



PAY-X Solutions

User Manual

Payroll Solution



Thank you for purchasing the PAY-X Solutions Payroll Solution. Please also read the installation instructions carefully before installing your solution for use.

This user manual has been designed to provide you with a step-by-step guide to using the payroll solution to ensure that you enter information accurately, and as a quick reference guide when required.

Use of the PAY-X Solutions Payroll Solution is subject to the standard terms and conditions of use which are included in the Software Licence Agreement included in Appendix B.

Table of Contents	Pages
SECTION 1 – SOLUTION LOGON.....	4
1.1 Payroll Solution Logon without Validation.....	4
1.2 Payroll Solution Logon after Validation.....	5
1.3 Payroll Solution Password Change	6
SECTION 2 – SOLUTION INTRODUCTION.....	7
2.1 Introduction	7

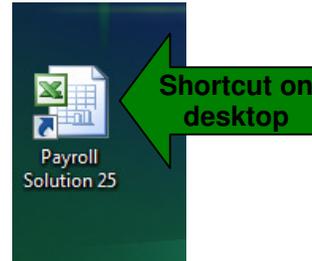
2.2	Entering Data.....	8
SECTION 3 – DATA CAPTURE		9
3.1	Introduction	9
3.2	Basic Data	9
3.2.1	Business Name and Reference Numbers	9
3.2.2	Unemployment Insurance Fund (UIF) Contribution Rates	9
3.2.3	Pension / Provident Fund Contribution Rates.....	10
3.2.4	Annual and Sick Leave – Opening Values	11
3.2.5	Employment Equity Reporting	11
3.3	Employee Data	12
3.3.1	Employee Name	12
3.3.2	Employee’s Identity Number	12
3.3.3	Employee’s Address Details.....	12
3.3.4	Employee’s Employment Date Details.....	13
3.3.5	Employee’s Final Date of Employment.....	13
3.3.6	Employee’s Hours and Days of Work per Month	14
3.3.7	Employee’s Leave Entitlement	15
3.3.8	Employee’s Basic Salary and Allowances	15
3.3.9	Changes to Employee’s Basic Salary and Allowances	16
3.3.10	UIF and SDL Contributions	16
3.3.11	Pension / Provident Fund Membership.....	17
3.3.12	Retirement Annuity Contributions.....	17
3.3.13	Medical Aid Beneficiaries	19
3.3.14	Union Membership Fees	20
3.3.15	Other Data	21
3.3.15.1	SARS Clearance Numbers	21
3.3.15.2	Employee’s Date of Birth	21
3.3.15.3	Contact Telephone Number.....	21
3.3.15.4	Employee’s Gender and Race	22
3.3.15.5	Employee’s Data for EE Reporting	22
3.4	Ad-hoc Earnings and Deductions	23
3.4.1	Overtime Hours.....	23
3.4.2	Leave Days Taken	24
3.4.3	Leave Days Paid.....	24
3.4.4	Unpaid Leave Days.....	25
3.4.5	Sick Leave Days	25
3.4.6	Discretionary Bonus	26
3.4.7	Subsistence Claims.....	26
3.4.8	Commission Paid	27
3.4.9	Medical Aid Deductions.....	27
3.4.10	Sundry Deductions.....	28
3.4.11	Fringe Benefit Value.....	28
SECTION 3 – PAYROLL SOLUTION REPORTS.....		29
3.1	Printing Payslips	29
3.2	Payroll Summary.....	29
3.3	Taxation Summary	29
3.4	Employee Report	29
3.5	Employment Equity Report.....	29
APPENDIX A – INSERTING A BUSINESS LOGO.....		30
APPENDIX B – SOFTWARE LICENCE AGREEMENT		31

SECTION 1 – SOLUTION LOGON

1.1 Payroll Solution Logon without Validation

Once the initial username and password have been set up, you can continue to access the payroll solution without having validated the product.

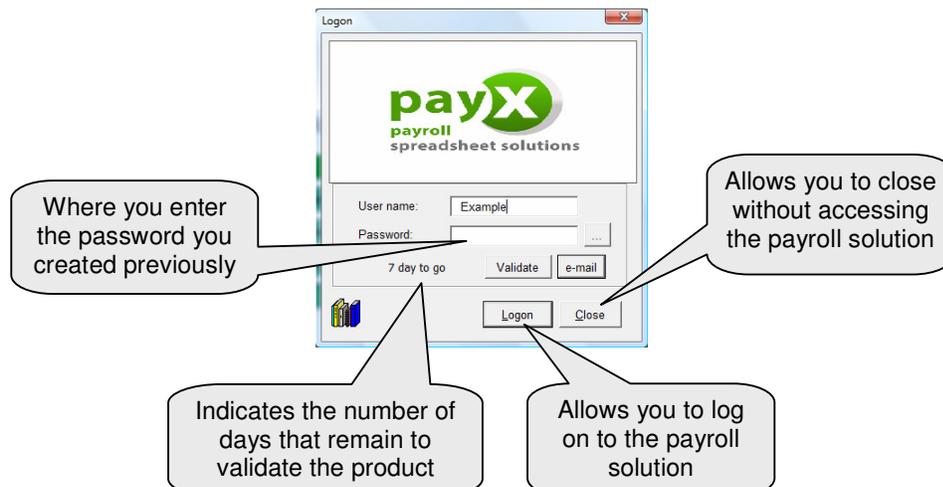
In the initial installation process, a desktop icon is created that allows for easy access to the payroll solution. Merely double-click on the desktop icon which appears on the desktop.



The payroll solution will automatically open in EXCEL after double-clicking the desktop icon. Before opening, a prompt will appear providing a security warning for macros, as follows:



As the payroll solution depends on macros to run, you must choose the “**Enable Macros**” option. The logon screen that appears will include the username you have already setup, and allow access by entering the password:



After entering the password, simply click on the “**Logon**” option. This will open the payroll solution. If the correct password is not provided, access to the payroll solution will be denied.

1.2 Payroll Solution Logon after Validation

After completing the validation process, the payroll solution logon screen reflects only your username and password tab when accessing the solution.

