Basic Software Manual
Training Guide

Sage Pastel Payroll & HR
March 2015
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Version 2016 Update 1
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Acknowledgements
Developer: Shelly Joseph-Dixon
Editor: Ryan-Tyler Viljoen
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Outcomes of learning unit 1:

- Navigate through the software.
- Short cut icons.
- Use the Help Function for assistance.

1.1 Sage Pastel Payroll & HR

As a start-up or small business, we understand your day-to-day challenges. That is why we’ve developed easy to use software for all of your Payroll and HR needs. We want to help you work more smartly and efficiently, giving you more time to focus on what’s important for instance growing your business. Our clients remain the heart of our thinking, that’s why we want to help you achieve your business ambitions by becoming a payroll expert through our training, workshops and seminars.

Our software is smart and intuitive as well as SARS compliant. This means that you can now have peace of mind that with our Frictionless (automated) Updates by simply clicking on the update notification messages. You will be up to date with the very latest in payroll legislation and that the processing will always be done using the latest statutory tables.

We offer all the tools, guidance and support you could ask for. If at any point you get stuck, rest assured that there is a knowledgeable, real person ready to assist. Not only is help just a phone call or email away, we will arrange to come to you for a one-on-one site visit, if needed, to assist you with the payroll system once you are back in your workplace.

We also offer a range of secure, professional pre-printed payslips so you can add that professional edge. What’s more, you can customise them by adding your own logo.

Note: It is assumed by Sage Pastel Payroll & HR that the delegate using this manual and attending the Sage Pastel Payroll Certified Administrator or Installer training has the following skills in place:

- Able to use a computer including desktop, laptop and subsidiary hardware.
- Computer literate in relation to Microsoft Office packages.
- Able to use a mouse correctly.

Should this not be the case, Sage Pastel Payroll & HR suggests the delegate first attend a basic computer literacy training before attending this program.
1.2 Sage Pastel Payroll & HR’s Navigation Tools

The Menus

The Sage Pastel Payroll & HR menus are arranged according to the type of function you can perform.

By selecting an option on the menu bar, the drop down menu appears, giving you complete access to all of Sage Pastel Payroll & HR’s functions.

File

The File menu lists the options that deal with the software. You can:
- Create and delete companies,
- Backup and restore companies and
- Import or export certain information.
- You can also set up printers and fonts and run legislative releases.
- Finally, you can open companies or exit Sage Pastel Payroll & HR via this menu.
Edit

From the Edit menu you can create, edit and delete any static information. These include all the static information on the employee Masterfile.

You can
- Create and maintain administrative codes such as Cost Centres, Job Codes, Pay Points, Bank Branch Codes and Occupations from this menu.
- Maintenance of information related to Skills and Equity, as well as Industrial Councils can also be found on this menu.

If you have purchased the Industrial Councils Module, the relevant maintenance sub-menu is available from the Industrial Councils menu.

Process

The Process menu offers access to all the periodic processing functions.

From this menu, you can:
- Capture transaction batches,
- Create and edit payslips and
- Process the payroll run.
- To complete the period’s processing, you can print payslips and cheques,
- Process bank transfers and select Pay Period Update to process the next pay period.
Lastly, this is where you will access the option to perform the tax year end.

View

The View menu allows you to view static and transaction information stored in Sage Pastel Payroll & HR by means of lists and reports. You may view all lists and reports on the screen or print them to a printer. Reports include periodic payroll reports and statutory reports. Lists include employee Masterfile information, parameter listings and many more.
Setup

You can use the Setup menu to configure Sage Pastel Payroll & HR to conform to the company’s processing requirements. From this menu you can set up the default parameters and options to which Sage Pastel Payroll & HR will always revert back to when you create new employees and process their transactions. Under normal circumstances, you will configure the company parameters when you create the company. Thereafter, this menu will only be accessed to amend the company’s parameters.

Utility

The Utility menu gives you access to various useful utilities such as Sage Pastel Payroll & HR’s Note Function, Forms Designer, DDF File Export Utility, Calculator and the System Status utility.

