

SKILLS DEVELOPMENT LEVY: COVID-19 RELIEF

SARS has advised that employers who correctly declared the Skills Development Levy (“**SDL**”) payable for the months of May to August 2020 as zero, due to the COVID-19 SDL holiday provided in terms of the Disaster Management Tax Relief Measures for this period, should please ensure that the zero values for these months are correctly excluded on the –

- February 2021 EMP 501 Reconciliation Declaration; and/or
- 2021 IRP5/IT3(a) tax certificates submitted to SARS and issued to employees.

If the SDL for these 4 months is overstated on the February 2021 EMP501 and/or 2021 IRP5/IT3(a) certificates (i.e. effectively ignoring the COVID-19 SDL holiday), the reconciliation process will automatically increase the SDL payable for February 2021. Accordingly, this will result in outstanding debt on the SDL account as well as late payment penalties and interest being charged.

Affected employers are required to correct the SDL values reflected on the EMP501 and/or IRP5/IT3(a) certificates and to resubmit the corrected reconciliation documents to SARS. It is suggested that where affected employers used an electronic payroll, the payroll supplier is contacted for assistance to correct the EMP501 and/or certificates, where necessary.

20 April 2021