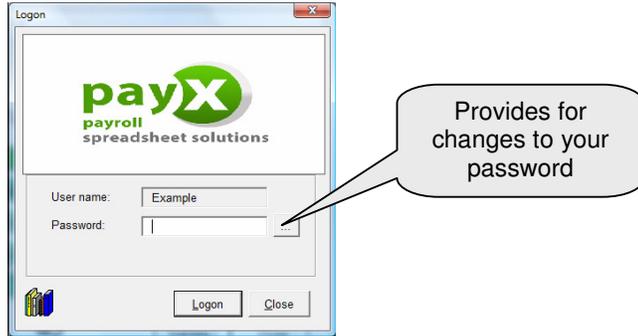


After entering the password, simply click on the “**Logon**” option. This will open the payroll solution. If the correct password is not provided, access to the payroll solution will be denied. If the correct password is provided, the payroll solution will open and reflect the Index page as follows:



1.3 Payroll Solution Password Change

After initially creating a password to protect your payroll solution from unauthorised access, you may consider it necessary to change this password. To do this, you simply click on the button provided on the solution logon screen (to the right of the password tab).



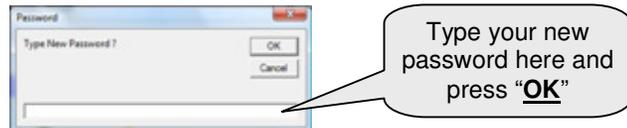
After clicking on the password-change button on the logon screen, a screen will appear requesting that you confirm that you wish to change your password.



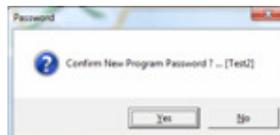
If you want to proceed with changing your password, simply click on the “**Yes**” button. This will bring up the next screen where your current password must be entered.



After entering your current password, click on the “**OK**” button. This will bring up the next screen where your new password must be entered.



A confirmation screen will then appear that reflects the password and allows you to accept it – simply click on the “**Yes**” option to confirm the password.



SECTION 2 – SOLUTION INTRODUCTION

2.1 Introduction

The payroll solution consists of three key areas:

- **Master Data**, where basic data regarding your business and employee data is entered. This master data is then used on an ongoing basis when monthly payroll processing is done.
- **Data Input**, where information that ad-hoc earnings and deductions that vary on a monthly basis for each of your employees is captured.
- **Reports**, allowing for automated reports for a variety of purposes.

After accessing the payroll solution, an **Index** page is displayed. The key areas are clearly identifiable on this screen.

At the top of the screen there are four buttons that allow you to:

- **Exit** the payroll solution.
- **Save** the file at any stage whilst in the payroll solution.
- Move to the **Next** page in the solution (this is an alternative to using the green button options).
- Access information **About** the solution (product version).

To access a particular option for data processing, simply click on the green box which indicates the item you want to go to.



2.2 Entering Data

The payroll solution consists of three sheets where data is input by the user, and three or four report sheets (depending on whether you are using the payroll solution that caters for 5 or 25 employees).

All the fields in the solution where input is required or can be made are **grey** in colour. Many of these fields contain notes that assist you in entering information - the fields that contain guidance notes are easy to identify as they have a **red marking** in the upper right-hand corner of the field. The note attached to a field will become visible simply by moving your mouse pointer towards the red marking on each field, as in the example below.

UIF table

From:	01-Mar-09
Maximum Employee	R 149 736
Employee	1.00%
Employer	1.00%

Insert the percentage on which employee UIF contributions are based.

The automated reports that are generated are:

- The **Payslip** sheet, providing for payslips for each employee on a monthly basis.
- The **Payroll Summary** sheet, containing information that facilitates the payment of net salaries and payments to third parties (e.g. SARS).
- The **Tax Summary** sheet, providing key information required for the completion of IRP5 or IT3 certificates for employees at year-end (***included in the Payroll Summary sheet on the 5-employee payroll solution***).
- The **Report** sheet, providing a graphical overview of your employee base.
- The **Employment Equity Report** sheet, providing reporting that is compliant with the requirements of the Department of Labour.

SECTION 3 – DATA CAPTURE

3.1 Introduction

The master data sections allow you to capture basic key information for your business and data that influences the way in which the payroll solution treats subsequent data capture.

3.2 Basic Data

The Basic Data sheet is only updated once after the initial installation as the information on this sheet is not generally subject to change during the year. Provision is however made for entering changes to UIF and pension fund contribution rates during the year should this occur.

3.2.1 Business Name and Reference Numbers

The first area to be completed provides for capturing your business name, address details, etc. The second area provides for capturing the PAYE and UIF reference numbers for your business (as per your SARS registration). The fields have been populated with example information to guide you – as shown below.

Example Business Reg No: 2004/012345/07 PO Box 123456 Randburg 2125
Company PAYE No: 1234/567/89/0 Company UIF No: U123456789

Simply go to each field and replace the example information with the detail that is relevant to your business. The name as entered in the top field is drawn through to all the automated reports. All the detail in the first area (business name, address, etc.) is drawn through to reflect on the employee payslips. The PAYE and UIF reference numbers are drawn through to the Tax Summary sheet as a quick reference for the party responsible for drafting your IRP5 and IT3 certificates at the end of the tax year.

3.2.2 Unemployment Insurance Fund (UIF) Contribution Rates

This area provides for the input of the contribution rates that are applied in determining UIF deductions and employer contributions. For your convenience, the left hand column has been populated with the current rates and need not be changed.

From:	01-Mar-09	
Maximum	R 149 736	
Employee	1.00%	
Employer	1.00%	

During the course of the tax-year, you may be notified of a change in the values that are applicable in determining UIF contributions. As an example – if the contribution rates were changed with effect from 1 July 2009 to provide for a new maximum of R 158 724 but retaining the contribution percentages at 1% for both the employee and employer – this update would be done in the right hand column. Simply enter the date, adjusted maximum and employee and employer rates – the result would look as follows:

UIF table

From:	01-Mar-09	01-Jul-09
Maximum	R 149 736	R 158 724
Employee	1.00%	1.00%
Employer	1.00%	1.00%

3.2.3 Pension / Provident Fund Contribution Rates

This area provides for the input of the contribution rates that are applied in determining pension or provident fund deductions and employer contributions. The left hand column has been populated with example rates and must be changed should your business have a pension / provident fund with contribution rates that differ from the 7% included in the left hand column. If your business does not have a pension / provident fund to which employees contribute, the example data included need not be changed.

