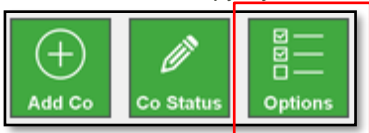
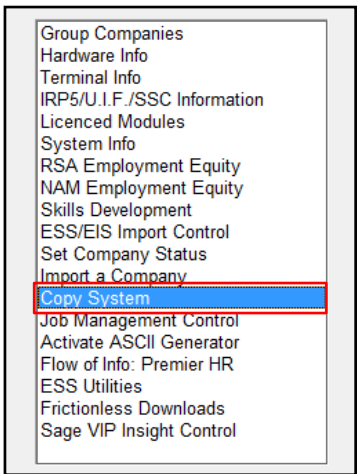


Tax Year-End Checklist 2020 Zimbabwe



GENERAL INFORMATION	
Tax-year:	1 January to 31 December
What must be submitted:	<ul style="list-style-type: none"> ITF 16 - Income Tax Form 16 Return Electronic File P 6 – Tax Certificates Declaration of Salaries and Wages paid <p>Declaration of Salaries and Wages paid for the year</p>
Who must submit the documentation:	All employers
Submission date:	31 January

STEP	ACTION	DONE
PREPARATION		
1.	Copy System If a separate Tax directory has not been created yet, you need to make a copy of the system. Always check that the icon opens VIP and that the companies can be accessed.	
2.	How to Create a VIP Copy System: STEP 1 <ul style="list-style-type: none"> Open VIP System (do not open any of the companies) Click on Options Click on Copy System  <ul style="list-style-type: none"> Click on Continue 	

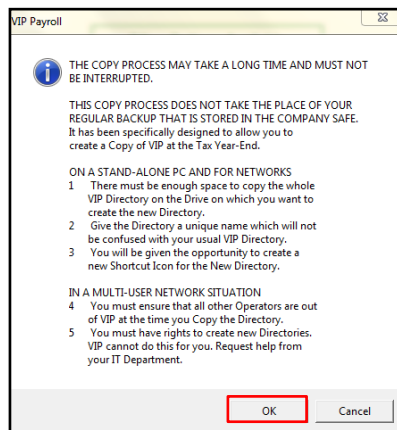
Tax Year-End Checklist 2020

Zimbabwe



STEP 2

- The following screen will be displayed.
- Please read through it carefully.
- Click on OK to continue.

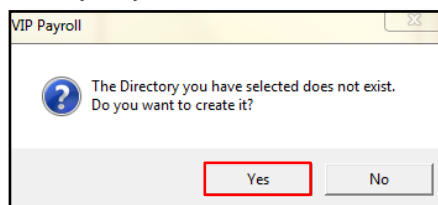


STEP 3

Enter the Drive letter together with the Directory name and click on continue.

For example: **C:\TAX2020**

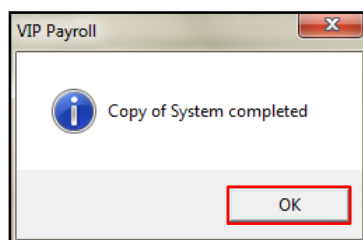
The system will indicate that the directory does not exist and will ask to create the directory for you. Click on Yes.



STEP 4

When the copy process is completed the below message will be displayed.

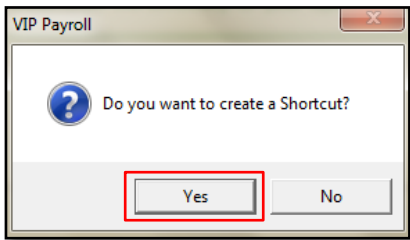
Click on OK to continue.



Tax Year-End Checklist 2020

Zimbabwe



	<p>STEP 5</p> <p>The system will ask whether you want to create a Shortcut. Click on Yes.</p>  <p>Enter a name for the Shortcut. Example: TAX2020 The System will automatically create a shortcut for you on your Desktop.</p>	
3.	<p>Latest Release</p> <p>Ensure VIP Premier is on the latest release. For December 2020, the latest Release must be Release 5.5a</p>	
4.	<p>Tax Module Version</p> <p>Ensure that you are using the correct Tax Module Version.</p> <p>Steps: From the VIP Main Menu → Payroll → Definitions → Africa Rule Linking</p>	
5.	<p>Basic Company Information Screen</p> <p>Verify the information on the Basic Company Information Screen:</p> <ul style="list-style-type: none"> Registered/trading name of the company (company name that must print on the tax certificates) Physical address of the company Tax registration number (PAYE reference number) On the Additional Information Tab <ul style="list-style-type: none"> <i>Additional Company Info 1</i> = Company Trade Name (P2) <i>Additional Company Info 2</i> = Company SSR Number (P4) <i>Additional Company Info 3</i> = Industry Code Number (P4) <i>Additional Company Info 4</i> = Company SDL Number <i>Additional Company Info 5</i> = IC Number (Industrial Council) <i>Additional Company Info 6</i> = Old Mutual Pension Code <p>Steps: From the VIP Main Menu → Company → Basic Company Information</p>	
6.	<p>Company Reconciliation Report: Before Changes</p> <p>Print the Company Reconciliation Report</p> <p>Use this to determine what items the client got on the payroll and verify the 12 Month Totals.</p>	
7.	<p>Employee Information</p> <p>Verify the following on the Employee Information Screens (IS):</p> <p>7.1. Personal Details</p> <ul style="list-style-type: none"> Surname (no punctuation allowed) First Two Names (no punctuation allowed) Initials (no punctuation/spaces allowed) Identity Number/Passport number and Passport Country 	

