This represents the total number of AA88 transactions with a defaulted status against your PAYE number. These are transactions with a due date (Start Date) in the past indicating that the employer defaulted in paying the amount due. It displays the number of transactions and the Rand value amount. Please note that some employees may have multiple transactions in different statuses.

**Step 2**

To display AA88 details, select the “Third Party Appointment/Cancellations” tab. This page will include all taxpayers with AA88’s. A status column reflects whether a taxpayer has active AA88(s) or if all his/her transactions have been completed.

Please note: Outcomes can only be captured for taxpayers with an “**Active**” status.
Various search and filter options enable users to locate specific transactions. Transactions may also be sorted by clicking on the headings of the details table, e.g. name, ID number, outcome etc.

4 VIEWING AA88 DETAILS

Step 1

To view the AA88 details for a taxpayer, select the taxpayer from the list displayed, or use the search function. Click on “Details” to the right of the screen to display detailed data for the selected AA88 entry, or click on “Print” to generate an individual AA88 letter which can be provided to the employee.

The following tables will be displayed when clicking on “Details” and will provide a view of the history of the AA88 transaction.
The Active (Issued and Defaults) table will display:

<table>
<thead>
<tr>
<th>AA88 Status</th>
<th>Higher level Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued</td>
<td>Active</td>
<td>These are mostly new transactions issued recently where the due date (Start Date) is in the future indicating that the employer still has time to deduct and pay to SARS the amounts requested.</td>
</tr>
<tr>
<td>Defaulted</td>
<td>Active</td>
<td>These are transactions with a due date (Start Date) in the past indicating that the employer defaulted in paying the amount due to SARS.</td>
</tr>
</tbody>
</table>
The Completed (Finalised and Cancelled) table will display:

<table>
<thead>
<tr>
<th>AA88 Status</th>
<th>Higher level Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancelled</td>
<td>Completed</td>
<td>A transaction may be cancelled by an employer for various reasons such as “Not employed”, “Deceased” or “Affordability requests”. SARS may cancel transactions as a result of “Taxpayer disputes”, “New 3rd Party identified”, etc.</td>
</tr>
<tr>
<td>Finalised</td>
<td>Completed</td>
<td>A transaction is finalised where the employee’s debt is settled or the total outstanding amount is paid.</td>
</tr>
</tbody>
</table>
Please note: An AA88 transaction may only appear in one of the tables above.

Step 2
Where you wish to do a bulk print of the AA88 notices received, select the relevant transactions on the left, and click on BULK PRINT to generate individual AA88 letters for employees.

5 MANAGING OUTCOMES

Important note: The Submit button is used only to inform SARS of instances where the employer is not able to make the deduction from the employee’s salary, as indicated on the AA88 notice (No longer employed, Affordability Requested, etc).

The Employment confirmed outcome must not be submitted using the Submit button. The Employment confirmed outcome is only used when you want to Export to Payroll file or Make payment when making a bulk payment via e@syFile™ Employer.

Step 1
In order to process and manage AA88s, the employer will have to review the amounts due to determine deductions, cancellations, etc. The employer will then have to update the outcome for the taxpayer by assigning one of the following outcomes to each AA88:

1. Employment confirmed:
   • The employer accepts responsibility for the deduction
   • The AA88 transaction stays active awaiting payment
   • Records with this outcome will be included in the Payroll Input File for deduction from payroll
   • With this option selected, a payment must be made in order to submit.

2. Not employed:
   • The employer indicates that the employee is no longer employed or unknown
   • Employer is permitted to reject the AA88 appointment
• All active AA88 transactions against the specific taxpayer will be cancelled.

3. Request Affordability:
• The employer indicates that the taxpayer won’t be able to afford the full amount requested
• SARS will use the employees IRP5/IT3(a) information to calculate affordability terms
• All active AA88 transactions against the specific taxpayer will be cancelled and replaced by new AA88 transactions allowing SARS to determine the monthly instalments.

NOTE: The affordability options (3 and 6 months) have been replaced with an option to “Request affordability”. The employer will in future “request affordability” and SARS will use the employees IRP5/IT3(a) information to calculate affordability terms. If the affordability terms provided by SARS are in the employee’s view too onerous, the employee is required to visit a SARS branch to make necessary arrangements and substantiate what is affordable in order to allow for the employee to pay for basic living expenses.

4. Taxpayer Estate – Deceased:
• The employer indicates that the taxpayer is deceased
• The employer is permitted to reject the AA88 appointment
• All active AA88 transactions against the specific taxpayer will be cancelled.

5. Taxpayer Estate – Insolvent:
• The employer indicates that the taxpayer is insolvent
• The employer is permitted to reject the AA88 appointment
• All active AA88 transactions against the specific taxpayer will be cancelled.

Note: SARS will record all outcomes specified by the employer for audit purposes.

Step 2

Using the drop-down list in the Outcomes column, select the relevant outcome for each taxpayer listed.
6 ADDING DEDUCTIONS TO PAYROLL

Once all outcomes are updated, the relevant deductions must be applied. Deductions can be added to the payroll manually, or by exporting a file from e@syFile™ Employer to import into the payroll software the employer uses.

Step 1

To generate an export file including all active AA88’s, click on Export to payroll file at the top of the table, and click Yes to confirm.
Alternatively, specific transactions may be selected on the left to include in the “Export to payroll file”.

**Step 2**

Enter a file name and indicate where you would like to save the CSV file. Click Save.
7 IMPORT STATUS UPDATE FROM PAYROLL SOFTWARE

Once the deductions are processed in your payroll system, you should be able to generate an export file in your payroll software to update the outcome status on e@syFile™ Employer.