By using the WebLinks function you can access the web pages you regularly use for all your payroll duties. This menu allows access to system utilities such as the Server Management function, Clearing Skills & Equity History and Rebuilding Totals.
Window

The Window menu allows you to select and arrange your open screens.

Help

Sage Pastel Payroll & HR has a comprehensive Help Function.

In addition, you have advanced search facilities to quickly find what you need, and to connect you to the Sage Pastel Payroll & HR website.
The Toolbar

Sage Pastel Payroll & HR’s toolbar gives you quick and easy access to frequently used features. If you move the mouse over the buttons on the toolbar, a tooltip displays the name of that feature.
Tabs

Tabs are used to simplify windows and menus. Each tab contains information relevant to the tab name. To switch between tabs, simply select the tab name that you need to access.

Below is a typical screen containing tabs:
1.3 Sage Pastel Payroll & HR’s Help Function

The Help Function is a fully electronic reference to all of Sage Pastel Payroll & HR’s features. It contains general overviews of terms and functions, as well as detailed explanations of fields and concepts.

The Help Function will open on the page relevant to the active screen in Sage Pastel Payroll & HR when you press F1. e.g. pressing F1 on the Rates Details tab opens the Employee Masterfile...Rates...Rate Details tab help page.

Employee Masterfile - Rates Tab - Rate Details Tab

In this tab, you can see the employee’s salary or wage rate. Many of these fields use the default rates you enter for employees. You do this in the Default tab of the Payroll Setup Function.

Select any of the fields in the index for a detailed explanation.
Learning Unit 2
Creating a New Company

After the completion of this learning unit, the learner will be able to:

- Create a new company using the setup assistant.
- Set up various parameters for a new company.
- Create user defined fields.
- Create new transaction codes for payslip processing.

Note: From Update 4 of Sage Pastel Payroll & HR 2015, all company files must have a password. All the training company files have been set with a standard password. Should you at any time be prompted for a password during training, please use the following password: Payroll@1

Company File Passwords

Payroll@1

It is your responsibility as an employer, to ensure that your employees’ information is protected, along with your company information. When setting your company password, please note the following requirements:

- A password is mandatory and even if you did not make use of a password before, you must make use of a password when accessing your Pastel data from now onwards.
- When choosing your new password, you will have the option of making use of Strong Password Validation. The password must be at least 8 characters and include at least one of each of the following:
  - Upper Case
  - Lower Case
  - Number
  - Special Character

Examples of strong passwords:
P@ssword1
Pa$$word2
Passw0rd#

- If you did make use of passwords prior to this upgrade, you will be prompted to provide additional information in case you forget your password. In order to generate a
password reminder in case you forget your password, you will be required to choose the following:

- A user name
- A security question
- An answer to the security question

**Examples of security questions are:**

- My first pet’s name
- My mother’s maiden name
- My best friend’s name

- Do not write down your password on a piece of paper.
- Do not use your password as a security question.
- Do not use personal information about yourself that someone who knows you could guess (e.g. favourite movie, birthday, etc.)
- Use different passwords for different systems.
- Password-protect your backups. This can easily be done in Sage Pastel Payroll & HR by going to Setup…Company Parameters…Settings tab.
- If you are working on a network, ensure that only the necessary people have access to the relevant payroll information, backup folders, etc.
- Change your password regularly.
- Do not share your password with anyone.
- If you are a supervisor on Sage Pastel Payroll & HR and you wish to change your selection on the Force Strong Passwords option, you can do so by going to Setup…Company Parameters…Settings tab.

When accessing your company for the first time after installing Sage Pastel Payroll & HR 2015 Update 4, the following screen will display:

In this case, no password was in use and you will now be required to choose your new password.
If you feel that applying Strong Password validation is not required, you may remove the option to Force Strong Passwords (only accessible by the Supervisor user).

Enter the password you have chosen for yourself and confirm that it is correct.

In case you forget your password in future, you will be able to make use of the Forgot Password feature. Pastel will allow you to reset your password only if you provide the correct answer to a security question linked to your user name.

