

# Employer Reconciliation Process on eFiling and Third-Party Appointments

South African Revenue Service

  
South African Revenue Service

# SARS Mandate



## Our Mandate

- Collect all revenues due.
- Ensure optimal compliance with tax and customs legislation.
- Provide a customs service to optimize revenue, border protection & facilitate legitimate trade.

- SARS exists to serve the serve the higher purpose of Enabling government to build a capable state that:
- fosters sustainable economic growth & social development
- that serves the wellbeing of All south Africans

# Purpose and SARS Vision

## **Purpose:**

- This presentation is merely to provide information in an easily understandable format and is intended to make the provisions of the legislation more accessible.
- The information therefore has no binding legal effect and the relevant legislation must be consulted in the event of any doubt as to the meaning or application of any provision.

## **Our vision:**

### **To build a:**

A smart, modern SARS with unquestionable Integrity trusted & admired.

### **Our philosophy based on the theory of compliance:**

We believe that most taxpayers are honest and simply want to fulfil their obligations with the least amount of effort & cost.



# SARS Strategic Objectives

## 9 Strategic Objectives that support the strategic intent with focus on the first 3:

- Provide **Clarity & Certainty** for Taxpayers & Traders of their obligations.
- Make it **Easy for** Taxpayers & Traders to Comply with their obligations.
- Detect Taxpayers & Traders who do not Comply, and make non-compliance Hard & Costly



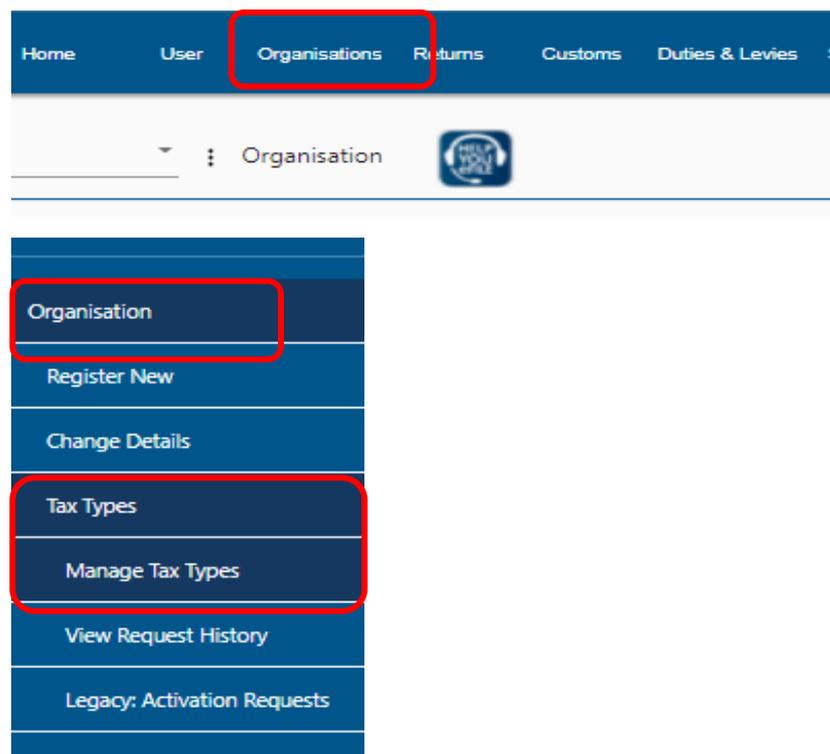
# EMP501 Tax Type Activation Process

- **Activation/Deactivation** of specific tax types – In order to transact on eFiling (e.g. submit returns, make payments, request statement of account) the applicable tax type must be activated on your profile
- **Transfer of tax types** (All tax products) between the organisation and tax practitioner profiles. (To be reviewed by the taxpayer/registered representative).

