RSA – Employment Tax Incentive

Version 12
Enterprise Management HR

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1.0 Circulation
Document revision history

Date	Version	Detail	Author
2018/06/30	Version 1.0	First draft	Christine Painter

2.0 Legislative Background

The Employment Tax Incentive Act came into effect on 1 January 2014. The initial effective period was three years but it was extended to end on 28 February 2019. The Act is administered by SARS.

The purpose of the Act is to encourage and incentivise employers to hire young and less experienced work-seekers. It reduces the cost to employers of hiring young people through a cost-sharing mechanism with government. In practical terms it means that the employer will now receive an incentive for employing the youth, subject to certain conditions, which will be in the form of a reduced monthly PAYE liability.

2.1   Employer

The employer is eligible to receive the tax incentive if the employer:

- is a private sector employer registered for employees' tax (PAYE),
- is not in the national, provincial or local sphere of government,
- is not a public entity listed in Schedule 2 or 3 of the Public Finance Management Act (other than those public entities designated by the Minister of Finance by Notice in the Gazette),
- is not a municipal entity, and
- is not disqualified by the Minister of Finance due to displacement of an employee or by not meeting such conditions as may be prescribed by the Minister by regulation.

2.2   Employee

An individual is a qualifying employee if he/she:

- has a valid South African ID, a valid asylum seeker permit or an ID in terms of Section 30 of the Refugees Act,
- is 18 to 29 years old by the end of the month (please note that the age limit is not applicable if the employee renders services inside a special economic zone (SEZ) to an employer that is operating inside the SEZ, or
- if the employee is employed by an employer that operates in an industry designated by the Minister of Finance),
- was employed by the employer or an associated person to the employer on or after 1 October 2013, and
- the employee must earn at least the minimum wage as specified by the sectoral determination, collective agreement or bargaining council. If no wage regulating measure is applicable, the employee must earn at least R2 000 for a full month (160 or more employed and remunerated ordinary hours), and the employee will not qualify if he/she:

- is a domestic worker, or

- is a "connected person" to the employer, or

- earns remuneration of R6 000 or more during a full month (160 or more

- employed and remunerated hours).

2.3   Incentive Amount

The incentive will be available for a maximum of 24 incentive months per qualifying employee, broken up into a 'first 12 months' period and a 'next 12 months' period'.

Monthly Remuneration	First 12 Incentive Months	Next 12 Incentive Months
R 0 – R1 999.99	50% of Monthly Remuneration	25% of Monthly Remuneration
R 2 000 – R3 999.99	R1 000	R500
R 4 000 – R5 999.99	Formula: R1 000 – (0.5 x (Monthly Remuneration – R4 000)	Formula: R500 – (0.25 x (Monthly Remuneration – R4 000)

The incentive must be determined every month by identifying who the qualifying employees are and by doing the above calculation.

In determining the first or the second 12-month period, only the months in which the employee was a qualifying employee are taken into account.

For example, the employee may be a qualifying employee in the first three months but not a qualifying employee in the fourth and the fifth months. If the employee is a qualifying employee in the sixth month, the sixth month is month number four as far as the 12-month period is concerned. If the employee is employed by an associated person, it will be seen as employment at one employer and must be taken into consideration for determining the 24 incentive month period.

The monthly remuneration to be used in the above calculation is the following:

- if an employee is employed and remunerated for 160 hours or more in a month, then it is the actual amount of remuneration paid to the employee in a month (no gross-up),

- if an employee is employed and remunerated for less than 160 hours in a month the monthly remuneration is calculated as follows:

    Remuneration earned in the month / hours employed and remunerated x 160.

2.4   Unavailability of the Incentive Amount

An employer is not allowed to reduce the PAYE payable in respect of a month if the employer, on the last day of the month,

- failed to submit any return or
- has any tax debt outstanding except if
- an agreement has been concluded for a deferral payment,
- an agreement has been concluded for compromise of a tax debt,
- a tax debt has been suspended pending an objection or appeal, or
- the tax debt is less than R100.

2.5   Incentives Carried Forward

The incentive amounts can be rolled-over to the next month in 3 instances:

- if the incentive amount available exceeds PAYE due in a month,
- if the employer did not claim the amount entitled to, or
- if the employer was not allowed to reduce the employees' tax payable due to outstanding tax returns or SARS debt.

