

Employer Reconciliation Process on eFiling and Third-Party Appointments

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



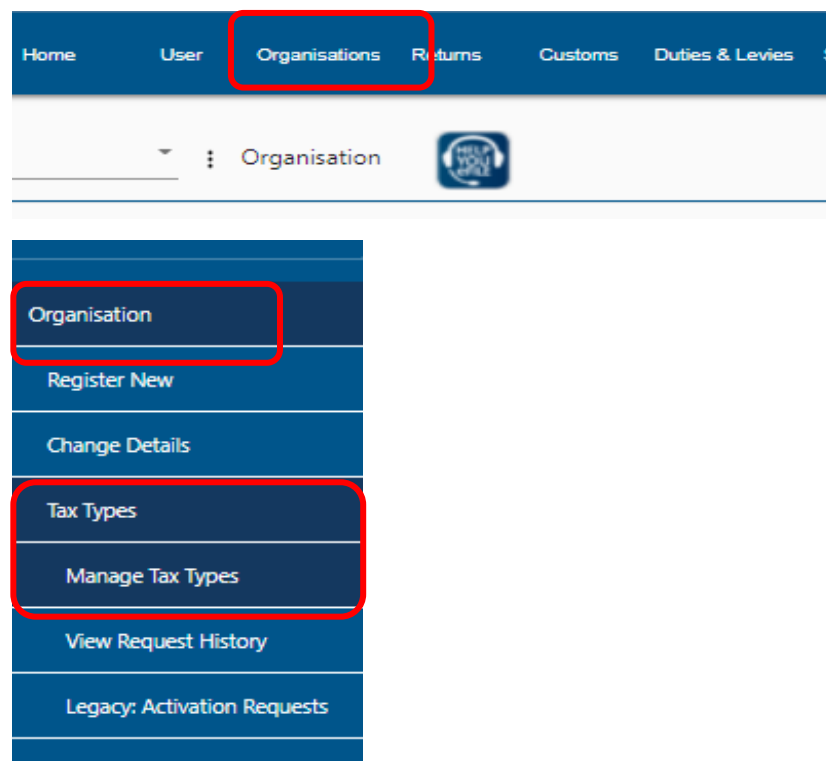
EMP501 Tax Type Activation Process

- **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 portal interface. On the left, a dark blue sidebar contains the user's name 'Mrs' and a profile icon. Below this, there are fields for 'Tax Reference Number' and 'Identification Number', followed by a 'My Profile' button. Further down, the sidebar lists various menu items: 'SARS Correspondence', 'Returns Issued' (highlighted with a red box), 'Employee's Tax (EMP201)', 'Employee's Tax (EMP501)' (highlighted with a red box), 'Returns History', 'Returns Search', and 'Levies and Duties'. The main content area has a top navigation bar with links: Home, User, Organisations, Returns, Customs, Duties & Levies, Services, Tax Status, Contact, and Log Out. Below the navigation bar, there are dropdown menus for 'Portfolio' and 'Taxpayer', and a button for 'Organisation'. The 'Return Search' section features a dropdown for the period '2021-02' and a 'Request Return' button. A table below this section lists the return details:

Name	Reference Num	Period	Return Type	Status	Amount Due	Due Date	Open
1		TaxPeriod: 201302	EMP501	Issued on 23/08/2013	0.00		Open

At the bottom right of the main content area, there is a link that says 'ASK A QUESTION?'.