To activate/deactivate/Request Transfer of tax types of the Entity click on:

- Organisation (Top menu)
- Organisation (Left menu)
- Tax Types
- Manage Tax Types

Select the items that you want to activate/deactivate and click on **“Submit”**



# EMP501 Tax Type Activation Process

Click on 'Manage Tax Types' A table will display with the information:

Please make sure the EMP501 is successfully activated by selecting under **Action** and then “**Submit**” at the bottom

## Manage Tax Types

Tax Type Description	Reference Number	Status	Action
EMP201 - PAYE	7.	Not Active. Active on an individual profile.	<input type="checkbox"/> Request Tax Type Transfer
EMP501 - Submission	7.	Not Active. Active on an individual profile.	<input type="checkbox"/> Request Tax Type Transfer
Provisional Tax (IRP6)	9.	Not Active.	<input type="checkbox"/> Request Activation

Submit

## Manage Tax Types

Tax Type Description	Reference Number	Status	Action
EMP201 - PAYE	7.	Successfully Activated.	<input type="checkbox"/> Deactivate
EMP501 - Submission	7.	Successfully Activated.	<input type="checkbox"/> Deactivate
Provisional Tax (IRP6)	9.	Successfully Activated.	<input type="checkbox"/> Deactivate

# EMP501 Reconciliation Process

To request a return for the applicable reconciliation period.

- Select **'Returns'** that will be on the top menu
- Select **'Returns Issued'** from the left menu and select **'Employees Tax (EMP501)'**
- Select the period of reconciliation from the drop-down list, and click on **'Request Return'**
- Click on **'Open'** to access the **EMP501 work page**

The screenshot displays the SARS eFiling interface. The top navigation bar includes 'Home', 'User', 'Organisations', 'Returns', 'Customs', 'Duties & Levies', 'Services', 'Tax Status', 'Contact', and 'Log Out'. The left sidebar menu shows 'Returns Issued' and 'Employee's Tax (EMP501)' highlighted with red boxes. The main content area shows a 'Return Search' table with the following data:

Name	Reference Num	Period	Return Type	Status	Amount Due	Due Date	Open
1		TaxPeriod: 201302	EMP501	Issued on 23/08/2013	0.00		<a href="#">Open</a>

# EMP501 Reconciliation Process

Please Note: If you have selected a final reconciliation before the 1st of March, the following screen will be displayed, and you will be required to confirm that you wish to continue and provide a reason as this is only used in exceptional cases where the company is in Liquidation/Winding up the company/Insolvency/Estate cases/Dormant etc.

The screenshot displays the SARS eFiling user interface. On the left is a dark blue navigation sidebar with the user's name 'Mrs' and a 'My Profile' button. The main content area has a top navigation bar with 'SARS eFILING' and various menu items like 'Home', 'User', 'Organisations', etc. Below this is a search area with 'Portfolio' and 'Taxpayer' dropdowns. A table titled 'Return Search' is visible, with columns for Name, Reference Num, Period, Return Type, Status, Amount Due, Due Date, and Open. A modal window titled 'Employee's Tax (EMP501)' is overlaid on the table. The modal contains the following text: 'You have selected a reconciliation period in the future', 'Do you want to continue?' with 'Yes' and 'No' buttons, 'Please provide a reason' followed by a text input area, and a 'Submit' button at the bottom. The bottom right of the page features an 'ASK A QUESTION?' link.

# EMP501 Reconciliation Process

After accessing the EMP501 work page, Click on the 'EMP501' link to open the return. The employer will be able to complete the Tax Certificates once the EMP501 is opened.

If the reconciliation has already been submitted via e@syFile for this filing period, there will be an error message and the employer will not be allowed to submit the reconciliation on eFiling.

Click on '**Continue**' to continue to the **EMP501 work page** and to complete the **EMP501**

## Employee's Tax (EMP501)

### Request EMP501

Dear Taxpayer,

In order for SARS to successfully process your EMP501 reconciliation, you need to adhere to the following:

1. You must submit your EMP501 Reconciliation for a specific period through one channel only, i.e. if you elect to submit your EMP501 Reconciliation through e@syFile for period 201302, you cannot revise the submission through eFiling, or vice versa. You do however have the option to elect a different channel for the submission of the next filing period.
2. eFiling will allow a maximum of 50 IRP5/IT3(a) certificates to be submitted. If you are submitting more than 50 IRP5/IT3(a) certificates, please use e@syfile.

Failure to adhere to the above will result in your submission being rejected.