The incentive amount may be carried forward for future use subject to certain conditions.

2.6   Reimbursement of Carried Forward Incentive Amounts

If the employer is tax compliant, the ETI due to the employer will be reimbursed at some stage during the next 6 month cycle. An ETI refund will only be paid if an employer is tax compliant. This means that all tax returns must have been submitted and there should be no outstanding tax debt when the employer reconciliation documents (EMP501 and IRP5/IT3(a)s) are received and processed by SARS. If the employer is not tax compliant at the end of the 6 month cycle, the excess amount will be reimbursed when the employer becomes tax compliant. If the employer fails to be tax compliant within the next six months, the excess amount will be permanently lost.

Monthly claims can only be made up to the date of each 6-monthly reconciliation period after which no further claims for that reconciliation period will be allowed. In certain instances, the excess will become available as a refund.

3.0 Pay plan pre-settings

The following information must be correctly defined in the system for the South African pay plan:

- Company legal data,
- Legislation values,

3.1   Company – Legal data

The following company information should be completed on the RSA legal data screen:

- ETI eligible employer

Access: Setup > Organizational structure > Companies > Legal data

If the employer is eligible to receive the tax incentive, "yes" should be selected in the "ETI eligible employe" field.

3.2   Legislation values

The statutory ETI limits are defined on the RSA Tax information tab.

These values will be updated by Sage according to the legislation, whenever these values change.

Legislation values

Validity start date *	Valid to	Legislation
03/01/18		ZAF
		South Afr

MISCELLAN   EE RATES   ER RATES   STOPPAGE   EXPENSES   **RSA TAX INFO**

ZA6   RSA Tax Information

21 Results Display: 25

		Variable	Description	Value
1		27_5_RR	.Retirement Reforms 27.5%	27.50
2		BCEA_PER	BCEA Period	3.00
3		BCEA_THRES	BCEA Earnings Threshold	205,433.30
4		ETI_MAX_RE	ETI Maximum Remuneration	6,000.00
5		ETI_MIN_WA	ETI Minimum Wage	2,000.00
6		INT_RATE	Official Interest Rate	7.75
7		LIMIT_RR	Retirement Reforms Limit	350,000.00
8		LS_AWARD	Long Service Award	5,000.00
9		MED_ADD	Medical Tax Credit Add Dep	209.00
10		MED_DEP1	Medical Tax Credit Dep 1	310.00
11		MED_MAIN	Medical Tax Credit Main Member	310.00
12		OID_LIMIT	OID Limit	430,944.00
13		PRESC_RATE	Prescribed Reimbursive Rate	3.61
14		PSP_COMP	PSP Company	28.00
15		PSP_TRUST	PSP Trust	45.00
16		RATE_FACTO	BCEA Rate Factor	30.00
17		SDL_PERC	Skills Development Percentage	1.00
18		TEMP_PART	Temp/Part-time	25.00
19		UIF_EE	UIF Employee %	1.00

4.0 Employee Record

Access: Personnel administration > Personnel data forms > Employee

4.1   Specialities tab

If the employee has a valid asylum seeker permit or an ID in terms of Section 30 of the Refugees Act, the required information must be entered under permits and authorizations.

		Authorization			Description	Granting date		Place of issue	Valid to		To ren…
1		AS	Q		Assylum Seeker	03/01/18	📅	Pretoria	12/31/20	📅	No
2		RA	Q		ID in terms of the Refugee Act	03/01/18	📅	Pretoria	12/31/20	📅	No

Permits and authorizations

4.2   Additional tab

A valid ID number must be entered for an employee for the system to calculate the employment tax incentive.

Additional info

RSA ID number

9001010239183

5.0 Employment Contract Record

Access: Personnel administration > Personnel data forms > Employment contract

5.1   Payroll tab

ETI info

Field	Impact
Non-qualifying emp.	If this field is ticked, the system will not calculate an ETI incentive, even though the employee might have qualified.
ETI calculation type	The following options are available: • N – ETI Normal • I – ETI SIC Force • Z – ETI SEZ Force Please note that the option selected does not have an impact on statutory calculations.
Permanent	This field can be used to indicate if an employee is permanently employed. Please note however that the tick does not have an impact on the statutory calculations.
Std. Industrial class	This field is used to indicate the SIC code of the employee.