Tax Year-End Checklist 2020

Zimbabwe



	<ul style="list-style-type: none"> • Date of Birth • Group: ZIMSTATP4 • Job Title • Marital Status <p>7.2. Address Details</p> <ul style="list-style-type: none"> • Residential Address • Postal Address and Work Address (remove all punctuation marks and correct all fictitious information) <p>7.3. Statutory Details</p> <ul style="list-style-type: none"> • Tax Number = Employee TPIN Number • Sundry Number 2 = Old Mutual Pension Number • Sundry Number 3 = Nature of Employee A/N <p>7.4. Additional screens to check is on the Supplementary Screen:</p> <ul style="list-style-type: none"> • <i>Country field 1 (SUP)</i> = Nationality • <i>Country field 2 (SUP)</i> = Citizenship • <i>Contact Number (SUP)</i> = Driver's Licence Number • <i>Union Number (SUP)</i> = Birth Certificate Number • <i>Military Number (SUP)</i> = Medical aid number • <i>House Doctor (SUP)</i> = Pension Number 	
8.	<p>Calculation Screen</p> <p>Verify the employees' Calculation Screen (XS)</p> <p>Ensure that the correct additional information is entered on the XS Screen of the</p> <p>There are additional defined fields to complete on the XD screen:</p> <ul style="list-style-type: none"> • Exchange Rate – Standard in all Africa Companies • Confirm employees to be linked to Disable Flag • Confirm employees to be linked to Blind Flag • Medical Aid Information: <ul style="list-style-type: none"> ○ Med Shortfall ○ Med Expense ○ CMAS Medical Aid ○ Gen Health Medical Aid • Confirm employee amounts for Private Subscription (Other Tax Deductibles) • Confirm employee amounts for Tradesman Tools (Other Tax Deductibles) • Confirm employee amounts for Donations (Other Tax Deductibles) <p>Steps:</p> <p>From the VIP Main Menu → Payroll → Definitions → Calc. Field Definitions</p>	
9.	<p>Africa Tax Rule Linking Screen</p> <p>Confirm the Taxable Parameters on the Africa Tax Rule Linking Screen.</p> <p>Below are guidelines with regards to the linking.</p> <p>Steps:</p> <ul style="list-style-type: none"> • From the VIP Main Menu → Payroll → Definitions → Africa Rule Linking 	

Tax Year-End Checklist 2020

Zimbabwe



	<p>Linking of Tax Tables (Tax Table Tab)</p> <ul style="list-style-type: none"> • Zimbabwe uses an Annual Tax Calculation setup on Period Average • Annual Tax Calculation is linked to Set 2 on the Africa Rules Linking Screen: <table border="1"> <thead> <tr> <th colspan="2">Tax Elements</th> <th>Tax Tables</th> </tr> <tr> <th>Code</th> <th>Description</th> <th>Linked to</th> </tr> </thead> <tbody> <tr> <td>ANN001</td> <td>Annual Tax Table Option 1</td> <td>Set 2</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • The annual tax calculation uses YTD+ actual figures when calculating tax. • Period Average is linked on the company miscellaneous screen: <ul style="list-style-type: none"> ○ <i>New Employees</i> that start in the middle of a period will be taxed on a full period ○ <i>Terminated Employees</i> that are terminated in the middle of a period will be taxed on a full period. ○ <i>Future Terminations</i> will use Actual Days when calculating the final tax • Please do not change the SET in December as this will lead to major tax implications. Change in the new tax year 2021. 	Tax Elements		Tax Tables	Code	Description	Linked to	ANN001	Annual Tax Table Option 1	Set 2	
Tax Elements		Tax Tables									
Code	Description	Linked to									
ANN001	Annual Tax Table Option 1	Set 2									
10.	<p>Explanation of the Linking of Tax Elements (Tax Element Tab):</p> <ul style="list-style-type: none"> • BON001: A Bonus Exempt bonus or performance-related award is ZWL5000 Confirm All bonus earnings that should be linked to this rule. • BP002: A Blind Person Tax Credit Blind employees get a ZWL9 000 tax credit – Flag on XS screen to be linked • DIS002: A Disabled Tax Credit Disabled employees get a ZWL9 000 tax credit – Flag on XS screen to be linked • FB002: A Fringe Benefits Confirm all Perk Tax and Calculation Screen definition lines that should be linked • MED002: A Medical Aid Tax Credit 50% of medical aid expenses paid by an employee can be deducted from income tax Confirm all Deduction and Calculation Screen definition lines that should be linked • MEDS002: A Medical Shortfall Tax Credit 50% of the amount paid by the employee for medical aid shortfall can be deducted from income tax. Confirm all Deduction and Calculation Screen definition lines that should be linked • PER001: A Periodic Earn Excluding Bonus & Retrench Confirm all periodic taxable earnings excluding bonuses and retrenchments that should be linked to this rule. • TD002: A Tax Deductible NSSA/Pens/Annuity Confirm that all NSSA, Pension and Annuity related deductions are linked 										