Sincerely  
SARS

Back to eFiling

Download E@syfile

Continue



# EMP501 Reconciliation Process

The EMP501 Declaration is divided into the following main headings, namely:

- **My Reconciliation Declaration**
- **My Tax Certificates**

Each heading has sub-headings. The following sub-headings will be available under **'My Reconciliation Declaration'**:

- Employer Information;
- Tax Practitioner Details (if applicable);
- Employment Tax Incentive;
- Financial Particulars

The screenshot shows the SARS EMP501 Reconciliation Declaration interface. At the top, there are buttons for 'Back', 'Save', 'Submit', and a counter '0'. Below this is a navigation bar with 'My Reconciliation Declaration' (highlighted with a red exclamation mark) and 'My Tax Certificates'. The version is '2020.00.10'. The main header includes the SARS logo, 'Employer Reconciliation Declaration EMP501', and 'Trading Name:'. To the right, it shows 'Transaction Year: 2021' and 'Period of Reconciliation: 202008'. The main content area has three expandable sections: 'Employer Information' (with a red bar and a dropdown arrow), 'Tax Practitioner Details (if applicable)' (with a blue bar and a dropdown arrow), and 'Financial Particulars' (with a blue bar and a dropdown arrow).

# EMP501 Reconciliation Process

When everything is successfully completed on the EMP501, the colour will change to **“Blue”**.

Back Save Submit - 0 +

My Reconciliation Declaration  My Tax Certificates Version - 2020.00.10

 **Employer Reconciliation Declaration EMP501** Transaction Year: 2021 Period of Reconciliation: 202008  
South African Revenue Service Trading Name:

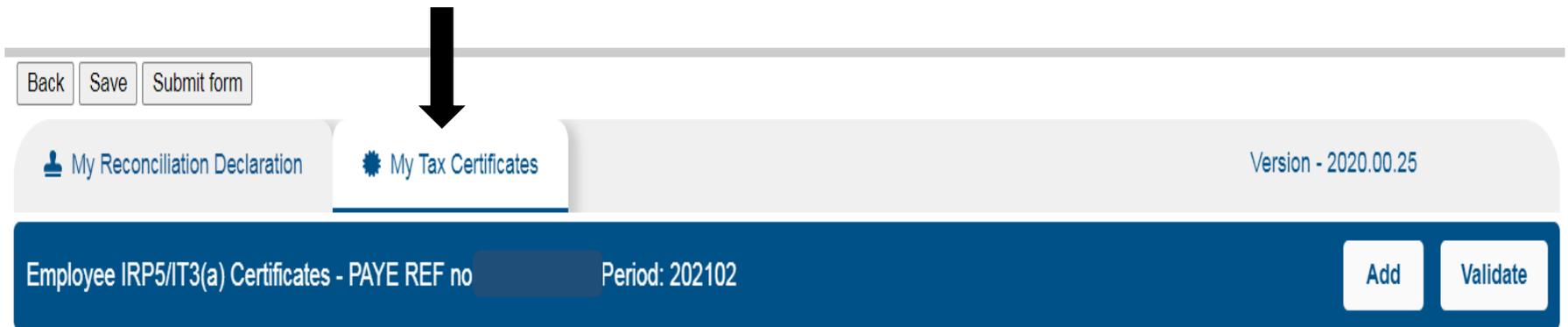
Employer Information 

Tax Practitioner Details (if applicable) 

Financial Particulars 

# EMP501 Reconciliation Process

Select “**My Tax Certificate**” heading at the top



The screenshot shows the top navigation bar of the EMP501 Reconciliation Process. At the top left, there are three buttons: "Back", "Save", and "Submit form". Below these is a horizontal menu with two tabs: "My Reconciliation Declaration" and "My Tax Certificates". A large black arrow points down to the "My Tax Certificates" tab, which is currently selected. To the right of the tabs, the text "Version - 2020.00.25" is displayed. Below the navigation bar is a dark blue header bar containing the text "Employee IRP5/IT3(a) Certificates - PAYE REF no [redacted] Period: 202102". On the right side of this bar are two white buttons: "Add" and "Validate".

Select “**Add**” on the right hand side



The screenshot shows a close-up of the bottom right portion of the interface. It features a light gray header bar with the text "Version - 2020.00.25". Below this is a dark blue bar containing two white buttons: "Add" and "Validate".

# EMP501 Reconciliation Process

After selecting “**Add**”, the certificate will be available on the left-hand side. Select the “**Certificate**” to open.

Back Save Submit form

My Reconciliation Declaration My Tax Certificates !