Pension / Provident Fund Contributions rates

From:	01-Mar-09
Employee	7.00%
Employer	7.00%

During the course of the tax-year, the contribution rates that apply to the pension / provident fund to which employees belong and contribute may change. As an example – if the contribution rates were changed with effect from 1 September 2009 to 7.5% for both the employee and employer – this update would be done in the right hand column. Simply enter the date, and the adjusted employee and employer contribution rates – the result would look as follows:

Pension / Provident Fund Contributions rates

From:	01-Mar-09	01-Sep-09
Employee	7.00%	7.50%
Employer	7.00%	7.50%



3.2.4 Annual and Sick Leave – Opening Values

This area provides for the input of the accumulated leave per employee at the **beginning** of the tax-year. These values will be dependent on the conditions of service that apply to your employees based on the application of the relevant labour legislation. Before entering any data, the fields where data can be input look as follows:

Opening leave days (for employee)	Annual leave	Sick leave	
Test Employee 1	0.00	0.00	days
-	0.00	0.00	days
-	0.00	0.00	days
-	0.00	0.00	days
-	0.00	0.00	days

As an example - if the leave values at the beginning of the tax-year for Employee No 1 were 12 days annual leave and 24 days sick leave – simply enter the opening balance for annual leave against the employee number in the left-hand column, and the opening balance for sick leave against the employee number in the right-hand column – the result would look as follows:

Opening leave days (for employee)	Annual leave	Sick leave	
Test Employee 1	12.00	24.00	days
-			days

Decimals of days are simply entered by including a **point** (.) in the value, for example 21.35 days. **Do not** enter decimals using a comma (,) in the value.

3.2.5 Employment Equity Reporting

Although the requirement to submit reports on the status of employment equity within business is restricted and may not be applicable to your business, the relevant reporting requirements are included in the solution as a value-added tool. The codes and descriptions applicable to the three areas of reporting (Occupational category, Occupational level and Termination categories) have already been completed and do not require any alteration. The fields can however be changed if required for your purposes.

3.3 Employee Data

This allows you to capture employee information and certain values that remain constant on a monthly basis such as the employee’s basic salary. The sheet includes descriptions for each field on the left, with a column for each employee to the right of this – first column for Employee No 1, second column for Employee No 2, etc.

All the fields where input is required or can be made are **grey** in colour. Many of these fields contain notes that assist you in entering information - the fields that contain guidance notes are easy to identify as they have a **red marking** in the upper right-hand corner of the field. The note attached to a field will become visible simply by moving your mouse pointer towards the red marking on each field, as explained previously in this manual (see page **Error! Bookmark not defined.**).

Each field is now explained in more detail.

3.3.1 Employee Name

Employee number	1
Name	Test Employee 1

This field allows you to capture the employee’s name. Go to the name field for the employee that you want to update and simply enter a name (using upper- and lowercase letters as you prefer), and hit the enter key.

3.3.2 Employee’s Identity Number

Employee number	1
Identity number	ID 660616 1234 56 7

This field allows you to capture the employee’s identity number. Go to the identity number field for the employee that you want to update – simply enter the identity number (you can include the letters “**ID**” in front of the number if you prefer), and hit the enter key.

3.3.3 Employee’s Address Details

Employee number	1
Address 1	P O BOX 121212
Address 2	Johannesburg
Address 3	2000

Three fields are provided that allow you to capture the employee’s address details. Go to the address field for the employee that you want to update – simply enter the address details for each field separately (using upper- and lowercase letters as you prefer), and hit the enter key after entering the information for each field.

3.3.4 Employee's Employment Date Details

Employee number	1
Employment date	1-Mar-2009
Days worked in first month	21.667

Two fields are relevant to the employee's date of employment. **Both** of these fields need to be completed where a new employee is created.

The date field ensures that the employee is only paid for periods on and after the date entered and not for periods before that (example – entering a date of 1 July 2009 will not allow for payslips and payments in the March to June 2009 period). The date field can be entered as 1 Mar 09, 10 Jul 09, etc – you do not have to type out the full month.

The days worked field is important as it provides for proportional payment in the first month (example – where you employ a person from 16 July 2009, they will only work for a portion of the month of July. Depending on what constitutes a working day, you calculate the actual working days based on a calendar and enter the days here). **Decimals** of days are simply entered by including a **point** (.) in the value, for example 21.35 days. **Do not** enter decimals using a comma (,) in the value.

3.3.5 Employee's Final Date of Employment

Employee number	1
Final working date	
Days worked in last month	

Two fields are relevant to the employee's final date of employment. **Both** of these fields need to be completed where an employee's services are terminated. Whilst an employee remains employed, these fields are left **blank**.

The date field ensures that the employee is only paid for periods on and before the date entered and not for periods after that (example – entering a date of 31 July 2009 will not allow for payslips and payments in the August 2009 to March 2010 periods). The date field can be entered as 1 Mar 09, 10 Jul 09, etc – you do not have to type out the full month.

The days worked field is important as it provides for proportional payment in the final month of employment (example – where an employee resigns and their last working day is 16 July 2009, they will only work for a portion of the month of July (from the 1st to the 16th). Depending on what constitutes a working day, you calculate the actual working days based on a calendar and enter the days here). **Decimals** of days are simply entered by including a **point** (.) in the value, for example 21.35 days. **Do not** enter decimals using a comma (,) in the value.

3.3.6 Employee's Hours and Days of Work per Month

Employee number	1
Hours worked per day	8.00
Days worked per month	21.6670

Two fields are relevant to the employee's actual hours. **Both** of these fields need to be completed to ensure that rates of pay, etc are correctly calculated by the payroll solution.

The hours worked per day field relates to the **actual working hours** that the employee works per day. This field influences the calculation of the hourly rate of pay, and other calculations that in turn depend on this, such as overtime, leave payments, etc.

If an employee works from 08h00 to 17h00 and this includes a one-hour lunch period, then the actual hours worked will be 8 hours (and not 9 hours as the lunch hour is not considered a working hour).

Go to the hours worked per day field for the employee that you want to update and simply enter the hours that are applicable (**Decimals** of days are simply entered by including a **point** (.) in the value, for example 21.35 days. **Do not** enter decimals using a comma (,) in the value).

The days worked per month field relates to the **average** working days that the employee works per month. This field also influences the calculation of the hourly rate of pay, and other calculations that in turn depend on this, such as overtime, leave payments, etc.

Where an employee works 5 days a week (say Monday to Friday), then the average working days can be calculated as follows:

$$5 \text{ days per week} \times 52 \text{ weeks per year} = 260 \text{ days}$$

$$260 \text{ days} \div 12 \text{ months per year} = \mathbf{21.667 \text{ average}} \text{ days per month}$$

Where an employee works 6 days a week (say Tuesday to Sunday), then the average working days can be calculated as follows:

$$6 \text{ days per week} \times 52 \text{ weeks per year} = 312 \text{ days}$$

$$312 \text{ days} \div 12 \text{ months per year} = \mathbf{26.000 \text{ average}} \text{ days per month}$$

In some months the actual days will be higher (22 days) and in other months the actual days will be lower (20 or 21 days). What is important in using the average is to ensure that proportional payments and other calculations are based on the same number of days in every month (otherwise, for example, you would have higher rates for overtime in months where the actual days are less than the average, and vice-versa).