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 interface. On the left is a dark blue sidebar with the user's name 'Mrs' and a profile icon. Below this are links for 'Tax Reference Number', 'Identification Number', 'My Profile', 'SARS Correspondence', 'Returns Issued', 'Employee's Tax (EMP201)', 'Employee's Tax (EMP501)', 'Returns History', 'Returns Search', and 'Levies and Duties'. The main header is dark blue with the SARS logo, 'eFILING', and navigation links: 'Home', 'User', 'Organisations', 'Returns', 'Customs', 'Duties & Levies', 'Services', 'Tax Status', 'Contact', and 'Log Out'. Below the header, there are input fields for 'Portfolio' and 'Taxpayer', followed by a dropdown for 'Organisation' and a 'HELP YOU FILE' icon. The main content area is titled 'Return Search' and includes a date selector set to '2021-02' and a 'Request Return' button. A table with columns 'Name', 'Reference Num', 'Period', 'Return Type', 'Status', 'Amount Due', 'Due Date', and 'Open' is visible. A row for 'Absa Bank' with reference number '732071' is shown. Overlaid on this is a modal dialog titled 'Employee's Tax (EMP501)' with the message 'You have selected a reconciliation period in the future'. The dialog asks 'Do you want to continue?' with 'Yes' and 'No' buttons. Below this is a text area labeled 'Please provide a reason' and a 'Submit' button. At the bottom right of the page is a 'ASK A QUESTION?' link.

Name	Reference Num	Period	Return Type	Status	Amount Due	Due Date	Open
Absa Bank	732071						Open

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 numeric keypad with a minus sign, '0', and a plus sign. Below these are two tabs: 'My Reconciliation Declaration' (active, with a red exclamation mark icon) and 'My Tax Certificates'. The version number 'Version - 2020.00.10' is displayed on the right. The main header area includes the SARS logo, the text 'Employer Reconciliation Declaration EMP501', and 'Trading Name:'. To the right, it shows 'Transaction Year: 2021' and 'Period of Reconciliation: 202008'. The main content area consists of three expandable sections: 'Employer Information' (dark red bar with a red exclamation mark icon and a dropdown arrow), 'Tax Practitioner Details (if applicable)' (blue bar with a dropdown arrow), and 'Financial Particulars' (blue bar with a dropdown arrow).

EMP501 Reconciliation Process


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

BackSaveSubmit-0+

 My Reconciliation Declaration 

 My Tax Certificates

Version - 2020.00.10

**SARS**
South African Revenue Service

Employer Reconciliation
Declaration EMP501
Trading Name:

Transaction Year: 2021 Period of Reconciliation: 202008

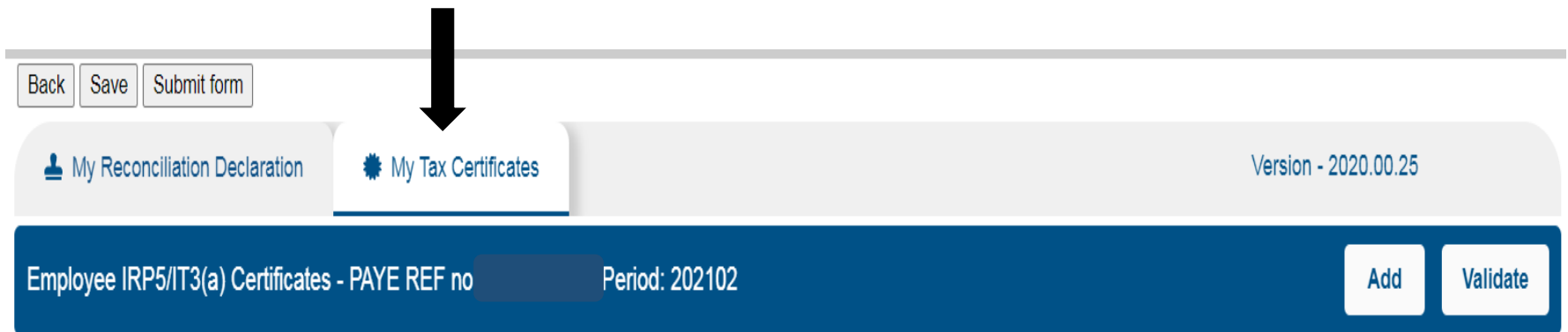
Employer Information

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. It includes buttons for 'Back', 'Save', and 'Submit form'. Below these are 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 tabs is a dark blue 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 section of the EMP501 Reconciliation Process interface. It features a light gray header bar with the text 'Version - 2020.00.25'. Below this is a dark blue bar. On the right side of the dark blue bar are 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:

×

Search

1

Certificate no : 202102

ID Number

Tax Ref No

Employee Name

Status

N/A

N/A

N/A

NEW

Emp

ame: N/A

Year of As

2021

Certificate

EMP501 Reconciliation Process

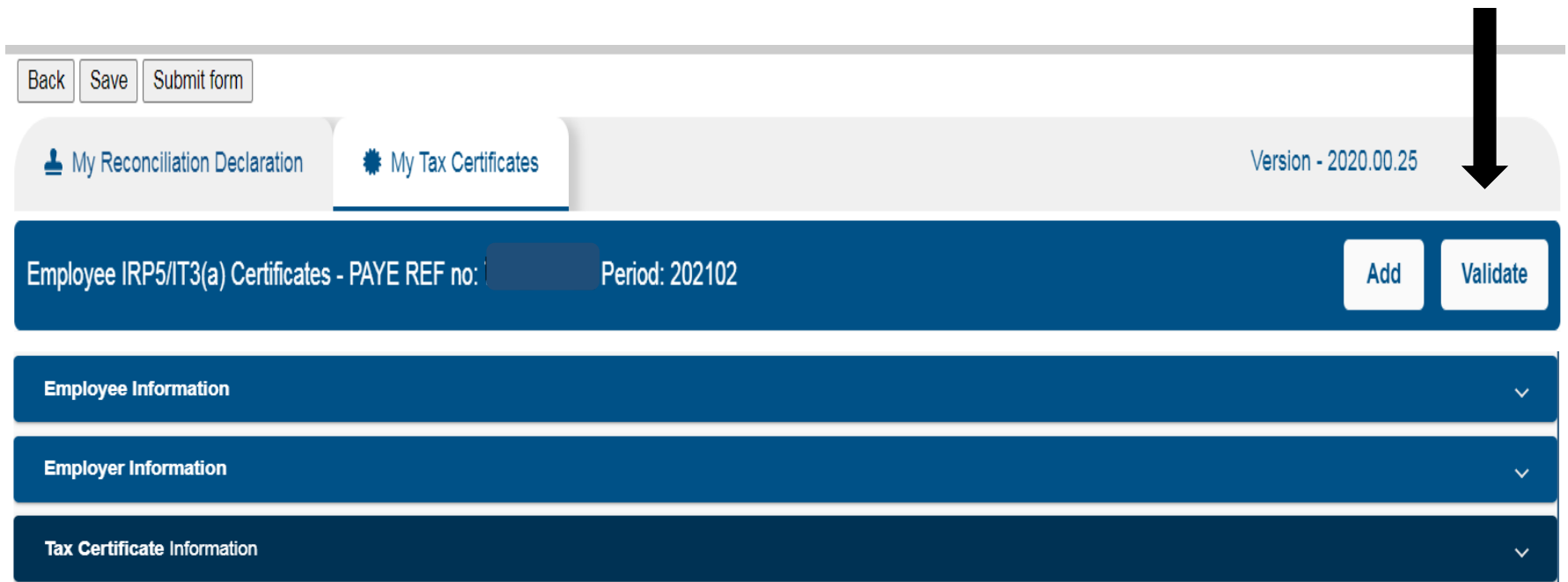
The **IRP5/IT3(a) certificate** form is divided into the following main headings, namely:

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

The screenshot displays the SARS EMP501 Reconciliation Process form. At the top, there are navigation buttons: 'Back', 'Save', 'Submit', and a numeric keypad showing '0'. Below these are two tabs: 'My Reconciliation Declaration' (active) and 'My Tax Certificates'. The version number 'Version - 2020.00.11' is in the top right corner. The main header area shows 'Employee IRP5/IT3(a) Certificates - PAYE REF no: 7:' and 'Period: 202008'. A blue bar below this contains the title 'Employee Tax Certificate: [IRP5/IT3(a)]' and an 'Add' button. The form body includes the SARS logo and the following fields: 'Surname / Trading Name: N/A', 'Certificate Number:', 'Initials: N/A', 'Type of Certificate: N/A', and 'Year of Assessment: 2021'. Below these are three input fields: 'Transaction Year *' (2021), 'Year of Assessment *' (2021), and 'Period Of Reconciliation *' (202008). There are two red-bordered input fields: 'Type of Certificate *' (with a dropdown arrow) and 'Certificate Number *' (with a red error message: 'Value does not equal minimum required length (30)'). Below these are two more red-bordered input fields: 'Nature of Person *' (with a red error message: 'Nature of Person is a mandatory field.') and 'Employment Tax Incentive Indicator' (with a red error message: 'Value is not valid.'). At the bottom, there are four dark red expandable sections: 'Employee Information', 'Employer Information', 'Tax Certificate Information', and 'Employment Tax Incentive (ETI) Details'. Each section has a white exclamation mark icon and a downward arrow on the right side.