Employee IRP5/IT3(a) Certificates - PAYE REF no: [REDACTED]

Search

1 Certificate no : 202102

ID Number	N/A
Tax Ref No	N/A
Employee Name	N/A
Status	NEW

# EMP501 Reconciliation Process

The **IRP5/IT3(a) certificate** form is divided into the following main headings, namely:

- Employee Information
- Employer Information.
- Tax Certificate Information.
- Employment Tax Incentive (ETI) Details (If Applicable)

The screenshot displays the SARS EMP501 Reconciliation Process web form. At the top, there are navigation buttons: 'Back', 'Save', 'Submit', and a numeric keypad with '0' and '+' signs. Below this is a header bar with 'My Reconciliation Declaration' and 'My Tax Certificates' tabs, and a version number 'Version - 2020.00.11'. The main heading is 'Employee IRP5/IT3(a) Certificates - PAYE REF no: 7; Period: 202008'. The form title is 'Employee Tax Certificate: [[IRP5/IT3(a)]]'. The SARS logo is visible on the left. The form contains several input fields: 'Surname / Trading Name: N/A', 'Certificate Number: N/A', 'Initials: N/A', 'Type of Certificate: N/A', 'Year of Assessment: 2021', 'Transaction Year \*' (2021), 'Year of Assessment \*' (2021), and 'Period Of Reconciliation \*' (202008). There are also fields for 'Type of Certificate \*' (with a dropdown arrow), 'Certificate Number \*' (with a validation error: 'Value does not equal minimum required length (00)'), 'Nature of Person \*' (with a validation error: 'Nature of Person is a mandatory field.'), and 'Employment Tax Incentive Indicator' (with radio buttons for 'Y', 'N', and 'O', and a validation error: 'Value is not valid.'). At the bottom, there are four dark red navigation buttons: 'Employee Information', 'Employer Information', 'Tax Certificate Information', and 'Employment Tax Incentive (ETI) Details', each with a white exclamation mark icon and a dropdown arrow.

# EMP501 Reconciliation Process

After the “**Certificate**” is completed, click on “**Validate**” on the right-hand side.

Back Save Submit form

My Reconciliation Declaration My Tax Certificates Version - 2020.00.25

Employee IRP5/IT3(a) Certificates - PAYE REF no: [redacted] Period: 202102 Add Validate

Employee Information

Employer Information

Tax Certificate Information

# EMP501 Reconciliation Process

Select “Yes” to continue

Transaction Year \* 2021  Year of Assessment \* 2021 Period Of Reconciliation \* 202102 

Type of Certificate \* IT3(a)

Nature of Person \* A - Individual with an ID or passport nu

Incentive Indicator Y  N

 **Warning**

Do you really want to update all the Certificates?

YES NO

Employee Information 

Employer Information 

Tax Certificate Information 

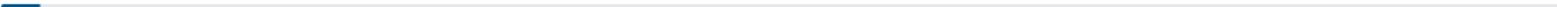
# EMP501 Reconciliation Process

The eFiling system will validate all the certificates created.

**Processed 0 certificates out of 0**

**Successful: 0**

**Failed: 0**

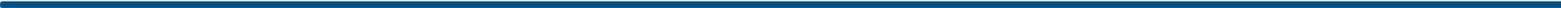


OK

**Processed 1 certificates out of 1**

**Successful: 1**

**Failed: 0**



OK

# EMP501 Reconciliation Process

When clicking “Submit Form” the system will require a date of submission if not completed.

Select “Agree to submit the Reconciliation”

Back Save Submit form

My Reconciliation Declaration My Tax Certificates

### Declaration

I hereby declare that:

- This reconciliation is true and correct and that all tax, levies and contributions required to be deducted has been declared and all payments declared have been made. I hereby accept liability for any differences due.

Date: 2021 / 05 / 12

For enquiries go to [www.sars.gov.za](http://www.sars.gov.za) or call 0800 00 7277

Disagree Agree

# EMP501 Reconciliation Process

The screen below will display indicating that your return has been successfully submitted.

Click on the **'Continue'**, button

## DETAILS

Tax Reference Number	72	Period	202102
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## RESULT

**Your return has been successfully submitted.**

Please note that you may follow up with SARS on the processing of your Data submission on the EMP501 Work Page.