Go to the days worked per month field for the employee that you want to update and simply enter the **average** days that are applicable (**Decimals** of days are simply entered by including a **point** (.) in the value, for example 21.667 days. **Do not** enter decimals using a comma (,) in the value).

3.3.7 Employee's Leave Entitlement

Employee number	1
Annual leave entitlement (Days)	15

This field allows you to capture the number of leave days that each employee is entitled to in terms of the conditions of service that apply to each of them. Care must be taken to ensure that the minimum requirements in terms of legislation are adhered to. It is also possible that different employees can be entitled to a differing number of days annual leave (due to their length of service, nature of work they do, etc.).

Go to the annual leave entitlement field for the employee that you want to update and simply enter the days that are applicable (**Decimals** of days are simply entered by including a **point** (.) in the value, for example 22.5 days. **Do not** enter decimals using a comma (,) in the value).

3.3.8 Employee's Basic Salary and Allowances

Employee number	1
Monthly rate of pay:	
Date:	1-Mar-2009
Basic Salary	7 000.00
Travel Allowance	-
Taxable Allowance	-
Non-taxable Allowance	-

Five fields are provided that allow you to capture the employee's basic fixed monthly earnings details.

The date field ensures that the employee is only paid the amounts listed in the fields below for periods on and after the date entered and not for periods before that (example – entering a date of 1 April 2009 will not allow for payslips and payments in the March 2009 period). The date field can be entered as 1 Mar 09, 10 Jul 09, etc – you do not have to type out the full month.

The taxable allowance and non-taxable allowance description fields can be updated with descriptions of your choice (you will note they are grey in colour). If you do pay one of these allowances and do not change the description, they will merely appear as either a taxable- or non-taxable allowance on the employee's payslip.

Go to each of the four fields that are applicable for the employee's earnings and that you want to update; and simply enter the amounts that are applicable (**Decimals** (where cents apply) are simply entered by including a **point** (.) in the value, for example 7215.50. **Do not** enter decimals using a comma (,) in the value).

3.3.9 Changes to Employee’s Basic Salary and Allowances

Employee number	1
Increase date:	1-Jul-2009
Basic Salary	7 000.00
Travel Allowance	1 500.00
Taxable Allowance	-
Non-taxable Allowance	-

As in the previous item, again five fields are provided that allow you to capture the employee’s basic fixed monthly earnings details where they have been **changed** during the year (e.g. annual increases, change in allowances, etc.).

The date field ensures that the employee is only paid the amounts listed in the fields below for periods on and after the date entered and not for periods before that (example – entering a date of 1 July 2009 will ensure that the values entered are ignored for payslips and payments in the March to June 2009 periods). The date field can be entered as 1 Mar 09, 10 Jul 09, etc – you do not have to type out the full month.

The taxable allowance and non-taxable allowance description fields can be updated with descriptions of your choice (you will note they are grey in colour). If you do pay one of these allowances and do not change the description, they will merely appear as either a taxable- or non-taxable allowance on the employee’s payslip.

Go to each of the four fields that are applicable for the employee’s earnings and that you want to update; and simply enter the amounts that are applicable (**Decimals** (where cents apply) are simply entered by including a **point** (.) in the value, for example 7215.50. **Do not** enter decimals using a comma (,) in the value).

In the example used in this manual, you will note that when you compare the first instance where only a salary of R 7 000 a month was payable (see 3.3.8 above) and the table above, the basic salary is the same. The difference is that a travel allowance has been added from 1 July 2009. It is important to remember that this needs to be entered as an increase – if you were merely to update the first field for travel allowance the payroll will accept that the allowance is payable from 1 March 2009.

3.3.10 UIF and SDL Contributions

Employee number	1
UIF Contributor	Y
SDL Contributor	Y

These two fields allow you to indicate whether the employee’s earnings are subject to UIF and SDL payment. Go to each of the two fields for the employee that you want to update – and simply enter either a **Y** (for yes) or **N** (for no) in each field as applicable (using upper- and lowercase letters as you prefer), and hit the enter key after entering the information for each field.

3.3.11 Pension / Provident Fund Membership

Employee number	1
Pension / Provident Fund Contribution	N
From Date:	
Tax deductible (Y/N):	N

Three fields are provided that allow you to capture information relevant to the employee's contributions to an established pension or provident fund (see also 3.2.3 in this regard). **Both** the first and second fields need to be completed if the employee does contribute to the established pension or provident fund to ensure that contributions are correctly calculated by the payroll solution.

The first field allows you to indicate whether the employee contributes to a fund or not – simply enter either a “**Y**” (for yes) or “**N**” (for no) in this field as applicable (using upper- and lowercase letters as you prefer), and hit the enter key after entering the information.

The date field indicates from which date the employee contributes to the relevant fund – and ensures that contributions are only calculated for periods on and after the date entered and not for periods before that (example – entering a date of 1 July 2009 will ensure that the values entered are ignored for payslips and payments in the March to June 2009 periods). The date field can be entered as 1 Mar 09, 10 Jul 09, etc – you do not have to type out the full month.

The last field allows you to indicate whether the fund contributions are to be taken into account when calculating the employee's tax (to qualify the fund needs to be registered with SARS) – simply enter either a “**Y**” (for yes) or “**N**” (for no) in this field as applicable (using upper- and lowercase letters as you prefer), and hit the enter key after entering the information.

3.3.12 Retirement Annuity Contributions

Employee number	1
Retirement annuity	N
Tax deductible (Y/N):	N
From Date:	
Retirement Annuity Value	-
Increase Date:	
Retirement Annuity Value	-

Six fields are provided that allow you to capture information relevant to the employee's contributions to a retirement annuity fund (RAF). Many businesses do not have their own pension or provident fund and compensate for this by allowing employees to contribute to a RAF instead (e.g. Old Mutual, Sanlam, etc.).

The first field allows you to indicate whether the employee contributes to a retirement annuity fund or not – simply enter either a “**Y**” (for yes) or “**N**” (for no) in this field as applicable (using upper- and lowercase letters as you prefer), and hit the enter key after entering the information.

The next field allows you to indicate whether the retirement annuity fund contributions are to be taken into account when calculating the employee's tax

(to qualify the retirement annuity fund needs to be registered with SARS) – simply enter either a “**Y**” (for yes) or “**N**” (for no) in this field as applicable (using upper- and lowercase letters as you prefer), and hit the enter key after entering the information.