6.0 Pay Plan Setup

6.1 No wage regulating measure

If no wage regulating measure is applicable, where the employee is employed and paid remuneration for at least 160 hours in a month, the employee must be paid a minimum wage of at least R2 000, if the employee was employed and remunerated for less than 160 hours in a month, the employee must be paid a minimum wage of an amount that bears to the amount of R2 000 the same ratio as 160 hours bears to the number of hours that employee was employed for and paid remuneration by that employer in that month.

Please see examples below for a pay plan setup where there is no wage regulating measure.

6.1.1 Wage/Salary Heading

Access: Setup > Payroll plan > Headings

ETI totals to be linked to Salary:
- WAGE_COM_M: Wage Components MTD

If there is no wage regulating measure, link all Wage headings to WAGE_COM_M. Wage (as defined in section 1 of the BCEA) refers to the amount of money payable to an employee in respect of ordinary hours of work. Wage will include items such as annual leave, family leave, sick leave etc. Unpaid leave should reduce the employee's contractual wage for the month. Wage will not include items such as backpay, leave paid and notice pay since it is not a payment for ordinary hours of work for that month.

Access: Payroll > Payslips > Employee payslips

		Seq...	Heading		Basis	Rate	Amount	Rate	Amount
1		10	TAX_AGE	Q ▤	28.00				
2		70	AVE_DAYSP	Q ▤	121.66				
3		100	DAYS_TX_YR	Q ▤	365.00				
4		110	PRO_RATION	Q ▤	3.00				
5		115	PRO_RATI_2	Q ▤	0.33				
6		300	TAX_REBATE	Q ▤	14,067.00				
7		3001	NORM_HRS	Q ▤	176.00				
8		3005	ORD_HRS	Q ▤	176.00				
9		3007	BCEA_FACT	Q ▤	22.00				
10		8001	SALARY	Q ▤			2,000.00		

Employee totals:

WAGE_COM_M	Wage Components MTD		Month	2,000.000	2,000.000

6.2 Wage regulating measure

If a wage regulating measure is applicable, the wage paid is compared to the minimum wage of the wage regulating measure in respect of that month. A rate per hour comparison is applied.

Please see examples below for a pay plan setup where there is a wage regulating measure.

6.2.1 Minimum rate per hour Heading

Access: Setup > Payroll plan > Headings

It is important to set up a heading which calculates the minimum rate per hour of an employee according to the job grade determined by the sectoral determination.

The heading which calculates the employee's minimum rate per hour must be linked to the following total:

- WRM_MRPH   WRM Minimum Rate Per Hour

6.2.2   Actual rate per hour Heading

Access: Setup > Payroll plan > Headings

It is important to set up a heading which calculates the actual rate per hour of an employee according to the job grade determined by the sectoral determination.

The heading which calculates the employee's actual rate per hour must be linked to the following total:

- WRM_RPH   WRM Rate Per Hour

6.2.3   Input on payslip

If an employee belongs to a wage regulating measure (bargaining council, sectoral determination or collective agreement), it is important to enter a "1" next to the variable WRM_VAL. This can be done on legislation, company, site or employee (hours tab) level.

Access: Payroll > Payslips > Employee payslips

PAYROLL	BASIC SALARY	HOURS	EARNINGS	DEDUCTIONS	FRINGE BENEF	LEAVE	PAYSLIP

ZA2   Hours

		Variable			Description	Value	Entere...
1		WRM_MRPH	Q		WRM Minumum Wage Rate Per Hour	12.00	No
2		WRM_RPH	Q		WRM Wage Rate Per Hour	15.00	No
3		WRM_VAL	Q		Wage Regulated Measure Value	1.00	No

6.3   Ordinary Hours

The ordinary hours of all the employees must be defined on the system, regardless of whether a wage regulating measure is applicable. If it is a permanent employee (employee who works in terms of an employment contract that specifies a contractual predictability of regular work in the future, an employee with a standard number of hours to work in every month), the contractual ordinary hours can be used, reduced with any unpaid hours. If it is a temporary employee (employees who work without an expectation or contractual predictability of regular work in the future and would include so-called 'casuals' and 'temps') the actual ordinary hours employed and paid for should be used (unpaid hours will automatically not be counted).

