Tax Year End Checklist 2020
Zambia

| GENERAL INFORMATION	
Tax-year:	1 January to 31 December
What must be submitted:	Form ITF/P22 – Certificate of Tax and Tax deduction must be issued to each employee who was employed on 31 December of that tax year.

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** • Open VIP System (do not open any of the companies) • Click on Options • Click on Copy System • Click on Continue 	

STEP 2

- The following screen will be displayed.
- Please read through it carefully.
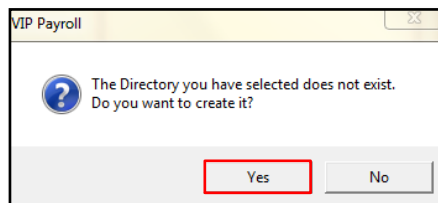- Click on OK to continue.
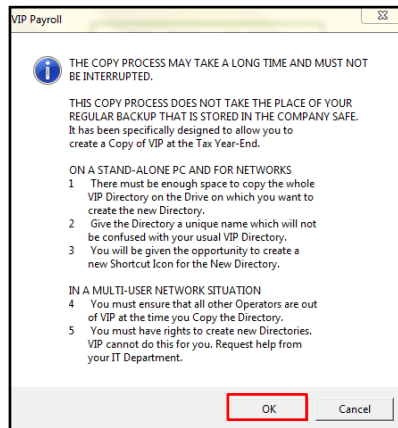
STEP 3

Enter the Drive letter together with the Directory name and click on continue.
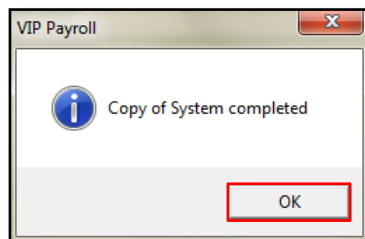
For example: **C:\TAX2020**

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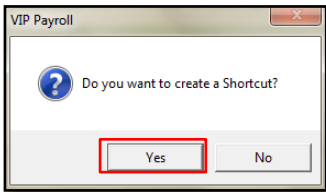

STEP 4

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

Click on OK to continue.

	STEP 5 The system will ask whether you want to create a Shortcut. Click on Yes. Enter a name for the Shortcut. **Example:** TAX2020 The System will automatically create a shortcut for you on your Desktop.	
3.	**Latest Release** Ensure VIP Premier is on the latest release. For **December 2020**, your system must be on Release 5.5a.	
4.	**Tax Module Version** Ensure that you are using the correct Tax Module Version **Steps:** From the VIP Main Menu → Payroll → Definitions → Africa Rule Linking	
5.	**Basic Company Information Screen** Verify the information on the Basic Company Information Screen: - Registered/trading name of the company - Physical address of the company - Company Tax Registration Number - Company Registration On the Additional Information tab: *Additional Company Info 1* = Company NAPSA Number *Additional Company Info 2* = ZDA Incentive Licence Number *Additional Company Info 3* = Company Account Name *Additional Company Info 4* = Company Fax Number *Additional Company Info 5* = Company WCF Number *Additional Company Info 6* = Company Pension Nr **Steps:** From the VIP Main Menu → Company → Basic Company Information	
6.	**Company Reconciliation Report: Before Changes** Print the Company Reconciliation Report Use this to determine what items the client got on the payroll and verify the 12 Month Totals.	
	Employee Information Verify the following on the Employee Information Screens (IS): 7.1. Personal Details - Surname (no punctuation allowed) - First Two Names (no punctuation allowed) - Initials (no punctuation/spaces allowed) - Identity Number/Passport number and Passport Country	

7.	• Date of Birth • Job Title • *Marital Status* *7.2. Address Details* • Residential Address • Postal Address and Work Address (remove all punctuation marks and correct all fictitious information) *7.3. Statutory Details* • Tax Status = Statutory Tables, Secondary / Temp • Tax Number = Employee TPIN Number • Sundry Number 1 = Employee NAPSA Number • Sundry Number 2 = Employee Pension Number	

8.	**Calculation Screen**
	Verify the employees' Calculation Screen (XS)
	Ensure that the correct additional information is entered on the XS Screen of the employees (if applicable):
	There are additional defined fields to complete on the XD screen:
	• Exchange Rate – Standard in all Africa country setups
	• XS line for Disabled Flag
	  Link ALL disabled employees to the method
	• Private Subscription
	  This is when an employee pays subscription in their private capacity and want to apply the tax deductibility in the payroll – Confirm Amounts per employee
	
	Steps:
	From the VIP Main Menu → Payroll → Definitions → Calc. Field Definitions	

	Africa Tax Rule Linking Screen Confirm the Taxable Parameters on the Africa Tax Rule Linking Screen. Below are guidelines with regards to the linking. **Steps:** From the VIP Main Menu → Payroll → Definitions → Africa Rule Linking	