You therefore need to choose a user name along with a security question and answer.

If you did make use of passwords to protect your data prior to this upgrade, you still need to complete the new security setup. If you are the Supervisor user logging in for the first time after the upgrade, you must first choose whether or not to apply strong password validation.
If you are not a supervisor and the supervisor has not yet logged into Sage Pastel Payroll & HR to make a selection on the Force Strong Passwords option, the default that will be applied is normal passwords. You will be prompted to set up your user name and password as indicated below, making use of a normal password.

After completing the new password setup, you may now access your data by entering the correct password on the Enter a Password screen:

If you do forget the password you have chosen, you will be able to select the Forgot Password option. Once you enter your user name, the security question linked to your user profile will display.

If you enter the correct answer to the security question, your password will be displayed. Change your password regularly. To change your current password, you can select the Change Password option when opening a company in Sage Pastel Payroll & HR. This screen will allow you to select a new password and also offer you the opportunity to change your security question.
2.1. **Using Sage Pastel Payroll & HR’s Setup Assistant**

Before you can process salaries and wages, a company must be created in Sage Pastel Payroll & HR. Each company is self-contained and independent.

The Payroll Setup Assistant guides you through a series of screens that will assist you to create a fully functional company and to set up the initial required parameters. Once the setup assistant is complete and the company has been created, the remaining parameters can be set up using the **Setup…Company Parameters** and the **Setup…Pay Frequencies** menu options. Once the setup is complete, you can begin processing the employee information in the new company.

**Example**

Oxford Manufacturing (Pty) Ltd. is a well-known furniture manufacturer in Alberton that specialises in quality wood-crafted furniture. They previously made use of a spreadsheet for the processing of the salaries and wages. In an effort to work more efficiently, Mr Daniel Snyman (the director) purchased Sage Pastel Payroll & HR to assist in the monthly payroll processing. Oxford Manufacturing (Pty) Ltd. would like you to set up the company in Sage Pastel Payroll & HR.

**Company Information:**

<table>
<thead>
<tr>
<th></th>
<th>Oxford Manufacturing (Pty) Ltd. [OXFORD16]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Postal Address:</strong></td>
<td>PO Box 123</td>
</tr>
<tr>
<td></td>
<td>Alberton</td>
</tr>
<tr>
<td></td>
<td>1450</td>
</tr>
<tr>
<td><strong>Date Format</strong></td>
<td>DD/MM/YYYY</td>
</tr>
<tr>
<td><strong>First period end date for weekly employees</strong></td>
<td>07/03/2015</td>
</tr>
<tr>
<td><strong>First period end date for monthly employees</strong></td>
<td>31/03/2015</td>
</tr>
<tr>
<td><strong>Employee Codes</strong></td>
<td>Make use of Own Codes</td>
</tr>
<tr>
<td><strong>Nett Pay Rounding</strong></td>
<td>Round to the nearest R 1.00</td>
</tr>
<tr>
<td><strong>Compulsory Deductions</strong></td>
<td>Must be used</td>
</tr>
</tbody>
</table>
2. The following screen is displayed:

3. In the “New Company Name” field, enter “OXFORD16”. (This field is limited to a maximum of 8 characters)
4. The following screen is displayed:

5. Select “OK”.
6. The following screen is displayed:

7. Select “Next”.
8. In the “Company Name” field, enter “Oxford Manufacturing (Pty) Ltd.”.
9. In the “Postal Address” field, enter “PO Box 123, Alberton”.
10. In the “Postal Code” field, enter “1450”.

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11. The following screen is displayed:

12. Select “Next”.
13. In the “Sequence” section, select the “DD/MM/YYYY” date format option.
14. The following screen is displayed:

15. Select “Next”.
16. Select the “Let Me Use My Own Codes” option.
17. The following screen is displayed:

![Image of Sage Pastel Payroll & HR setup assistant](image)

**Understanding Automatic Coding**

When “Automatic Coding” is selected you allow Sage Pastel Payroll & HR to automatically give a code to each employee Masterfile that is created. In the “Next Code” field you enter a code that the first employee Masterfile will begin with.