If it is a new/terminated employee (employee who was employed after the first day of the month or terminated before the last day of the month), the actual ordinary hours employed and paid for should be used (unpaid hours will automatically not be counted depending on how it is processed on the system).

Please note that ordinary hours are used for the wage qualifying test and not for the remuneration test.

Access: Setup > Payroll plan > Headings

Example:

Code *		Legislation *		Sequence *		Description *
ORD_HRS	🔍 ▦	ZAF	🔍 🗒 ▦		3005	Ordinary Hours
		South African legislation				

GENERAL   **AMOUNTS**   PROFILES   PRINTING   OTHERS

Bases

Base		(V_ORD_HOURS>0)*(V_ORD_HOURS) + (V_ORD_HOURS<1)*([F:HRCTR]HRSM ▦

ETI totals to be linked to Ordinary Hours:
- ETI_ORDIN: ETI Ordinary Hours

Totals

▦ 🔍

		Total		Description	Periodicity	+/-/Rtz
1	▦	ETI_ORDIN	🔍 ▦	ETI Ordinary Hours	Month	+ Employee's share

Access: Payroll > Payslips > Employee payslips

PAYROLL   BASIC SALARY   HOURS   EARNINGS   DEDUCTIONS   FRINGE BENEF   LEAVE   **PAYSLIP**

Payslip

▦ 🔍

		Seq...	Heading		Basis	Rate	Amount	Rate	Amount
1	▦	10	TAX_AGE	🔍 ▦	28.00				
2	▦	70	AVE_DAYSP	🔍 ▦	121.66				
3	▦	100	DAYS_TX_YR	🔍 ▦	365.00				
4	▦	110	PRO_RATION	🔍 ▦	3.00				
5	▦	115	PRO_RATI_2	🔍 ▦	0.33				
6	▦	300	TAX_REBATE	🔍 ▦	14,067.00				
7	▦	3001	NORM_HRS	🔍 ▦	176.00				
8	▦	3005	ORD_HRS	🔍 ▦	176.00				
9	▦	3007	BCEA_FACT	🔍 ▦	22.00				
10	▦	8001	SALARY	🔍 ▦			2,000.00		

Employee totals:

ETI_ORDIN	ETI Ordinary Hours	Month	176.000	176.000

6.4 Normal Hours

The actual hours of all the employees must be defined on the system, regardless of whether a wage regulating measure is applicable. These hours refer to all hours the employee was employed and remunerated for, i.e. ordinary/contractual hours less any unpaid hours (such as unpaid leave) plus any additional hours (such as overtime).

Please note that normal hours are used for the remuneration test as well as for the calculation of the employment tax incentive.

Access: Setup > Payroll plan > Headings

Example:

Code *	Legislation *	Sequence *	Description *
NORM_HRS	ZAF	3001	Normal Hours
	South African legislation		

GENERAL **AMOUNTS** PROFILES PRINTING OTHERS

Bases

Base	(V_NRM_HOURS>0)*(V_NRM_HOURS) + (V_NRM_HOURS<1)*([F:HRCTR]HRSM

ETI totals to be linked to Normal Hours:
- ETI_ACTUAL: ETI Actual Hours

Totals

		Total	Description	Periodicity	+/-/Rtz
1		ETI_ACTUAL	ETI Actual Hours	Month	+ Employee's share

Access: Payroll > Payslips > Employee payslips

PAYROLL   BASIC SALARY   HOURS   EARNINGS   DEDUCTIONS   FRINGE BENEF   LEAVE   **PAYSLIP**

Payslip

		Seq…	Heading	Basis	Rate	Amount	Rate	Amount
1		10	TAX_AGE	28.00				
2		70	AVE_DAYSP	121.66				
3		100	DAYS_TX_YR	365.00				
4		110	PRO_RATION	3.00				
5		115	PRO_RATI_2	0.33				
6		300	TAX_REBATE	14,067.00				
7		3001	NORM_HRS	176.00				
8		3005	ORD_HRS	176.00				

Employee totals:

ETI_ACTUAL	ETI Actual Hours	Month	176.000	176.000

6.5   ETI Incentive on payslip

Access: Payroll > Payslips > Employee payslips

6.5.1   No wage regulating Measure

In the example below, the employee's ordinary hours for the month is 140 hours and his/her actual hours for the month is 150 hours. The employee's basic salary is R2 000.00 and his/her overtime is R1 000.00 for the month.