9.	**Linking of Tax Tables (Tax Table Tab):** • Zambia uses an Annual Tax Calculation setup on Period Average: • Annual Tax Calculation is linked to Set 2 on the Africa Rules Linking Screen: | Tax Elements	Tax Tables	
Code	**Description**	**Linked to**

ANN001	Annual Tax Table	Set 2 |
		
		• The annual tax calculation uses YTD+ actual figures when calculating tax.
		• Period Average is linked on the company miscellaneous screen:
		   ○ *New Employees* that start in the middle of a period will be taxed on a full period
		   ○ *Terminated Employees* that are terminated in the middle of a period will be taxed on a full period.
		   ○ *Future Terminations* will use Actual Days when calculating the final tax
		
		Explanation of the Linking of Tax Elements (Tax Element Tab):
		• **DIS002: A Disable Tax Credit**
		  The annual tax credit granted to a qualifying disabled employee is K3 000
		  Confirm the Calculation Screen Definition lines that should be linked
		• **FB002: A Fringe Benefits**
		  Confirm the Perk Tax and Calculation Screen Definition lines that should be linked
		• **PER002: A Periodic Taxable Earnings**
		  Confirm All periodic taxable earnings that should be linked to this rule.
		• **QGRAT002: A Qualifying Gratuity Earning**
		  Confirm that the correct Qualifying Gratuity Definition lines have been linked
		• **TD008: A Other Tax Deductibles**
		  Confirm that All other Tax-deductible amounts are linked to this rule (excluding Pension and NAPSA)
		• **TE002: A Normal Taxable Earnings**
		  Confirm that All Normal Taxable Earnings should be linked to this rule.
		• **TERM002: A Term Ben** *(Retire/Retrenchment/Redundancy)*
		  All termination benefits should be linked to this rule
		<u>Take Note:</u>
		• 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
		
		The Zambia Taxation Summary is a good reference when unsure.	

10.	**Company Reconciliation Report: After Changes** Print the Company Reconciliation report and compare the figures to the one printed at the beginning. If there are differences determine the reason and the appropriate action to be taken.	

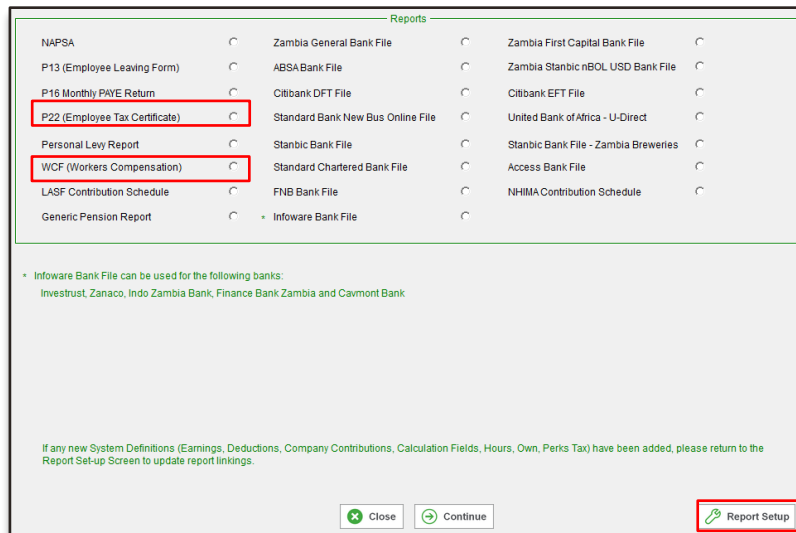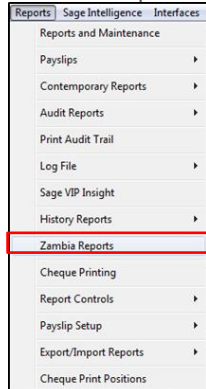|		
	Example: You may have changed a periodic taxable line to monthly taxable. The difference in the tax amount must be paid over to the Revenue Authority and recovered from the employee with the next payroll run as a deduction such as a loan or an advance.	
11.	**Tax Year-End Reconciliation of Tax** Do a Tax Year-End Reconciliation of Tax and statutory payments paid over to the local tax authority.	
12.	**Determine differences** Compare each individual's tax to the 12 Month report. (Refer to the monthly report for each month to reconcile) Print the Tax Reconciliation Report for the employees that do not reconcile.	
13.	**Financial Detail Report** Print the Financial Detail report to keep for 5 years. This report can be printed to PDF and saved to the "Zambia Tax Year-End" folder. From the VIP Main Menu → Reports → Reports and Maintenance → Print the report called Financial Detail	
14.	**12 Month Report** 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 "Zambia Tax Year-End" folder. **Steps:** From the VIP Main Menu → Reports → Reports and Maintenance → Print the report called 12 Months	

15.	**How to print the Annual Tax Year-End reports:** 1. Confirm that you are on the latest release 2. Confirm that you have done the Report Setup: Click on Reports → Zambia Reports 3. 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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Zambia

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.	