Continue

# Third-Party Appointment

# Third-Party Appointment Terminology

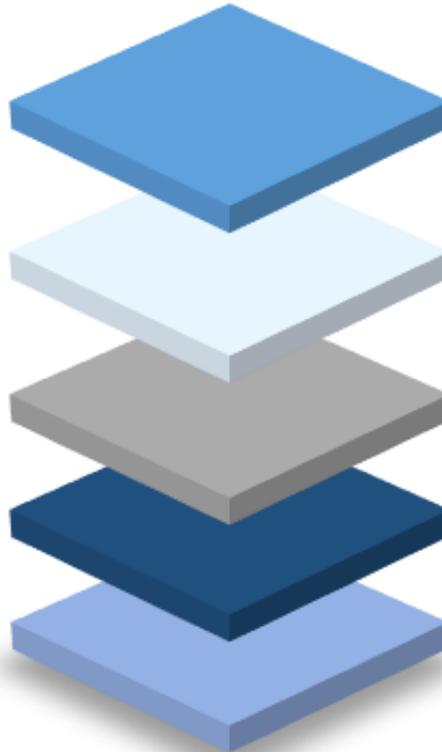
Third-Party Appointment (AA88): - Agent Appointment, ITA88 IT88, AA88, Garnishee Order



Penalty Assessment Notice: - AP34, Penalty Letter, Final Demand for Penalties



AA88 Transaction Status – Issued, Defaulted, Cancelled, Finalised



Recon Statement: - AA88R. Issued monthly showing the movement of 3rd Party Appointment transactions for the previous calendar month. It shows the movement on a taxpayer level