Payslip example

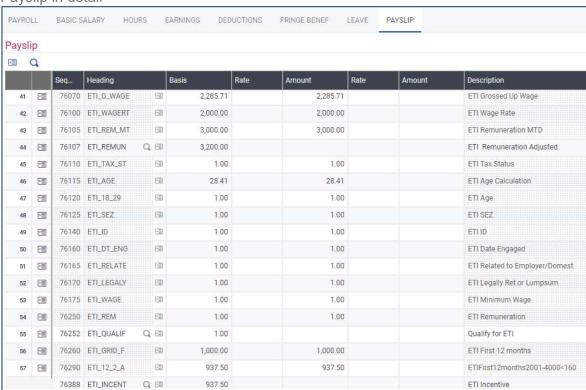|		Seq...	Heading		Basis	Rate	Amount	Rate	Amount	Description
9		3007	BCEA_FACT		22.00					BCEA Rate Factor
10		8001	SALARY				2,000.00			Basic Salary
11		9019	OT1_5				1,000.00			Overtime 1.5Hrs
12		60680	T_NORM_INC		63,000.00					Total Taxable Normal Inc YTD
13		61202	FUND_REM		63,000.00					Fund Remuneration
14		61260	T_TAX_INC		63,000.00					Total Taxable Income excl Ann
15		65040	T_TINC_MTD		3,000.00					Total Taxable Income MTD
16		65050	T_SDL_MTD		3,000.00					Total Taxable SDL Income MTD
17		65060	TAX_PERC		18.00					Taxable Percentage
18		65480	TX_13		1,056.50		-1,056.50			Tax
19		76107	ETI_REMUN		3,200.00					ETI Remuneration Adjusted
20		76252	ETI_QUALIF		1.00					Qualify for ETI
21		76388	ETI_INCENT		937.50					ETI Incentive

Payslip in detail

		Seq...	Heading		Basis	Rate	Amount	Rate	Amount	Description
41		76070	ETI_G_WAGE		2,285.71		2,285.71			ETI Grossed Up Wage
42		76100	ETI_WAGERT		2,000.00		2,000.00			ETI Wage Rate
43		76105	ETI_REM_MT		3,000.00		3,000.00			ETI Remuneration MTD
44		76107	ETI_REMUN		3,200.00					ETI Remuneration Adjusted
45		76110	ETI_TAX_ST		1.00		1.00			ETI Tax Status
46		76115	ETI_AGE		28.41		28.41			ETI Age Calculation
47		76120	ETI_18_29		1.00		1.00			ETI Age
48		76125	ETI_SEZ		1.00		1.00			ETI SEZ
49		76140	ETI_ID		1.00		1.00			ETI ID
50		76160	ETI_DT_ENG		1.00		1.00			ETI Date Engaged
51		76165	ETI_RELATE		1.00		1.00			ETI Related to Employer/Domest
52		76170	ETI_LEGALY		1.00		1.00			ETI Legally Ret or Lumpsum
53		76175	ETI_WAGE		1.00		1.00			ETI Minimum Wage
54		76250	ETI_REM		1.00		1.00			ETI Remuneration
55		76252	ETI_QUALIF		1.00					Qualify for ETI
56		76260	ETI_GRID_F		1,000.00		1,000.00			ETI First 12 months
57		76290	ETI_12_2_A		937.50		937.50			ETIFirst12months2001-4000<160
		76388	ETI_INCENT		937.50					ETI Incentive

ETI Heading	Sequence	Explanation
ETI_G_WAGE	76070	This is the grossed-up wage of the employee which is used for the wage qualifying test. R 2 000 x 160/140 (ordinary hours) = R 2 285.71
ETI_WAGERT	76100	This is the actual wage of the employee
ETI_REM_MT	76105	This is the actual remuneration of the employee.
ETI_REMUN	76107	This is the grossed-up remuneration of the employee. R 3 000 (salary +overtime) x 160/150 (normal hours) = R 3 200.00
ETI_TAX_ST	76110	A "1" will display if the employee qualifies in terms of his/her tax status.
ETI_AGE	76 115	The employee's ETI age will display in this field.
ETI_18_29	76 120	A "1" will display if the employee qualifies in terms of his/her age and the above headings calculate.
ETI_SEZ	76 125	A "1" will display if the ETI headings above calculate.
ETI_ID	76 140	A "1" will display if the employee has a valid ID, asylum seeker permit or ID in terms of the Refugee Act and the above headings calculate.
ETI_DT_ENG	76 160	A "1" will display if the employee was employed on or after 1 October 2013 and the above headings calculate.
ETI_RELATE	76 165	A "1" will display if the non-qualifying field on the employment contract is not ticked and the above headings calculate.
ETI_LEGALLY	76 170	A "1" will display if the legally retired flag is not ticked and total 3915_MTD and 3920_MTD is unequal to 0 and the above headings calculate.
ETI_WAGE	76175	A "1" will display if the employee's grossed-up wage is more than R 2 000.00 and the above headings calculate.