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Zimbabwe



	<ul style="list-style-type: none"> • TD006: A Other Tax Deductibles Confirm that all Other types of Tax deductibles to be linked to this rule. • TE002: A Normal Taxable Earnings Confirm all Normal Taxable Earnings that should be linked to this rule. <p><u>Take Note:</u></p> <ul style="list-style-type: none"> • Confirm the taxability or tax-deductibility of all earnings, deductions perk tax and calculation screen definitions. • Make sure that all relevant definitions have been linked to the correct rule on the Africa Rule linking screen <p><i>The Zimbabwe Taxation Summary is a good reference when unsure.</i></p>	
11.	<p>Company Reconciliation Report: After Changes</p> <p>Print the Company Reconciliation report and compare the figures to the one printed at the beginning.</p> <p>If there are differences determine the reason and the appropriate action to be taken.</p> <p>Example:</p> <p>You may have changed a periodic taxable line to monthly taxable. The difference in the tax amount must be paid over to the Revenue Authority and recovered from the employee with the next payroll run as a deduction such as a loan or an advance.</p>	
12.	<p>Tax Year-End Reconciliation of Tax</p> <p>Do a Tax Year-End Reconciliation of Tax and statutory payments paid over to the local tax authority.</p>	
13.	<p>Determine differences</p> <p>Compare each individual's tax to the 12 Month report. (Refer to the monthly report for each month to reconcile)</p> <p>Print the Tax Reconciliation Report for the employees that do not reconcile.</p>	
14.	<p>Financial Detail Report</p> <p>Print the Financial Detail report to keep for 5 years.</p> <p>This report can be printed to PDF and saved to the "Zimbabwe Tax Year-End" folder. From the VIP Main Menu → Reports → Reports and Maintenance → Print the report called Financial Detail</p>	
15.	<p>12 Month Report</p> <p>Print the 12 Month report to keep for 5 years. If you are using VIP Premier, you must remember to include terminations. This report can be printed to PDF and saved to the "Zimbabwe Tax Year-End" folder.</p> <p>Steps:</p> <p>From the VIP Main Menu → Reports → Reports and Maintenance → Print the report called 12 Months</p>	
16.	<p>How to print the Annual Tax Year-End reports:</p> <ol style="list-style-type: none"> 1. Confirm that you are on the latest release with any report enhancements 2. Confirm that you have done the Report Setup: Click on Reports → Zimbabwe Reports 	

Tax Year-End Checklist 2020

Zimbabwe



Reports Sage Intelligence Interfaces

Reports and Maintenance

Payslips ▶

Contemporary Reports ▶

Audit Reports ▶

Print Audit Trail

Log File ▶

Sage VIP Insight

History Reports ▶

Zimbabwe Reports

Cheque Printing

Report Controls ▶

Payslip Setup ▶

Export/Import Reports ▶

Cheque Print Positions

Reports

Declaration of Salaries and Wages	ZB Life Electronic File for PAYNET
ITF16 (Electronic Tax Submission File)	ZIMSTAT (Stats Quarter Return)
P2 (Employer Remittance Form)	NEC Remittance - Commercial Sector
P3 (NSSA New Employee Reg Form)	Old Mutual Electronic File for PAYNET
P4 and P4A (NSSA Remittance Advice)	SDL Quarterly Declaration
P4C (NSSA New/Term Employees)	CSZ SFI Version 3 Bank File
P4 NSSA	CSZ SFI Version 4 Bank File
P6 (Employee Tax Certificates)	ATG Version 2 Bank File
P16 (Employer NSSA Return)	Barclays Version 002 File
ZIMDEF (Training Levy Declaration)	

If any new System Definitions (Earnings, Deductions, Company Contributions, Calculation Fields, Hours, Own, Perks Tax) have been added, please return to the Report Set-up Screen to update report linkings.

Close Continue **Report Setup**

- After the report setup has been completed, click on the report that you will print and click on "Continue" – These selections will only have to be set up once. Thereafter it will save the selections you have specified

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Zimbabwe



STEP	ACTION	DONE
LIVE DIRECTORY CHECKS		
1.	Start of Period In the Live/Current directory: If VIP has not been rolled into the new tax year, then do a start of period into the new tax year.	
2.	Tax Module Version Ensure that you are using the correct Tax Module Version. Please confirm this when rolling into the new tax year. This is displayed in the top right-hand corner of the African Rule Linking Screen. Steps: From the VIP Main Menu → Payroll → Definitions → Africa Rule Linking	
3.	Apply Changes Apply all necessary changes made to the Tax Year End directory to the current VIP directory.	
4.	Earning and Deductions Remove Earning and Deduction lines that are not in use anymore.	