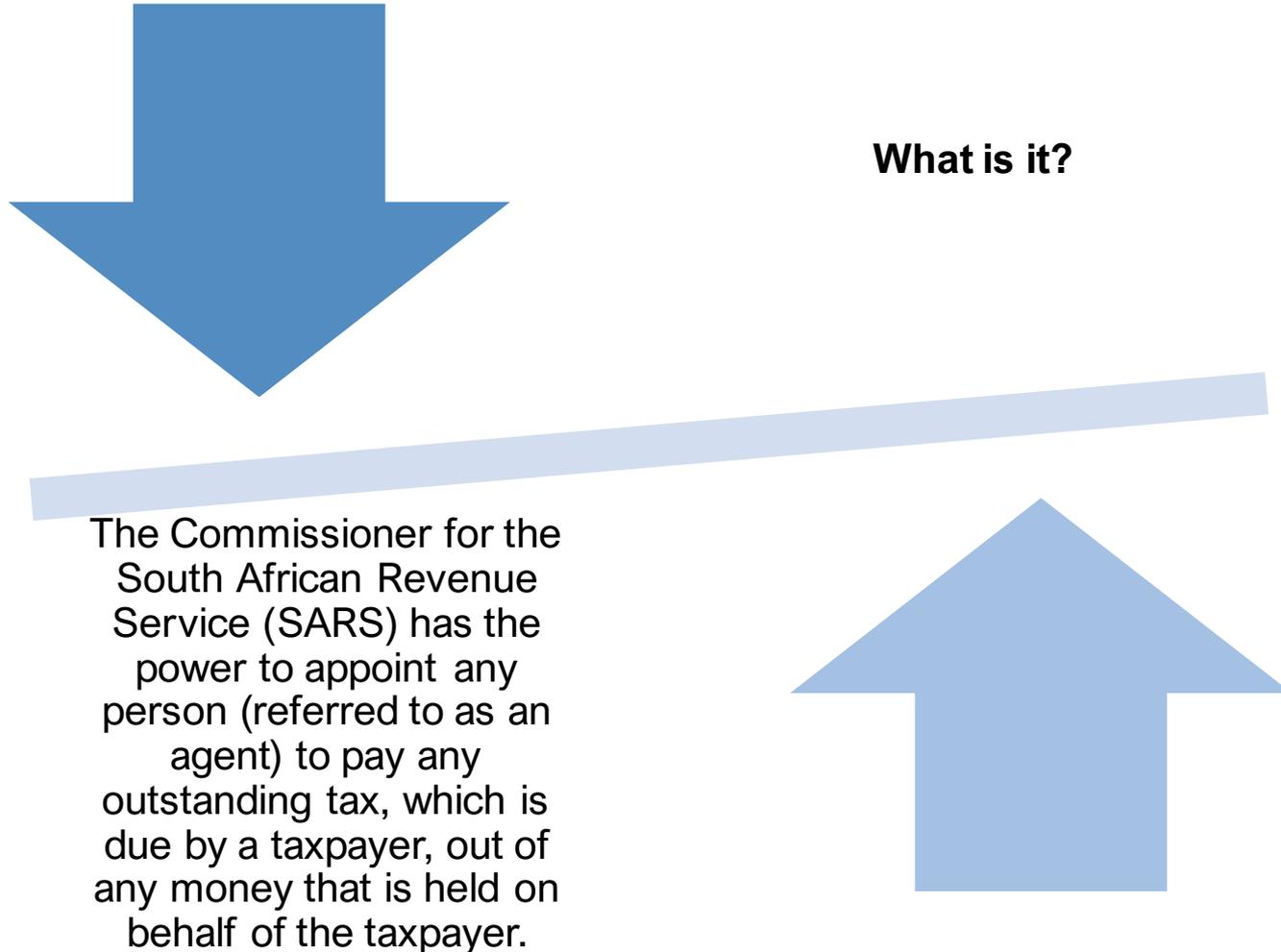


Payment Reference Number (PRN) 19-digit code ensuring that correct allocation to taxpayer's account



# Overview

## Third Party Appointment (AA88)



# Overview

## Third-party Appointment (AA88)

### Who is it for?

```
graph TD; A[Who is it for?] --> B[An agent appointment is done by appointing a third party as an agent through the issuing of a Third-party appointment notification (AA88) where a person holds money on behalf of the taxpayer.]; B --> C[Such a third party may be an employer or any other person who holds or owes any money, including a pension, salary, wages or other remuneration for or to a taxpayer, to pay the money to SARS in satisfaction of the taxpayer's outstanding tax debt.]; C --> D[In terms of the Tax Administration Act 28 of 2011, A person receiving the notice must pay the money in accordance with the notice and, if the person parts with the money contrary to the notice, the person is personally liable for the debt.];
```

An agent appointment is done by appointing a third party as an agent through the issuing of a Third-party appointment notification (AA88) where a person holds money on behalf of the taxpayer.

Such a third party may be an employer or any other person who holds or owes any money, including a pension, salary, wages or other remuneration for or to a taxpayer, to pay the money to SARS in satisfaction of the taxpayer's outstanding tax debt.

In terms of the Tax Administration Act 28 of 2011, A person receiving the notice must pay the money in accordance with the notice and, if the person parts with the money contrary to the notice, the person is personally liable for the debt.

# Third-Party Appointment (AA88) Employers Process

**Requirement of receiving, managing and paying AA88 notices using e@syFile™**



1

Download the latest version of e@syFile™ Employer by visiting the e@syFile™ webpage on [www.sars.gov.za](http://www.sars.gov.za) or [www.sarsefiling.co.za](http://www.sarsefiling.co.za).

2

A valid eFiling login name and password linked to the PAYE number, with the necessary access rights and authorization level.

3

Be connected to the internet when submitting.

**You must be registered for PAYE and AA88s on eFiling.**

# Third-Party Appointment (AA88) Employers Process

**AA88 Electronic notification will be sent to the employer appointment (AA88) or cancellation notice. They must access the employer application on e@syFile™.**

Application options are the following:

To receive and view AA88 letters,

Bulk print all AA88 letters or individual AA88 letters,

Select and submit outcomes per account holder (taxpayer),

Deduct the stipulated amount from the salary of the respective taxpayer,

Pay the amounts over to SARS by the due date,

# Third-Party Appointment (AA88) Employers Process

**The employer must provide reasons for his/her inability to execute the AA88 request using one of the following channels:**

Log on to SARS e@syFile™ Employer to view the AA88,  
Provide a response to SARS by selecting one of the outcomes from the drop-down list.

OR

Contact the SARS Contact Centre or book an appointment to visit a SARS branch where an agent will assist the employer with capturing the outcome.

# Third-Party Appointment (AA88) Employers Process

## Number: 1

Employers of taxpayers will be appointed as third-party agents.



## Number: 2

They are responsible to deduct the overdue amount from the taxpayer's salary.

