



EMPLOYEE TAX/PAYE

PURPOSE

To ensure the correct tax application is applied to the relevant panel member

SCOPE

This policy applies to the:

- Branch Manager
 - Assistant Branch Manager
 - MHR Coordinator/Recruiter
 - Admin Assistant
 - MHR Pay Office personnel
 - MHR Panel Members
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POLICY STATEMENT

- To ensure that MHR complies with the correct guidelines as stipulated by the Gazetted Act regarding PAYE. (website www.sars.gov.za or Emp10)
 - To ensure that all panel members supply MHR with their tax reference numbers IT150.
 - To ensure that panel members are taxed correctly.
 - MHR systems are set up to report all income under code 3601. Code 3616 is only used for income earned by independent contractors.
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ABBREVIATION

Abbreviation	Description
PAYE	Pay As You Earn
SARS	South African Revenue Service
Emp10	Employee Guidelines

PROCEDURE

Implement the following steps when a panel member changes his/her tax status

Step	Action
1	Panel member must complete Personal Tax form and attach a proof of Tax reference number.
2	Admin assistant to contact Regional payroll clerk to check and verify if panel member has any income (YTD) for the current tax year.
3	Panel member with no income for current tax year: <ul style="list-style-type: none"> The admin assistant must only change the panel member's tax status as indicated on Leave and Personal Tax form.
4	Panel member with income for current tax year: <ul style="list-style-type: none"> The admin assistant must terminate the existing panel member number on MHRM with the termination reason as Tax change. Admin assistant to reload panel member on MHRM system and issue a new number and panel member card to the panel member. Admin assistant to inform Payroll Officer of the new number if the panel member has any outstanding balances i.e. DBE, garnishee, ITA88
5	Payroll Officer to transfer any balances i.e. DBE, garnishee, ITA88 to the new number.
6	<ul style="list-style-type: none"> IRP5/IT3a tax certificates are only available at the branch offices upon the request from the panel member. If the panel member is a registered E-filer they can obtain their tax certificate on the SARS's e-filing site www.sarsefiling.co.za Tax certificates for prior tax years may be requested from the MHR Head office. <ul style="list-style-type: none"> The cost structure to fax, print or email these tax certificates are: <ul style="list-style-type: none"> 2009 tax year to current tax year = R25 per certificate 2008 tax year and earlier = R50 per certificate
7	Tax deducted from employees is paid monthly to SARS

ASSOCIATED DOCUMENTS

Title	Location/Number
MHR Personal Tax form	Regional office
EMP10	www.sars.gov.za