The first date field indicates from which date the employee contributes to the relevant retirement annuity fund – and ensures that contributions are only calculated for periods on and after the date entered and not for periods before that (example – entering a date of 1 July 2009 will ensure that the values entered are ignored for payslips and payments in the March to June 2009 periods). The date field can be entered as 1 Mar 09, 10 Jul 09, etc – you do not have to type out the full month.

The first retirement annuity value field allows you to enter the monthly contribution that is payable by the employee – go to the first value field applicable for the employee’s retirement annuity contribution that you want to update; and simply enter the amount that is applicable (**Decimals** (where cents apply) are simply entered by including a **point** (.) in the value, for example 525.75. **Do not** enter decimals using a comma (,) in the value).

Retirement annuity policies generally have anniversary dates that are determined based on the month on which they were taken out (e.g. a policy taken out in June would have an anniversary date of 1 June each year). The anniversary date is also the date on which contribution increases come into effect, and these dates will not necessarily fall in line with the months of the tax year (March of a year to February of the following year). These increase dates and contribution values are provided for in the last two fields.

The increase date field indicates from which date the employee contribution increases (which should be the anniversary date of the policy). This ensures that the increased contribution is only calculated for periods on and after the increase date entered and not for periods before that (example – entering a date of 1 July 2009 will ensure that the values entered are ignored for payslips and payments in the March to June 2009 periods). The date field can be entered as 1 Mar 09, 10 Jul 09, etc – you do not have to type out the full month.

The last retirement annuity value field allows you to enter the revised monthly contribution that is payable by the employee from the new date – go to the last value field applicable for the employee’s retirement annuity contribution that you want to update; and simply enter the amount that is applicable (**Decimals** (where cents apply) are simply entered by including a **point** (.) in the value, for example 645.32. **Do not** enter decimals using a comma (,) in the value).

3.3.13 Medical Aid Beneficiaries

Employee number	1
Medical Aid Beneficiaries	
From Date:	
Number of beneficiaries	0
Change in Beneficiary Date:	
Number of beneficiaries	0
Change in Beneficiary Date:	
Number of beneficiaries	0

Six fields are provided that allow you to capture information relevant to the employee’s contributions to a medical aid fund. Many businesses do not have their own medical aid fund but still support employees by deducting contributions and paying them over to the medical aid fund to which the employee belongs as an independent member (e.g. Discovery Health, Bonitas, etc.).

The benefit of supporting employees in this way is that the tax benefits (determined by SARS) applicable to medical aid fund contributions can be accounted for in the payroll. The calculation of the benefit is automated within the payroll solution – the only information that needs to be provided relates to the number of beneficiaries for which the employee is contributing to the medical aid fund (if the employee is a single member, this will be a “1”, if the employee has a wife, this will be “2”, if it is the employee, his wife and two children, this will be a “4”, etc.).

The first date field indicates from which date the employee contributes to the relevant medical aid fund – and ensures that contributions are only calculated for periods on and after the date entered and not for periods before that (example – entering a date of 1 July 2009 will ensure that the values entered are ignored for payslips and payments in the March to June 2009 periods). The date field can be entered as 1 Mar 09, 10 Jul 09, etc – you do not have to type out the full month.

The first number of beneficiaries field allows you to enter the number of beneficiaries (see explanation above) for which the monthly contribution is being made by the employee – go to the first number of beneficiaries field applicable for the employee’s medical aid contribution that you want to update; and simply enter the number that is applicable.

During the tax year, changes in the beneficiaries may happen (e.g. the employee marries and the spouse is added to the medical aid, a child is born and added to the medical aid, etc.). The last four fields allow you to account for these changes.

The change in beneficiary date fields indicates from which date the change in the employee’s beneficiaries for contributions to the relevant medical aid fund applies – and ensures that the tax benefits for these contributions are only calculated for periods on and after the date entered and not for periods before that (example – entering a date of 1 July 2009 will ensure that the values entered are ignored for payslips and payments in the March to June 2009 periods). The date field can be entered as 1 Mar 09, 10 Jul 09, etc – you do not have to type out the full month.

The two number of beneficiaries fields allows you to enter the amended number of beneficiaries (see explanation above) for which the monthly contribution is being made by the employee.

3.3.14 Union Membership Fees

Employee number	1
Union membership	N
From Date:	
Union Fee Contribution	-
Increase Date:	
Union Fee Contribution	-

Five fields are provided that allow you to capture information relevant to the employee’s contributions to a workers union that may be established in your business.

The first field allows you to indicate whether the employee contributes to a workers union or not – simply enter either a “**Y**” (for yes) or “**N**” (for no) in this field as applicable (using upper- and lowercase letters as you prefer), and hit the enter key after entering the information.

The first date field indicates from which date the employee contributes to the relevant workers union – and ensures that contributions are only calculated for periods on and after the date entered and not for periods before that (example – entering a date of 1 July 2009 will ensure that the values entered are ignored for payslips and payments in the March to June 2009 periods). The date field can be entered as 1 Mar 09, 10 Jul 09, etc – you do not have to type out the full month.

The first union fee contribution value field allows you to enter the monthly contribution that is payable by the employee – go to the first value field applicable for the employee’s workers union contribution that you want to update; and simply enter the amount that is applicable (**Decimals** (where cents apply) are simply entered by including a **point** (.) in the value, for example 22.75. **Do not** enter decimals using a comma (,) in the value).

The increase date field indicates from which date the employee contribution increases. This ensures that the increased contribution is only calculated for periods on and after the increase date entered and not for periods before that (example – entering a date of 1 July 2009 will ensure that the values entered are ignored for payslips and payments in the March to June 2009 periods). The date field can be entered as 1 Mar 09, 10 Jul 09, etc – you do not have to type out the full month.

The first union fee contribution value field allows you to enter the revised monthly contribution that is payable by the employee from the new date – go to the last value field applicable for the employee’s workers union contribution that you want to update; and simply enter the amount that is applicable (**Decimals** (where cents apply) are simply entered by including a **point** (.) in the value, for example 22.75. **Do not** enter decimals using a comma (,) in the value).

3.3.15 Other Data

3.3.15.1 SARS Clearance Numbers

Employee number	1
Pension / Provident Fund SARS Clearance No.	PF234
RA SARS Clearance No.	RA456

Two fields are provided that allows you to capture the SARS clearance numbers that apply for pension, provident or retirement annuity funds to which the employee contributes. Go to either of the two fields for the employee that you want to update – simply enter the clearance numbers for each field separately (using upper- and lowercase letters as you prefer), and hit the enter key after entering the information for each field.