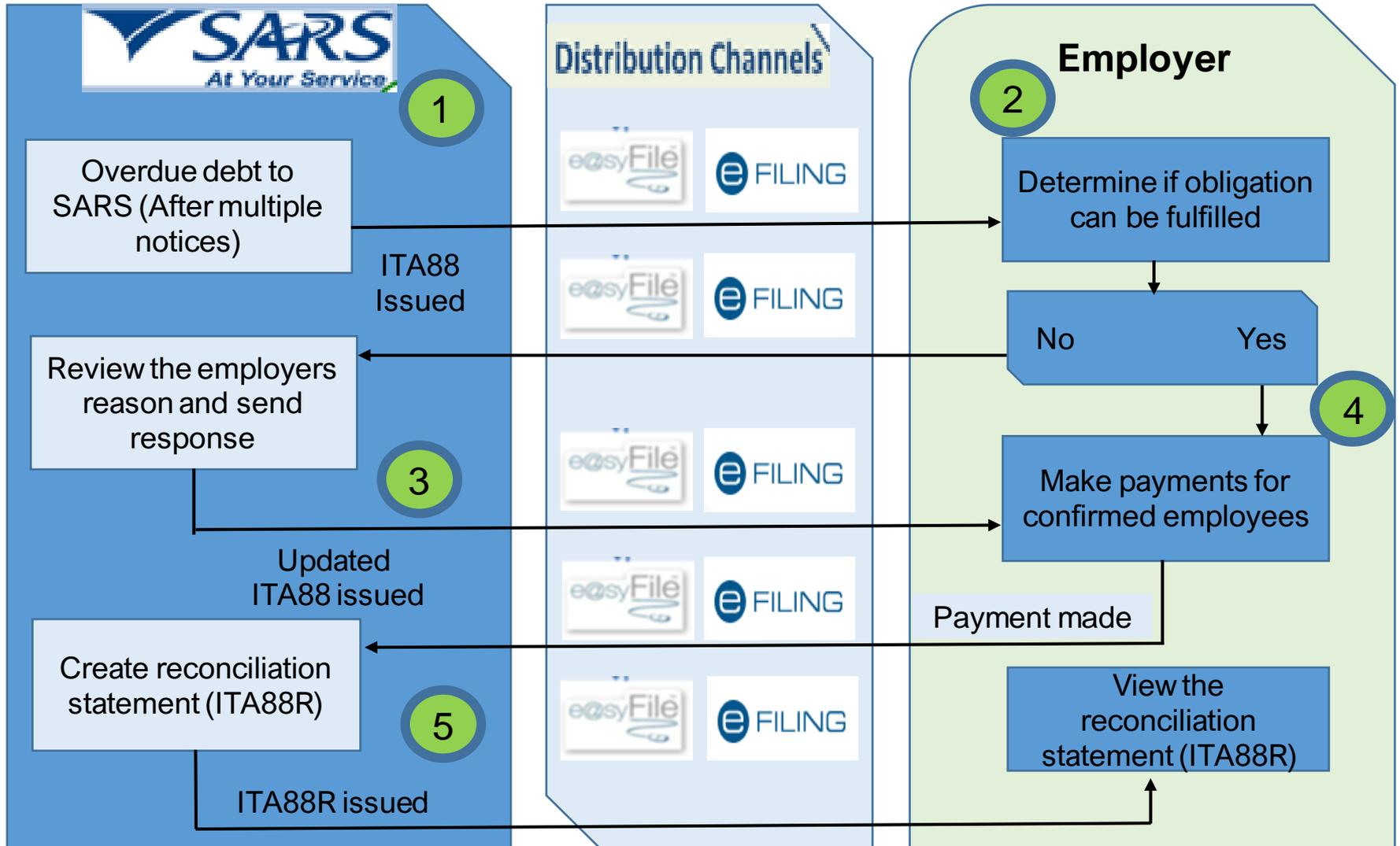


## Number: 3

Employers will be appointed via the use of e@syFile™ Employer channel, email or the postal services channel for those Employers not registered for eFiling/e@syFile.



# Third-Party Appointment (AA88) Employers Process



# Third-Party Appointment (AA88) Employers Process

**Synchronise** e@syFile application (“Download AA88s info”)

**Capture outcomes** on 3<sup>rd</sup> Party Appointment screen in e@syFile

**Submit exceptions** back to SARS

**SARS issue response** on exceptions

**Make bulk payments** using a PRN per employee/ taxpayer

**Reconcile** monthly with Recon Statement

# **PAYE Administrative Penalties**

# PAYE Administrative Penalties

SARS is required to charge an administrative penalty of up to 10% of an employer's tax liability, where an employer has failed to submit an EMP501 reconciliation declaration on time.