18. Select “Next”.
19. Check the “Use Nett Pay Rounding” check box.
20. Check the “Use With Cash Only” check box.
21. In the “Nett Pay Round Up Amount” drop down menu, select “1.00”.
22. The following screen is displayed:
Understanding Nett Pay Rounding

Oxford Manufacturing (Pty) Ltd. has decided to round up their employee’s pay to the nearest Rand. An employee earns a wage of R 446.60 per week.

**Period 1 – Week 1**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage</td>
<td>R 446.60</td>
</tr>
<tr>
<td>Nett pay round up amount (to nearest R 1)</td>
<td>R 0.40</td>
</tr>
<tr>
<td>Wage after nett pay rounding</td>
<td>R 447.00</td>
</tr>
</tbody>
</table>

Effectively, the employee is being overpaid by 40c in this Pay Period and this amount must be taken into consideration in the next Pay Period. Once the period update is done, the 40c in the Nett Pay Round Up Transaction goes into the Nett Pay Round Down Transaction.

**Period 2 – Week 2**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage</td>
<td>R 446.60</td>
</tr>
<tr>
<td>Nett pay round down amount (owed from previous period)</td>
<td>R 0.40</td>
</tr>
<tr>
<td>Resulting wage</td>
<td>R 446.20</td>
</tr>
<tr>
<td>Nett pay round up amount (to nearest R1)</td>
<td>R 0.80</td>
</tr>
<tr>
<td>Wage after nett pay rounding</td>
<td>R 447.00</td>
</tr>
</tbody>
</table>

The 40c is deducted from the employee’s wage amount, because the employee owes the employer 40c. The resulting wage of R 446.20 is again rounded up, giving R 447.00 and the employee is overpaid again bringing the total overpaid to date to 80c.

**Period 3 – Week 3**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage</td>
<td>R 446.60</td>
</tr>
<tr>
<td>Nett pay round down amount (owed from previous period)</td>
<td>R 0.80</td>
</tr>
<tr>
<td>Resulting wage</td>
<td>R 445.80</td>
</tr>
<tr>
<td>Nett pay round up amount (to nearest R1)</td>
<td>R 0.20</td>
</tr>
<tr>
<td>Wage after nett pay rounding</td>
<td>R 446.00</td>
</tr>
</tbody>
</table>

**Period 4 – Week 4**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage</td>
<td>R 446.60</td>
</tr>
<tr>
<td>Nett pay round down amount (owed from previous period)</td>
<td>R 0.20</td>
</tr>
<tr>
<td>Resulting wage</td>
<td>R 446.40</td>
</tr>
<tr>
<td>Nett pay round up amount (to nearest R1)</td>
<td>R 0.60</td>
</tr>
<tr>
<td>Wage after nett pay rounding</td>
<td>R 447.00</td>
</tr>
</tbody>
</table>
Period 5 – Week 5

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage</td>
<td>R 446.60</td>
</tr>
<tr>
<td>Nett pay round down amount (owed from previous period)</td>
<td>R 0.60</td>
</tr>
<tr>
<td>Resulting wage (no rounding)</td>
<td>R 446.00</td>
</tr>
</tbody>
</table>

Notice that over a period of several months, the pay does not fluctuate a great deal and the total amount balances out to equal the employee’s actual pay over the total period.

If the employee leaves Oxford Manufacturing (Pty) Ltd. the exact amount due (taking the rounding from previous months into account) is paid out in the last period and no Nett Pay rounding is applied.

**Understanding Compulsory Deductions**

Compulsory deductions are deductions that have to be deducted (e.g. medical aid or pension fund deductions) regardless of the amount of money received in any pay period. The result may be a negative payslip because of these deductions. For example: An employee’s earnings are R 6 000.00 per month and the total compulsory deductions are R 2 620.00 each month, but in a given period, this employee takes unpaid leave and only earns R 2 000.00 in total earnings of which the result will be that the employee’s earnings are less than the amount for the compulsory deductions. Therefore there will be a shortfall of R 620.00 that will be carried over to subsequent pay periods to be deducted.