3.3.15.2 Employee's Date of Birth

Employee number	1
Date of birth	16-Jun-1965

This field allows you to capture the date of birth for each employee.

This field is also important as it allows the payroll solution to determine the **age** of the employee. Taxation is determined inclusive of rebates – **higher** rebates apply to people aged 65 years old and older. If this field is left blank, the payroll solution automatically considers the employee to be aged below 65, and subsequently applies the lower tax rebate benefit.

Go to the date of birth field for the employee that you want to update and simply enter the birth date that is applicable. Where the birth year falls in the last century, be careful to ensure that the full year is typed in – e.g. the date field can be entered as 12 Mar **1967**, 10 Jul **1954**, etc – however you do not have to type out the full month.

3.3.15.3 Contact Telephone Number

Employee number	1
Contact telephone number	082 123 4567

This field allows you to capture a contact telephone number for each employee. The field does not have to be filled in, but serves as a quick reference when you need to source a contact number.

3.3.15.4 Employee’s Gender and Race

Employee number	1
Gender	M
Race	A

Two fields are provided that allows you to capture the gender and race for each employee. The information captured in these fields provides the basis for the Employee Report – if the fields are left blank, the Employee Report will not be updated appropriately.

Go to either of the two fields for the employee that you want to update – simply enter the relevant detail for each field separately (using upper- and lowercase letters as you prefer), and hit the enter key after entering the information for each field.

3.3.15.5 Employee’s Data for EE Reporting

Employee number	1
Occupational category	LSM
Occupational level	TM
Disabled (Y/N)	N
Reason for service termination	

Four fields are provided that allow you to capture information for each employee relevant to the Employment Equity Report. The fields can be left blank if you do not use the Employment Equity Report.

The input for each of these fields is based on the tables that are included on the Introduction sheet (“**Intro**” sheet) – see also 3.2.5 above.

3.4 Ad-hoc Earnings and Deductions

This allows you to capture variable earnings and deductions for employees – that is amounts that differ from month-to-month.

The sheet includes descriptions for each field on the left, with a column for each of the twelve months of the year to the right of this – first column for March, second column for April, etc.

A block is in place for each employee – starting with Employee No 1 at the top, then Employee No 2 below that, and so forth.

All the fields where input is required or can be made are **grey** in colour. Some of these fields contain notes that assist you in entering information - the fields that contain guidance notes are easy to identify as they have a **red marking** in the upper right-hand corner of the field. The note attached to a field will become visible simply by moving your mouse pointer towards the red marking on each field, as explained previously in this manual (see page **Error! Bookmark not defined.**).

Each field is now explained in more detail.

3.4.1 Overtime Hours

<u>Month:</u>		<u>1</u>	<u>2</u>	<u>3</u>
	From:	01-Mar-09	01-Apr-09	01-May-09
	To:	31-Mar-09	30-Apr-09	31-May-09
Test Employee 1	1			
Overtime 1 hours (1)	Hrs	-	-	-
Overtime 2 hours (1,5)	Hrs	-	-	-
Overtime 3 hours (2)	Hrs	-	-	-

Three fields are provided that allow you to capture the overtime hours worked for each employee. The field that is used is important, to ensure that the value of the hours is correct. The way in which the value is calculated is as follows:

- The **Overtime 1 hours** field calculated the value at the employee's **standard** rate of pay. Hours for this field would be in instances such as where employees work a standard 28 hours a week, and are then paid overtime at the standard rate for all hours up to 45 hours per week – only after this are increased overtime rates applied.
- The **Overtime 2 hours** field calculated the value at **one and a half times** the employee's standard rate of pay. Examples may include additional hours worked in excess of the 40 or 45 hours for a week on any working day or a Saturday.
- The **Overtime 3 hours** field calculated the value at **two times** the employee's standard rate of pay. Examples may include additional hours worked in excess of the 40 or 45 hours for a week on any Sunday or a public holiday.

Go to any of the three fields for the employee that you want to update – simply enter the relevant number of hours for each field separately, and hit the enter key after entering the information for each field. (**Decimals** are simply entered by

including a **point** (.) in the number, for example two and a half hours would be entered as 2.50. **Do not** enter decimals using a comma (,) in the number).

3.4.2 Leave Days Taken

Month:		<u>1</u>	<u>2</u>	<u>3</u>
		From: 01-Mar-09	01-Apr-09	01-May-09
		To: 31-Mar-09	30-Apr-09	31-May-09
Test Employee 1		1		
Leave days taken	Days	-	-	-

The leave days taken field allows you to capture the days leave that are taken by an employee. This field does not influence the actual salary of an employee, but does (in conjunction with the opening leave days balance – see 3.2.4 – and the leave that is accrued by the payroll solution based on the leave entitlement for the employee – see 3.3.7) influence the employee’s leave days balance and associated value of the leave based on their standard rate of pay.

Go to the leave days taken field for the employee that you want to update – simply enter the relevant number of days for the field, and hit the enter key after entering the information. (**Decimals** are simply entered by including a **point** (.) in the number, for example two and a half days would be entered as 2.50. **Do not** enter decimals using a comma (,) in the number).

3.4.3 Leave Days Paid

Month:		<u>1</u>	<u>2</u>	<u>3</u>
		From: 01-Mar-09	01-Apr-09	01-May-09
		To: 31-Mar-09	30-Apr-09	31-May-09
Test Employee 1		1		
Leave days paid	Days	-	-	-

The leave days paid field allows you to capture the days leave that are actually **paid out** to an employee. This may occur when the employee exchanges accrued leave for money (by agreement), or when the accrued leave is paid on the termination of services (legal requirement). This field does influence the actual salary of an employee, with the value being added on the employee’s payslip in the month in which the leave paid is accounted.

Go to the leave days paid field for the employee that you want to update – simply enter the relevant number of days for the field, and hit the enter key after entering the information. (**Decimals** are simply entered by including a **point** (.) in the number, for example two and a half days would be entered as 2.50. **Do not** enter decimals using a comma (,) in the number).

3.4.4 Unpaid Leave Days

<u>Month:</u>		<u>1</u>	<u>2</u>	<u>3</u>
From:		01-Mar-09	01-Apr-09	01-May-09
To:		31-Mar-09	30-Apr-09	31-May-09
Test Employee 1		1		
Unpaid leave	Days	-	-	-

The unpaid leave days field allows you to capture the number of days leave that are taken by an employee that are considered unpaid (e.g. days that were not agreed in advance, etc.). This field does influence the actual salary of an employee, with the value being deducted on the employee's payslip in the month in which the unpaid leave is accounted.