Helpful Tip: Employers that don’t have a payroll function could use the exported CSV file and manipulate the data in a spreadsheet application to update outcomes in bulk.

Step 1

Click Import from Payroll File to start this process. Select the relevant file, and click on Open to import.
Step 2

e@syFile™Employer will update the taxpayer's outcomes as affected by the imported file from the payroll system.
8 SUBMIT UPDATED OUTCOMES TO SARS

Step 1
Select updated taxpayer records to submit to SARS by clicking on the **blocks** to the left of each listing, and then clicking on **Submit**. (These are the employees where you can’t fulfil your obligation as an agent).

![Screenshot of easFile™ interface](image)

Step 2
A summary of the outcomes for transactions included in submission will display. If you agree with the summary, click “**Continue**” or click “**Cancel**” to edit outcomes selected for submission.

```
<table>
<thead>
<tr>
<th>Name</th>
<th>ID Number</th>
<th>Income Tax Ref</th>
<th>Status</th>
<th>Outcome</th>
<th>Transaction...</th>
<th>Print Letter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>ACTIVE</td>
<td>Deceased</td>
<td>Details</td>
<td>Print</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>ACTIVE</td>
<td>Not employed</td>
<td>Details</td>
<td>Print</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>COMPLETE</td>
<td>Request Affordability</td>
<td>Details</td>
<td>Print</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>ACTIVE</td>
<td>Employment confirmed</td>
<td>Details</td>
<td>Print</td>
</tr>
</tbody>
</table>
```
Step 3

A pop-up message will warn you that outcomes cannot be reversed electronically once submitted to SARS. Click “I understand, Continue” to proceed with the submission.
Step 4

As soon as SARS has successfully processed the request, a response will be posted on e@syFile™ Employer with an updated AA88 after synchronisation. Updates for affordability requests should be available within 24-48 hours.
Step 5

If all AA88’s were not included when outcomes were selected and submitted, you will receive a warning message. Click OK to proceed, or click Cancel to select the relevant outcomes prior to submission.
9 MAKING BULK PAYMENTS TO SARS

e@syFile™ Employer will enable you to process bulk payments through the eFiling ad hoc payment option. This option allows an employer to make a single payment for the AA88s while updating AA88 details and status for each employee. It also allows SARS to allocate the appropriate amount of single payments to each of the employee’s Income Tax accounts.

**Step 1**

Login to e@syFile™ Employer, select **Third Party Appointments** and proceed to **Third Party Appointments/Cancellations**.

**Step 2**

Select the relevant employees with active AA88’s to be included in this payment on the left and Click on the **Manage Payments** button on the top right. The outcome for these transactions should be set as “Employment confirmed”.

**Step 3**

A list of all selected employees will display with new options to “Select all”, “Expand All” to view details per employee, and “Collapse All” to hide details again. Select the correct AA88 transactions to include in your bulk payment and click **Continue** to proceed.
Step 4

Indicate the payment method on the pop-up message and click **Submit to proceed**.
**Step 5**

If you select Credit Push, capture your bank user profile in the account number field and thereafter follow the SARS eFiling Credit Push payment screens as prompted.

If you have selected **Debit Pull**, enter the banking details from which you would like to pay, and click the **Submit** button.
Step 5

Once you have clicked on the Submit button, enter your SARS eFiling login credentials and click the Login button.
Step 6

Once your eFiling login credentials have been verified, the eFiling Payment screen will appear. Select Unpaid Batches to process with payment for the AA88’s you selected on e@syFile™ Employer.

If you click on “File status” you can view the status of each AA88 included in your Bulk Payment. “Partially Paid Batches” and “Paid Batches” will display details of previous Bulk Payments.

Step 7

Click “Pay Batch” on the next screen to proceed with payment. You can also click on View Detail to see a list of the AA88’s included in this Bulk Payment file.
Step 8

Click **Confirm Payment** and follow the prompts to finalise the Bulk payment.

10 **MONTHLY RECONCILIATION PROCESS**

During the second week of each month SARS will issue an AA88 Reconciliation Information to the employer (PAYE number). The reconciliation indicates the rand-value, AA88 movement per employee for the previous calendar month(s). This information will be displayed on the Third Party Appointments tab.

**AA88 movement is defined as:**
- The Opening Balance at the beginning of a month
- Plus new AA88s issued
- Minus AA88 Cancelled and or Finalised (Settled)
- The Closing balance at the end of the month.

The portion of the End Balance also includes the default (past due date) value.
Similar to active AA88’s, individual AA88 Reconciliation statements can be generated by clicking on the **Print button** to the right of each transaction listed.

To generate AA88 Reconciliation statements in bulk, select transactions on the left and click on **Bulk Print**.
DISCLAIMER
The information contained in this guide is intended as guidance only and is not considered to be a legal reference, nor is it a binding ruling. The information does not take the place of legislation and readers who are in doubt regarding any aspect of the information displayed in the guide should refer to the relevant legislation, or seek a formal opinion from a suitably qualified individual.

For more information about the contents of this publication you may:
- Visit the SARS website at www.sars.gov.za
- Visit your nearest SARS branch
- Contact your own registered tax practitioner
- If calling from within South Africa, contact the SARS Contact Centre on 0800 00 7277
- If calling from outside South Africa, contact the SARS Contact Centre on +27 11 602 2093 (only between 8am and 4pm South African time).