A separate payment reference number (PRN) will not be generated for the outstanding recon administrative penalty transactions however existing payment allocation rules will be applied namely: -

- Payment will be allocated to late payment penalty 10% and
- PAYE admin penalty first and then interest, tax and lastly USP (understatement penalty).

# PAYE Administrative Penalties

## Notice of Penalty Assessment Notice EMP 301

This notice will be displayed under the SARS Correspondence Menu, sub menu Search Correspondence as per the current process.

On eFiling the user will select letter type “Notice of Penalty Assessment EMP301” from the drop-down list.

# PAYE Administrative Penalties

## eFiling – SARS Correspondence Menu screen

**J** Mrs Janet Bodley

**Tax Reference Number**  
Identification Number  
6204130051081

[My Profile](#)

- SARS Correspondence
- Search Correspondence
- Request PAYE Notices
- Request Admin Penalty SOA
- Request Historic IT Notices
- Request VAT Notices
- Returns Issued
- Returns History
- Returns Search
- Levies and Duties
- Third Party Data
- Non-Core Taxes
- Payments
- Third Party Appointments

Tax Year  
All

Received Date From  
2020/11/25

Received Date To  
2021/05/24

Notice Types  
All

Message Type  
All

Reference Number

Clear
Search

Name	Tax Reference Number	Tax Type	Year\Period	Date	Description	View	Document
Advanced Ideas cc	7010716282	EMP201 - PAYE	2020/06	2021/05/20 08:38:20 AM	EMP301	<a href="#" style="background-color: #0056b3; color: white; padding: 2px 5px;">View</a>	
Advanced Ideas cc	7010716282	EMP201 - PAYE		2021/05/19 06:00:32 PM	EMP211	<a href="#" style="background-color: #0056b3; color: white; padding: 2px 5px;">View</a>	
Advanced Ideas cc	7010716282	EMP201 - PAYE	2021	2021/05/19 04:19:57 PM	NOO Outcome	<a href="#" style="background-color: #0056b3; color: white; padding: 2px 5px;">View</a>	
Advanced Ideas cc	7010716282	EMP201 - PAYE	2021	2021/05/19 04:19:56 PM	NOO Outcome	<a href="#" style="background-color: #0056b3; color: white; padding: 2px 5px;">View</a>	
Advanced Ideas cc	7010716282	EMP201 - PAYE	2021	2021/05/19 01:34:45 PM	RFR Outcome	<a href="#" style="background-color: #0056b3; color: white; padding: 2px 5px;">View</a>	
Advanced Ideas cc	7010716282	EMP201 - PAYE	2021	2021/05/19 01:34:45 PM	RFR Outcome	<a href="#" style="background-color: #0056b3; color: white; padding: 2px 5px;">View</a>	
Advanced Ideas cc	7010716282	EMP201 - PAYE		2021/05/19 01:30:47 PM	EMP statement of account	<a href="#" style="background-color: #0056b3; color: white; padding: 2px 5px;">View</a>	
Advanced Ideas cc	7010716282	EMP201 - PAYE		2021/05/19 01:27:22 PM	EMP statement of account	<a href="#" style="background-color: #0056b3; color: white; padding: 2px 5px;">View</a>	
Advanced Ideas cc	7010716282	EMP201 - PAYE	2019/10	2021/05/12 02:11:25 PM	EMP301	<a href="#" style="background-color: #0056b3; color: white; padding: 2px 5px;">View</a>	
Advanced Ideas cc	7010716282	EMP201 - PAYE	2019/10	2021/05/12 02:11:25 PM	EMP301	<a href="#" style="background-color: #0056b3; color: white; padding: 2px 5px;">View</a>	

Items per page: 10
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# GO Digital

## Remember our Digital Channels

- We've made it easier for you

### Go Digital!

- Download the latest E@syFile version
- Register for eFiling
- SARS Online Query System (Any other queries)

- Visit us on our Social Media platforms

- LinkedIn      Facebook      Twitter



- For more information on 202302 Reconciliation and Third Party Appointment, please visit:

- SARS website: [www.sars.gov.za](http://www.sars.gov.za)
- Types of Tax > Pay-as-you-earn. Click on “Completing and Submitting Employer Declarations” or Click on “Guidelines for Third-Party Appointments (AA88)”.

Thank you  
Re a leboha  
Re a leboga  
Ndza Khensa  
Dankie  
Ndi a livhuwa  
Ngiyabonga  
Enkosi  
Ngiyathokoza