Go to the unpaid leave days field for the employee that you want to update – simply enter the relevant number of days for the field, and hit the enter key after entering the information. (**Decimals** are simply entered by including a **point** (.) in the number, for example two and a half days would be entered as 2.50. **Do not** enter decimals using a comma (,) in the number).

3.4.5 Sick Leave Days

<u>Month:</u>		<u>1</u>	<u>2</u>	<u>3</u>
From:		01-Mar-09	01-Apr-09	01-May-09
To:		31-Mar-09	30-Apr-09	31-May-09
Test Employee 1		1		
Sick leave	Days	-	-	-

The sick leave days field allows you to capture the days sick leave that are taken by an employee. This field does not influence the actual salary of an employee, but does (in conjunction with the opening leave days balance – see 3.2.4) influence the employee's sick leave days balance.

Go to the sick leave days field for the employee that you want to update – simply enter the relevant number of days for the field, and hit the enter key after entering the information. (**Decimals** are simply entered by including a **point** (.) in the number, for example two and a half days would be entered as 2.50. **Do not** enter decimals using a comma (,) in the number).

3.4.6 Discretionary Bonus

<u>Month:</u>		<u>1</u>	<u>2</u>	<u>3</u>
From:		01-Mar-09	01-Apr-09	01-May-09
To:		31-Mar-09	30-Apr-09	31-May-09
Test Employee 1		1		
Discretionary bonus	R'	-	-	-

This field allows you to capture the amount that is paid to an employee in the form of a discretionary bonus. Should you offer a “guaranteed 13th cheque”, this can also be entered here.

Go to the discretionary bonus field for the employee that you want to update – simply enter the relevant value, and hit the enter key after entering the information for each field. (**Decimals** are simply entered by including a **point** (.) in the number, for example R 3 273.55 as 3273.55. **Do not** enter decimals using a comma (,) in the number).

3.4.7 Subsistence Claims

<u>Month:</u>		<u>1</u>	<u>2</u>	<u>3</u>
From:		01-Mar-09	01-Apr-09	01-May-09
To:		31-Mar-09	30-Apr-09	31-May-09
Test Employee 1		1		
Subsistence claims	R'	-	-	-

This field allows you to capture the amount that is paid to an employee in the form of a subsistence claim. Examples may include where you reimburse an employee for costs they incur with travelling on behalf of the business, amounts paid by the employee for business expenses that are being refunded, etc.

Note that this field does not get included in the gross income of the employee for income tax purposes, but is included as an earning on the employee’s payslip and included in the net pay calculated for the employee.

Go to the subsistence claims field for the employee that you want to update – simply enter the relevant value, and hit the enter key after entering the information for each field. (**Decimals** are simply entered by including a **point** (.) in the number, for example R 453.55 as 453.55. **Do not** enter decimals using a comma (,) in the number).

3.4.8 Commission Paid

<u>Month:</u>	<u>1</u>	<u>2</u>	<u>3</u>
From:	01-Mar-09	01-Apr-09	01-May-09
To:	31-Mar-09	30-Apr-09	31-May-09
Test Employee 1	1		
Commission paid	R'	-	-

This field allows you to capture the amount that is paid to an employee in the form of a commission. Examples may include where you pay a commission based on sales targets.

Go to the commission paid field for the employee that you want to update – simply enter the relevant value, and hit the enter key after entering the information for each field. (**Decimals** are simply entered by including a **point** (.) in the number, for example R 2345.55 as 2345.55. **Do not** enter decimals using a comma (,) in the number).

3.4.9 Medical Aid Deductions

<u>Month:</u>	<u>1</u>	<u>2</u>	<u>3</u>
From:	01-Mar-09	01-Apr-09	01-May-09
To:	31-Mar-09	30-Apr-09	31-May-09
Test Employee 1	1		
Medical Aid deduction	R'	-	-
Medical Aid - company contribution	%	0%	0%

Two fields are provided that allow you to capture the actual total value of the employee's medical aid contribution for the month, and the portion of the contribution that is paid as an employer contribution. The way in which the value of medical aid contributions is calculated based on these two fields is as follows:

- The **Medical Aid deduction** field determines the total amount that needs to be paid over to the medical aid fund for the month.
- The **Medical Aid company contribution** field calculates the portion of the medical aid contribution that will be paid by the employer, based on the percentage entered. As an example – where the contribution is entered in the first field as R620.00 and the company contribution is entered as 25% - the contribution that will be deducted from the employee and reflect on the payslip will be R465.00 (= R620.00 × 75%), and the employer contribution to the medical aid fund will be R155.00 (= R620.00 × 25%). Where the employer contribution field is left at 0%, the full contribution value will be deducted from the employee.

Go to the two fields for the employee that you want to update – simply enter the relevant value of the contribution and percentage value of the company contribution for each field separately, and hit the enter key after entering the information for each field. (**Decimals** are simply entered by including a **point** (.) in the number, for example 20.5% would be entered as 20.50. **Do not** enter decimals using a comma (,) in the number).

3.4.10 Sundry Deductions

<u>Month:</u>		<u>1</u>	<u>2</u>	<u>3</u>
From:		01-Mar-09	01-Apr-09	01-May-09
To:		31-Mar-09	30-Apr-09	31-May-09
Test Employee 1		1		
Sundry deduction 1	R'	-	-	-
Sundry deduction 2	R'	-	-	-

Two fields are provided that allow you to capture sundry deductions that you want to account against the employee's monthly earnings. Examples may include deductions for salary advances that were provided during the month, the recovery of amounts loaned to the employee, etc.

The two description fields can be updated with descriptions of your choice (you will note they are grey in colour). If you do not change the description, they will merely appear as either a Sundry deduction 1 or Sundry deduction 2 on the employee's payslip.

Go to either of the two fields that are applicable for deductions that you want to account against the employee's earnings and that you want to update; and simply enter the amounts that are applicable (**Decimals** are simply entered by including a **point** (.) in the number, for example R 453.55 as 453.55. **Do not** enter decimals using a comma (,) in the number).

3.4.11 Fringe Benefit Value

<u>Month:</u>		<u>1</u>	<u>2</u>	<u>3</u>
From:		01-Mar-09	01-Apr-09	01-May-09
To:		31-Mar-09	30-Apr-09	31-May-09
Test Employee 1		1		
Fringe benefit value	R'	-	-	-

This field allows you to capture a value for the deemed fringe benefit that may apply to an employee based on the application of SARS rulings and legislation. Examples include the calculated value of the private use of a business vehicle, the provision of free accommodation to employees for extended periods, etc.