EMP501 Reconciliation Process

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



The screenshot shows the EMP501 Reconciliation Process interface. At the top, there are three buttons: "Back", "Save", and "Submit form". Below these are two tabs: "My Reconciliation Declaration" and "My Tax Certificates". The "My Tax Certificates" tab is active. To the right of the tabs, it says "Version - 2020.00.25". A large black arrow points down to the "Validate" button. Below the tabs, there is a blue bar with the text "Employee IRP5/IT3(a) Certificates - PAYE REF no: [redacted] Period: 202102". To the right of this text are two buttons: "Add" and "Validate". Below this bar are three expandable sections: "Employee Information", "Employer Information", and "Tax Certificate Information". Each section has a downward arrow on the right side.

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 number

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 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

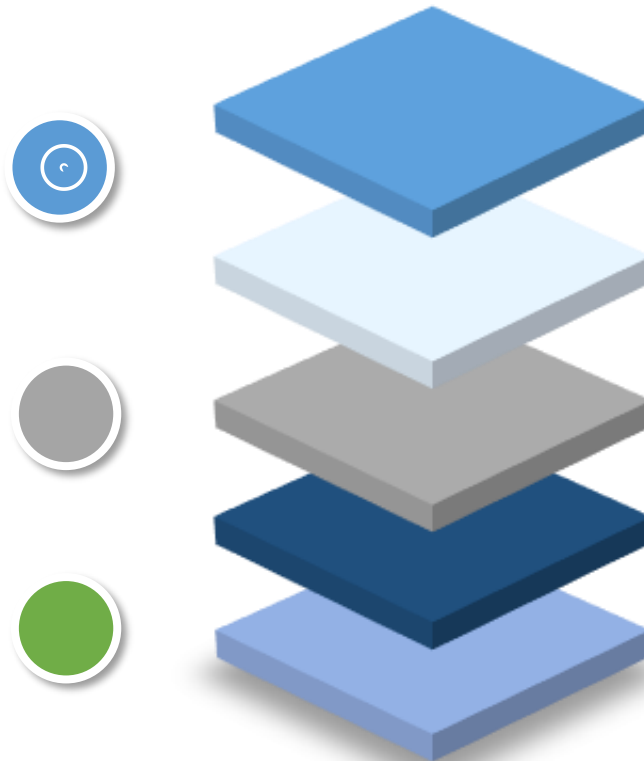
Third-Party Appointment

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

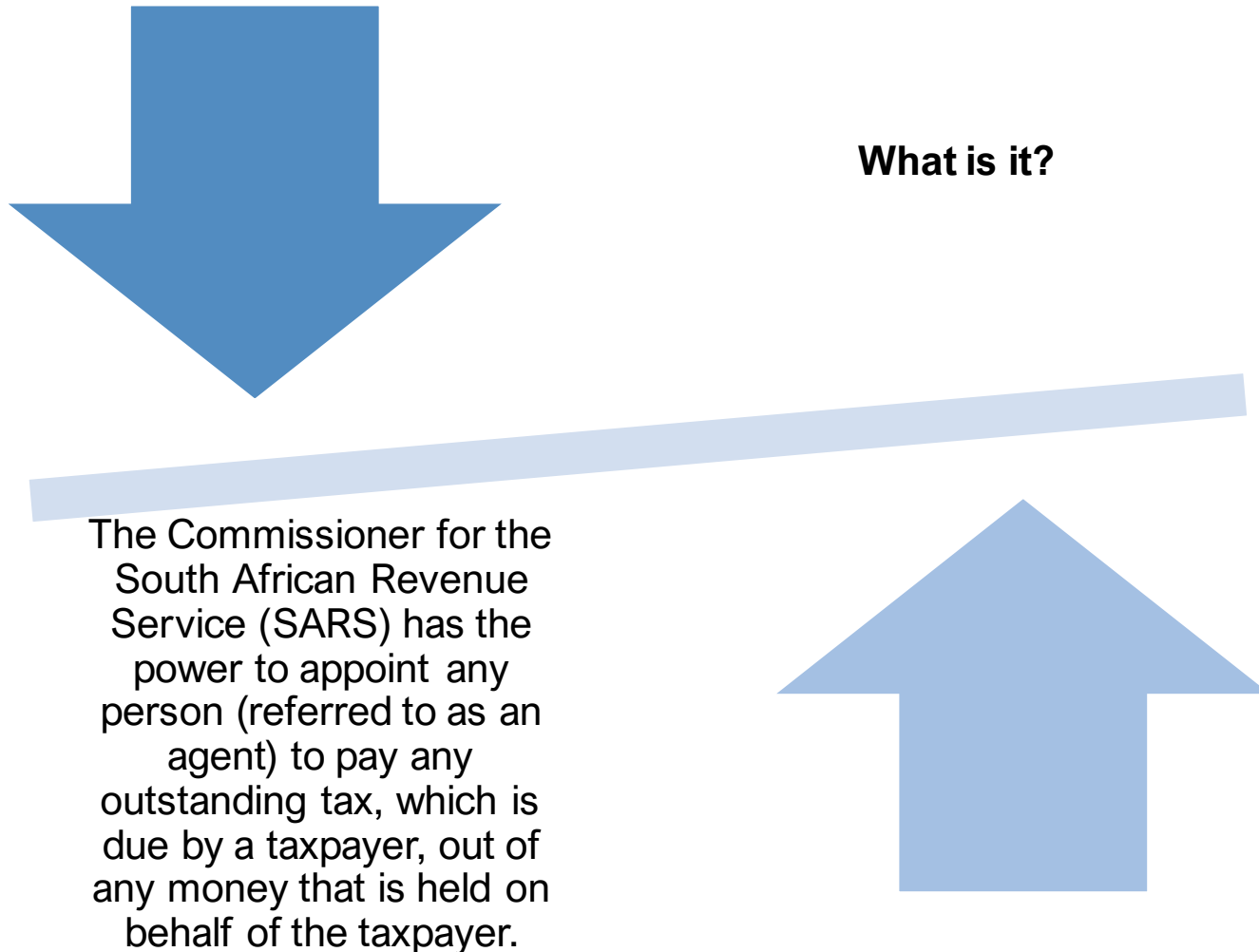


Recon Statement: - AA88R. Issued monthly showing the movement of 3rd Party Appointment transactions for the previous calendar month. It shows the movement on a taxpayer level

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 or 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.

