



*South African Revenue Service*

Dear Stakeholder

**EMPLOYER ANNUAL RECONCILIATION SUBMISSION: 1 APRIL 2022 TO 31 MAY 2022.**

As the South African Revenue Service (SARS) celebrates its 25th anniversary, we value your support and contribution to our country's economy and prosperity. We strive to ensure that you understand what we expect from you and what your rights as a taxpayer are. We are committed to improving its service offerings to provide taxpayers with an exceptional and seamless experience.

**Annual Reconciliation Season 2022**

This year, the Annual Reconciliation Declaration (EMP501) submission period opens on 1 April and closes on 31 May. Employers are required to submit their annual reconciliation declarations covering the full tax year from 1 March 2021 to 28 February 2022. The EMP501 must reflect accurate and up-to-date payroll information about your employees, employees' tax (PAYE) payments made and tax certificates (IRP5/IT3(a)'s) generated.

**Making it easy**

To reconcile easily and conveniently, we have included useful information below:

- Employers, Tax Practitioners and Payroll Administrators need to download the latest Employers [e@syFile version 7.2.3](#) which was released on 3 February 2022. This can be done via SARS eFiling.
- Employers must submit outstanding monthly declarations (EMP201) and make all payments due before submitting the EMP501 for 2022.
- Where employees are not registered for income tax purposes, employers must register them using Single ("Individual ITREG") and bundle IT Registration ("Bundled ITREG") for existing tax numbers as well as new registrations available on e@syFile™.
- First-time job seekers can register for income tax via eFiling or on the SARS MobiApp.
- Employers must check, verify details, and issue IRP5/IT3(a)'s to employees on time.

## **SARS Service Charter**

### Your Rights

- SARS will help by providing service, responses, instructions and access to information and systems.
- SARS will respect your constitutional right to privacy.

### Your Obligations

- Submit an accurate, fully paid declaration to SARS on time.
- Comply with all prescribed administrative processes and timeframes.

### **Accuracy and on-time filing is critical**

It is very important for employers to file accurate and complete EMP501's. We use the information we receive through your submission of an EMP501 to populate the tax returns of your employees and, if they are part of our auto-assessment population, to populate their assessments. Incomplete or inaccurate information will negatively affect your employees' ability to meet their tax obligations. In practise, your incomplete or inaccurate information may result in significant delays of refunds to your employees where due.

### **Why is it important for you to submit an accurate EMP501 return on time?**

If an employer submits the EMP501 late, administrative penalties will be charged. The penalty will equal 1% of the year's PAYE liability, which will increase each month by 1 percentage point up to 10% of the year's PAYE liability. Furthermore, an employer who wilfully or negligently fails to submit an EMP201 or EMP501 return to SARS is guilty of an offence and is liable, upon conviction, to a fine or imprisonment for a period of up to two years.

### **Submission channels**

Employers with less than 50 employees can use either SARS eFiling or SARS e@syFile™. Employers with more than 50 employees must file the EMP501 using e@syFile™ Employer.

### **Enhancements to e@syFile™ Employer**

- Updated letter template for new Tax Directives feedback report for retirement funds.

- Adjustment to the PAYE Dashboard to display information related to the selected period of reconciliation.

### **Status of Submission**

Employers must always check the status of submissions to ensure that the EMP501 has been successfully filed at SARS.

### **More information**

For more information, please visit the Businesses and Employers page on the SARS website, [www.sars.gov.za](http://www.sars.gov.za)

Sincerely,

**THE SOUTH AFRICAN REVENUE SERVICE**

**30 March 2022**

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