ETI Heading	Sequence	Explanation
ETI_REM	76 250	A "1" will display if the employee's grossed-up remuneration is between R 2 000.00 and R6 000.00 and the above headings calculate.
ETI_QUALIFY	76 252	A "1" will display if the employee qualifies for ETI for the specific pay run.
ETI_INCENT	76 388	This heading calculates the ETI Incentive of the employee. R1 000 x 150/160 = R937.50

6.5.2 Wage regulating Measure

In the example below, the employee's ordinary hours for the month is 140 hours and his/her actual hours for the month is 150 hours. The basic salary of the employee is R2 000.00 and his/her overtime is R1 000.00 for the month. The minimum rate per hour according to the employee's job grade is R12 per hour and his/her actual rate per hour is R15 per hour.

Payslip example

		Seq…	Heading		Basis	Rate	Amount	Rate	Amount	Description
9		3007	BCEA_FACT	Q	22.00					BCEA Rate Factor
10		8001	SALARY	Q			2,000.00			Basic Salary
11		9019	OT1_5	Q			1,000.00			Overtime 1.5Hrs
12		60680	T_NORM_INC	Q	63,000.00					Total Taxable Normal Inc YTD
13		61202	FUND_REM	Q	63,000.00					Fund Remuneration
14		61260	T_TAX_INC	Q	63,000.00					Total Taxable Income excl Ann
15		65040	T_TINC_MTD	Q	3,000.00					Total Taxable Income MTD
16		65050	T_SDL_MTD	Q	3,000.00					Total Taxable SDL Income MTD
17		65060	TAX_PERC	Q	18.00					Taxable Percentage
18		65480	TX_13	Q	1,056.50		-1,056.50			Tax
19		76107	ETI_REMUN	Q	3,200.00					ETI Remuneration Adjusted
20		76252	ETI_QUALIF	Q	1.00					Qualify for ETI
21		76388	ETI_INCENT	Q	937.50					ETI Incentive

Payslip in detail

		Seq...	Heading		Basis	Rate	Amount	Rate	Amount	Description
43		76050	ETIMINWAGE		12.00		12.00			ETI Monthly Minimum Wage
44		76100	ETI_WAGERT		15.00		15.00			ETI Wage Rate
45		76105	ETI_REM_MT		3,000.00		3,000.00			ETI Remuneration MTD
46		76107	ETI_REMUN		3,200.00					ETI Remuneration Adjusted
47		76110	ETI_TAX_ST		1.00		1.00			ETI Tax Status
48		76115	ETI_AGE		28.41		28.41			ETI Age Calculation
49		76120	ETI_18_29		1.00		1.00			ETI Age
50		76125	ETI_SEZ		1.00		1.00			ETI SEZ
51		76140	ETI_ID		1.00		1.00			ETI ID
52		76160	ETI_DT_ENG		1.00		1.00			ETI Date Engaged
53		76165	ETI_RELATE		1.00		1.00			ETI Related to Employer/Domest
54		76170	ETI_LEGALY		1.00		1.00			ETI Legally Ret or Lumpsum
55		76175	ETI_WAGE		1.00		1.00			ETI Minimum Wage
56		76250	ETI_REM		1.00		1.00			ETI Remuneration
57		76252	ETI_QUALIF		1.00					Qualify for ETI
58		76260	ETI_GRID_F		1,000.00		1,000.00			ETI First 12 months
59		76290	ETI_12_2_A		937.50		937.50			ETIFirst12months2001-4000<160
60		76388	ETI_INCENT		937.50					ETI Incentive