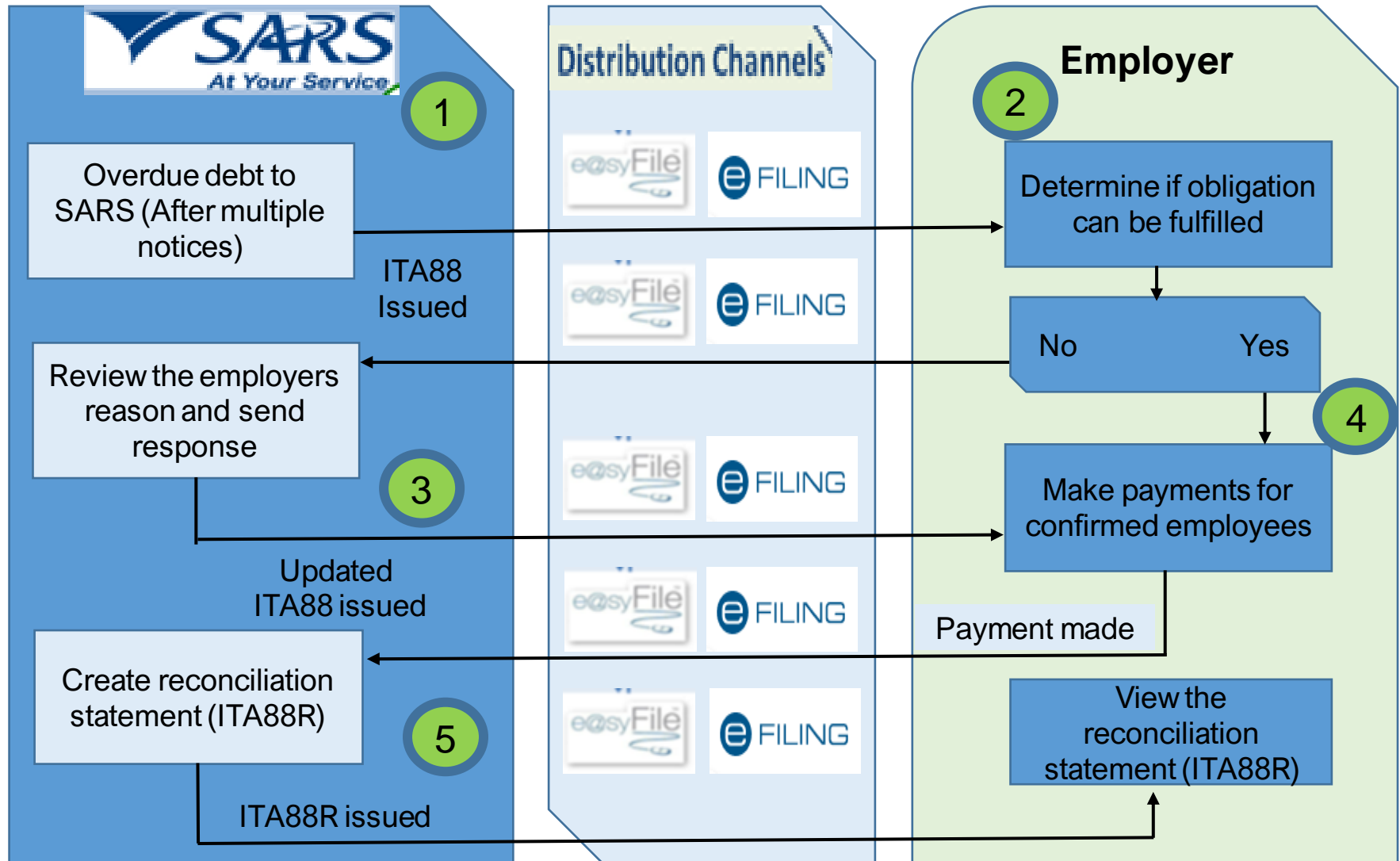


Number: 3

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 3rd 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

