



## EMPLOYEE TAX / PAYE / IRP5's

### PURPOSE

To ensure the correct tax application is applied to the relevant panel member and the communication regarding IRP5's are applied

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### SCOPE

This policy applies to the:

- Branch Manager
  - Assistant Branch Manager
  - MHR Coordinator/Recruiter
  - Admin Assistant
  - MHR Payroll Officer
  - 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](http://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.
  - MHR comply with the requirements of SARS and submit the IRP5 of all panel members electronically to SARS.
  - IRP5 certificates may not be given to a 3<sup>rd</sup> party, only to the panel member who's ID/passport number correlates with the ID/passport number on the IRP5
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### ABBREVIATION

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

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## DEFINITIONS

	Description
Tax Tables	Tax is paid according to tax tables provided by SARS annually and updated on the Payroll System. This is the "normal" way tax is calculated and deducted from an employee.
Fix Tax %	Panel members have the option to pay a Fixed % tax on their income on a monthly basis. This is to ensure that sufficient tax is deducted to prevent tax to be paid back to SARS at the end of the tax year. It is advisable that people who have more than one employer / who earn additional income adjust their tax by making use of tax tables. The minimum fix tax % is 25%. The panel member can however indicate if he wants a higher deduction by completing the tax deduction document accordingly.

## PROCEDURE

### Monthly tax update during tariff type adjustments

On a monthly basis an updated status list (Validation) is provided to the branch offices comparing MHR Employees with Mediclinic's permanent personnel lists requesting adjustments to be made to the PM tariff type for example from MHR Employee to MC Moonlighter.

During this process the branches should contact the Panel member to update his/her tax status as it is advisable to change to a Fix% if a panel member are employed on a permanent basis at Mediclinic to prevent an annual SARS deficit on Tax year end.

### Changes to tax preference:

The following changes are always applicable when a panel member's tax preference changes between Tax Tables and or Fix tax %:

Scenario	From	To	Do the following
A	Tax Tables	Fix %	Keep existing panel member number
B	Fix %	Tax Tables	Create a new panel member number
C	Fix % (e.g. 25%)	Fix % (e.g. 30%)	Keep existing panel member number

Implement the steps below to make changes to the panel member's profile

Step	Action
1	Panel member must complete Personal Tax form and attach a proof of Tax reference number.
2	Admin assistant must contact the Regional payroll clerk to check and verify if panel member has any income (YTD) for the current tax year.
3	Admin assistant to apply the changes as indicated in the table above on: <ul style="list-style-type: none"> <li>- Scenario A/C: Change the panel member's tariff type</li> <li>- Scenario B: Transfer panel member to a new number and change tariff type</li> </ul>
4	For Scenario B ONLY: <ul style="list-style-type: none"> <li>• Transfer panel member profile by using the Change tax transfer option.</li> <li>• Inform panel member of new number</li> <li>• Inform Payroll Officer of the new number if the panel member has any outstanding balances i.e. DBE, garnishee, ITA88</li> <li>• Payroll Officer to transfer any balances i.e. DBE, garnishee, AA88, leave, etc. to the new number.</li> </ul>

**IRP5 REQUESTS:**

Implement the steps below to for IRP5 requests

Step	Action
1	<ul style="list-style-type: none"> <li>• IRP5's are available on E-Filing. (<a href="http://www.sarsefiling.co.za">www.sarsefiling.co.za</a>)</li> <li>• Hard Copies of the IRP5/IT3a tax certificates are available at the branch offices on request.               <ul style="list-style-type: none"> <li>- IRP5 certificates contain confidential information; therefor the Payroll Clerk must ensure that the panel member is correctly identified before providing the certificate.</li> </ul> </li> <li>• The Payroll Clerk / MHR authorised representatives can access the Tax certificates on the Shared folder from 2009 to date.</li> <li>• Any IRP5's required for a period prior to 2009 has to be requested from the Payroll Officers</li> <li>• Should further access required for other MHR staff members, the Branch manager can request this from the Payroll Supervisor.</li> <li>• There is no cost involved when an IRP5 is requested from MHR.</li> </ul>

**ASSOCIATED DOCUMENTS**

Title	Location/Number
MHR Personal Tax form	MHR Secure docs
EMP10	<a href="http://www.sars.gov.za">www.sars.gov.za</a>