ETI Heading	Sequence	Explanation
ETIMINWAGE	76050	This is the employee's minimum rate per hour according to sectoral determination.
ETI_WAGERT	76100	This is the employee's actual rate per hour.
ETI_REM_MT	76105	This is the actual remuneration of the employee.
ETI_REMUN	76107	This is the grossed-up remuneration of the employee. R 3 000 x 160/150 (normal hours) = R 3 200.00
ETI_TAX_ST	76110	A "1" will display if the employee qualifies in terms of his/her tax status.
ETI_AGE	76 115	The ETI age will display in this field.
ETI_18_29	76 120	A "1" will display if the employee qualifies in terms of his/her age and the above headings calculate.
ETI_SEZ	76 125	A "1" will display if the ETI headings above calculates and the above headings calculate.

ETI Heading	Sequence	Explanation
ETI_ID	76 140	A "1" will display if the employee has a valid ID, asylum seeker permit or ID in terms of the Refugee Act and the above headings calculates and the above headings calculate.
ETI_DT_ENG	76 160	A "1" will display if the employee was employed on or after 1 October 2013 and the above headings calculate.
ETI_RELATE	76 165	A "1" will display if the non-qualifying field on the employment contract is not ticked and the above headings calculate.
ETI_LEGALLY	76 170	A "1" will display if the legally retired flag is not ticked and total 3915_MTD and 3920_MTD is unequal to 0 and the above headings calculate.
ETI_WAGE	76175	A "1" will display if the employee's grossed-up wage is more than R 2 000.00 and the above headings calculate.
ETI_REM	76 250	A "1" will display if the employee's grossed-up remuneration is between R 2 000.00 and R6 000.00 and the above headings calculate.
ETI_QUALIFY	76 252	A "1" will display if the employee qualifies for ETI for the specific pay run.
ETI_INCENT	76 388	This heading calculates the ETI Incentive of the employee. R1 000 x 150/160 = R937.50

6.6 Employee totals

Access: Payroll > Payslips > Employee payslips > Emp. Totals

Please see the explanation below of the ETI totals used in the South African pay plan:

ETI Totals used on the South African pay plan	Description
4118_YTD	This total indicates the sum of the calculated ETI amounts for the employee during the year of assessment.
7002_MTD	This total indicates the actual ETI remuneration paid to the employee.
7003_MTD	This total indicates the minimum rate per hour as specified by the sectoral determination.
7008_MTD	This total indicates the actual wage that is paid for the specified month. If a wage regulating measure is applicable, the actual rate per hour of the employee will be indicated for the specified month.
ETI_ACTUAL	This total indicates the actual number of hours for which the employee was employed and paid remuneration in the specified month.
ETI_AMNT_Y	This total indicates the total ETI amount claimed for an employee.
ETI_AMOUNT	This total indicates the amount of the employment tax incentive available to the employer for the employee for the specific month.
ETI_ORDIN	This total indicates the employee's ordinary hours for the specified month.
ETI_PER_MT	If a "1" reflects next to this total, the employee qualifies for ETI for the specific period.
ETI_PERIOD	This total indicates the number of periods ETI was claimed for the employee.
ETI_REM	This total calculates the employee's grossed-up ETI remuneration.
WAGE_COM_M	This total indicates the actual wage paid to an employee.
WRM_MRPH	This total indicates the minimum rate per hour of an employee as specified by the sectoral determination.
WRM_RPH	This total indicates the actual rate per hour of an employee as specified by the sectoral determination.

Access: Payroll > Payslips > Employee payslips > Emp. Totals

6.7   ETI Period Adjustment

When a period adjustment needs to be made, for example for take-on purposes or when an employee moves between associated institutions, the following variable should be used to do the period adjustment:
- ETI_MON_AD

Access: Payroll > Payslips > Employee payslips > Hours tab

		Variable	Description	Value	Entere...
			PAYROLL BASIC SALARY **HOURS** EARNINGS DEDUCTIONS FRINGE BENEF LEAVE PAYSLIP		
ZA2					Hours
1		ETI_MON_AD	ETI Month Adjustment	5.00	No
2					

Employee total before:

ETI_PERIOD	ETI Period	Manual rtz	1.000	1.000

Employee total after:

ETI_PERIOD	ETI Period	Manual rtz	6.000	6.000