Go to the fringe benefit value field for the employee that you want to update – simply enter the relevant value, and hit the enter key after entering the information for each field. (**Decimals** are simply entered by including a **point** (.) in the number, for example R 2345.55 as 2345.55. **Do not** enter decimals using a comma (,) in the number).

SECTION 3 – PAYROLL SOLUTION REPORTS

This section describes briefly the automated reports that are contained within the payroll solution.

3.1 *Printing Payslips*

Employee payslips can be viewed or printed from the **Payslip** sheet. Two grey fields at the top of the sheet allow you to input the employee number and month (1 = March, 2 = April,, 12 = February).

Employee No:	1
Month:	1

Based on this input, the payslip that appears below will be updated automatically with the relevant earnings and deductions for the month and on a year-to-date basis. The payslip also provides the employee with information regarding leave balances and employer contributions made.

At the bottom of the payslip a comments box has been included. Here items of interest can be typed in – for example cases where you need to inform your employees of business closure dates, deadlines for documents that employees need to submit, etc.

Comments

3.2 *Payroll Summary*

This summary assists you in various ways. It provides the net pay for each employee and can be used for creating employee salary payments. It also contains the totals that are needed for submitting information to SARS (tax, UIF and SDL). Third party payments (medical aid, pension fund, retirement annuities) are also included on this summary.

3.3 *Taxation Summary*

This summary is designed to assist in the completion of employee IRP5's and IT3's at the end of each tax year. The summary can be given to the person that assists your business in this regard if you do not address this activity directly.

3.4 *Employee Report*

This report provides a breakdown of your employees based on various criteria and presents the information graphically. The period for which the report is created is dependent on the month that you enter on the "Payslip" sheet. The report can also be included in documentation that you submit to parties that are interested in the breakdown of your workforce.

3.5 *Employment Equity Report*

The reports generated here comply with legislative requirements (where applicable).

APPENDIX A – INSERTING A BUSINESS LOGO

The payroll solution provides for your business logo to automatically be incorporated and be printed on employee payslips.

To provide for your own logo to be included on payslips that are printed from your payroll solution, follow these steps:

1. Obtain a file that contains your logo. This could be a JPEG file, BITMAP file, or other form of picture file. If you do not have this available inquire from the service provider that created your logo.
2. Open this file containing your logo using an application such as Microsoft Picture Manager. At the same time open a **blank** MS WORD document. **Copy** the logo from the picture application (such as Microsoft Picture Manager) and **paste** it into the blank MS WORD document. This allows for the logo to be created as a picture in a format that it can be used by the payroll solution (note that you will not be able to copy the logo as a JPEG, BITMAP, or other picture directly into the payroll solution).
3. Open the payroll solution. On the Index – choose the “**Print Payslip**” option.
4. At the top of the sheet you will notice some buttons – the button on the right has “**Logo**” on it. Click on this button.
5. Click in the area where the comment is included that says “**Insert logo here**”. This should show you a large boxed area.
6. Go to the MS WORD document where you pasted your logo, click on the picture (of the logo), **right-click** on your mouse and choose the “**copy**” option.
7. In the boxed area on the payslip page (in the payroll solution), **right-click** on your mouse and choose the “**paste**” option. This will paste your logo into the boxed area.
8. **Resize** the pasted logo by dragging it and resizing it until it fits the area in the way you prefer.
9. Click on the “**Index**” button at the top left of the sheet to return to the Index page.
10. Click of the “**Save**” button to ensure that your logo changes are saved before exiting the solution.

When you now access the payroll solution your business’ logo will be incorporated on your payslips.

APPENDIX B – SOFTWARE LICENCE AGREEMENT



IMPORTANT – READ THESE TERMS CAREFULLY

1. Software Licence Agreement

This is a legal agreement between you, the end user, and Simplex Business Product Solutions (Pty) Ltd (“PAY-X”). It is a condition of your purchase of the PAY-X Solutions software (“the Software”) that you will use the Software subject to the terms of this agreement.

In order to operate the Software, you are required to have a lawful copy of Microsoft Excel. PAY-X may at any time request written proof that you have a licensed copy of the said programme.

2. Copyright

PAY-X is the owner of all copyright in the Software which is protected by the Copyright Act No 98 of 1978, Republic of South Africa and International Copyright Treaty provisions. You must treat the Software like any other copyright material except that you may:

- (a) make one copy of the Software solely for a back-up or archival purposes; or
- (b) transfer the Software to a single hard disk provided you keep the original solely for back-up and archival purposes; and
- (c) you may not copy the written materials accompanying the Software.

3. Licence Terms

- 3.1. PAY-X grants to you the right to use one copy of the Software, or such other quantity indicated on the Certificate of Licence provided to you by PAY-X, on a single computer.
- 3.2. You may not rent or lease the Software, but you may transfer the Software and accompanying written material on a permanent basis if you obtain PAY-X’s written consent, and provided that you retain no copies, and the recipient agrees to be bound by the terms of this agreement.
- 3.3. This licence shall not permit the installation of the Software on a network server for the sole purpose of distribution to one or more other computer(s), for which a separate licence is required.
- 3.4. You may not reverse engineer, decompile or disassemble the Software.
- 3.5. The effective date of this agreement is the day that you install the Software.
- 3.6. The agreement shall remain in force until terminated in writing by PAY-X.
- 3.7. You may terminate this agreement by returning to PAY-X the original Software and any back-up copies and the written materials accompanying the Software.
- 3.8. If you breach this agreement, PAY-X can terminate the licence upon written notification to you, whereupon all original disks, any back-up copies and written materials accompanying the Software shall be returned to PAY-X.

4. Limited Warranty

- 4.1. PAY-X warrants that the medium on which the Software is recorded to be free from defective materials and workmanship under normal use for a period of 30 days from the date of purchase / delivery, and no claims submitted after such period shall be entertained.
- 4.2. The Software and related documentation are provided as is. PAY-X disclaims all other warranties, either express or implied including but not limited to implied warranties as to merchantability and fitness for a particular purpose with respect to the Software and the accompanying written material.
- 4.3. PAY-X’s entire liability and your exclusive remedy shall be the replacement of the Software that does not meet PAY-X’s limited warranty and which is returned to PAY-X with a copy of your receipt / proof of payment. This limited warranty is void if failure of the Software has resulted from accident, abuse or misapplication.
- 4.4. In no event shall PAY-X or its suppliers be liable for any damages whatsoever (including without limitation, damages or loss of business profits, business interruptions, loss of business information, or other pecuniary loss) arising out of use of or inability to use this product, even if you have been advised of the possibility of such damages.

5. Governing Law

This agreement shall be governed and construed in accordance with the laws of the Republic of South Africa.