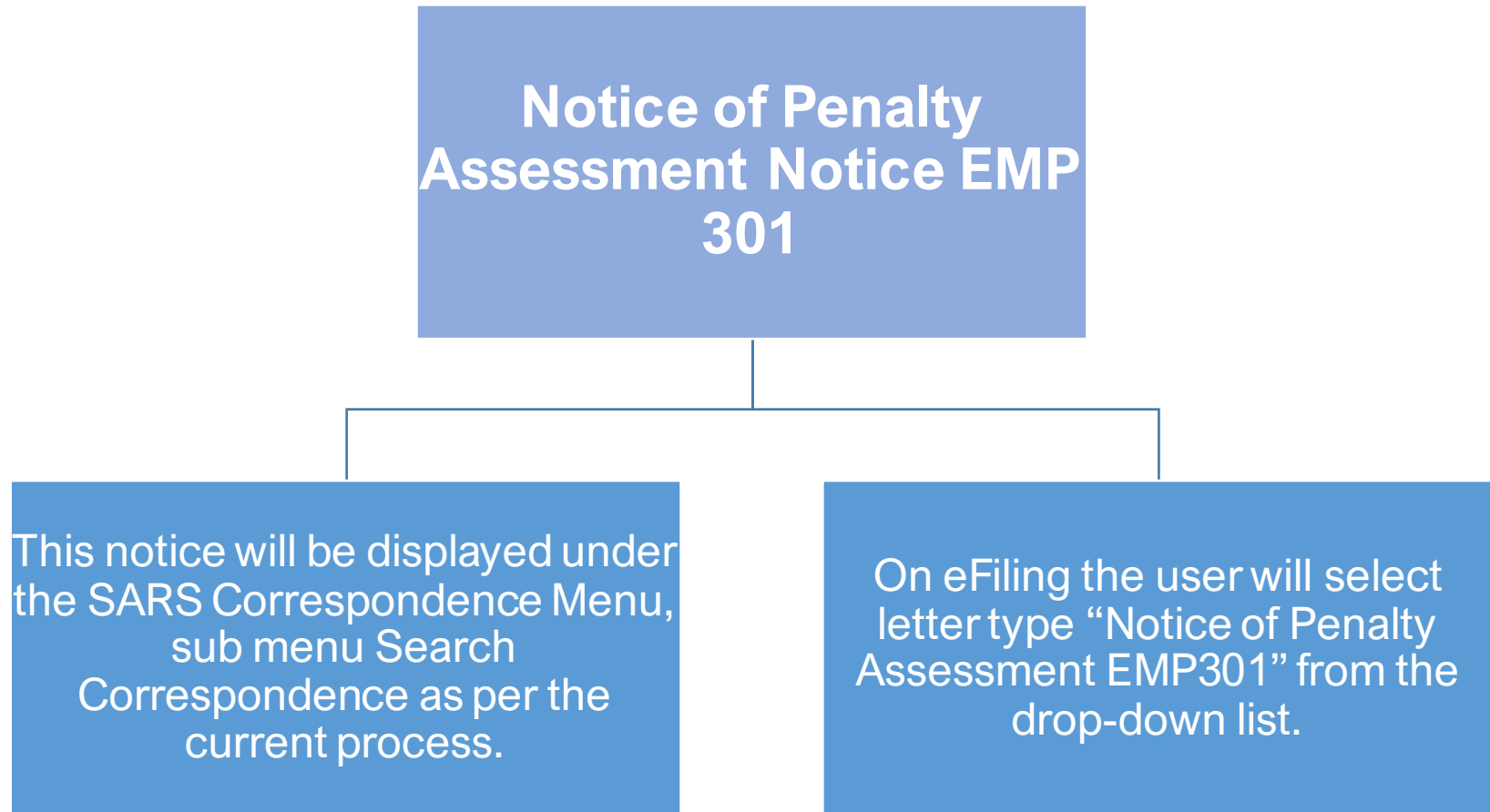
PAYE Administrative Penalties

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



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	View	
Advanced Ideas cc	7010716282	EMP201 - PAYE		2021/05/19 06:00:32 PM	EMP211	View	
Advanced Ideas cc	7010716282	EMP201 - PAYE	2021	2021/05/19 04:19:57 PM	NOO Outcome	View	
Advanced Ideas cc	7010716282	EMP201 - PAYE	2021	2021/05/19 04:19:56 PM	NOO Outcome	View	
Advanced Ideas cc	7010716282	EMP201 - PAYE	2021	2021/05/19 01:34:45 PM	RFR Outcome	View	
Advanced Ideas cc	7010716282	EMP201 - PAYE	2021	2021/05/19 01:34:45 PM	RFR Outcome	View	
Advanced Ideas cc	7010716282	EMP201 - PAYE		2021/05/19 01:30:47 PM	EMP statement of account	View	
Advanced Ideas cc	7010716282	EMP201 - PAYE		2021/05/19 01:27:22 PM	EMP statement of account	View	
Advanced Ideas cc	7010716282	EMP201 - PAYE	2019/10	2021/05/12 02:11:25 PM	EMP301	View	
Advanced Ideas cc	7010716282	EMP201 - PAYE	2019/10	2021/05/12 02:11:25 PM	EMP301	View	

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ASK A QUESTION?

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
- ☐ 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