23. Check the “Use Compulsory Deduction” check box.
24. The following screen is displayed:

![Setup Assistant](image)

25. Select “Next”.
26. Check the “Use Monthly Pay Frequency” check box.
27. Check the “Use Weekly Pay Frequency” check box.
28. From the “Tax Year” drop down menu, select the “2015 – 2016” option.
29. The following screen is displayed:

![Setup Pay Frequencies](image)

**Pay Frequencies**

For every pay frequency you use, you must specify the end date of the first pay period in the tax year and the period number of the first processing period. Sage Pastel Payroll & HR calculates the remaining period end dates for the entire tax year.

30. Select “Next”.

31. The following screen is displayed:

![Setup Pay Frequencies](image)

32. In the “Monthly field”, enter “31/03/2015”.

33. In the “Weekly field”, enter “07/03/2015”.

34. In the “Monthly field”, enter “1”.

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35. In the Weekly “field”, enter “1”.

36. The following screen is displayed:

![Setup Assistant](image)

**Note:** It is crucial that the correct dates are set up from the start as these dates cannot be changed during the year once you have created your employees. These processing dates and periods will be explained in detail during the Advanced Software Training course.

37. Select “Next”.

38. The following screen is displayed:

![Setup Assistant](image)

39. Select “Finish”. Sage Pastel Payroll & HR proceeds to create your company and database.
The name of your newly created company is displayed at the top of the screen.

2.2. Completing the Company setup

You will use the Setup menu to complete the setup procedures and to configure the company to the set requirements. When you make use of the Setup Assistant, some of the information will already be entered and can be modified if necessary. The following settings can be accessed through the Setup menu:

- Company Parameters
- Users/Passwords
- Pay Frequencies
- User Defined Fields
- Calculation Totals
- Rate Table
- Lookup Tables
- Languages
- Translations
- Transaction Templates
- Transactions
- Transaction Cycle Take-on
- Retirement Funding
- Third Party Transfers
- Employee Security Groups
- Self Service
- Industrial Councils
Example

Oxford Manufacturing (Pty) Ltd. would like you to enter and confirm their company’s information.

The following Information is provided

<table>
<thead>
<tr>
<th>Company Trade Name:</th>
<th>Oxford Manufacturing (Pty) Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Registration Number:</td>
<td>2009/015342/06</td>
</tr>
<tr>
<td>Contact Person</td>
<td>Samantha Jones</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:s.jones@oxford.co.za">s.jones@oxford.co.za</a></td>
</tr>
<tr>
<td>Telephone Number:</td>
<td>0112222222</td>
</tr>
<tr>
<td>Fax Number:</td>
<td>0112222223</td>
</tr>
</tbody>
</table>

1. Select Setup…Company Parameters.
2. Enter the information as provided.
3. The following screen is displayed:
Exercise 1

Oxford Manufacturing (Pty) Ltd. would like you to enter and complete the company’s information as shown in the table below.

The following Information is provided

| Physical Address: | 7 Lotus Avenue  
Alberton  
1449  
Gauteng |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UIF Registration Number:</td>
<td>1913568</td>
</tr>
<tr>
<td>PAYE Reference Number:</td>
<td>7230767891</td>
</tr>
<tr>
<td>UIF Reference Number:</td>
<td>U230767891</td>
</tr>
<tr>
<td>SDL Reference Number:</td>
<td>L230767891</td>
</tr>
<tr>
<td>VAT Number:</td>
<td>4692512340</td>
</tr>
<tr>
<td>Income Tax Reference Number:</td>
<td>0001339050</td>
</tr>
<tr>
<td>Trade Classification:</td>
<td>0720 Home furniture (except primarily of metal)</td>
</tr>
<tr>
<td>Standard Industry Classification Code:</td>
<td>31000 Manufacture of furniture</td>
</tr>
</tbody>
</table>
| Paper Style: | Plain Continuous Pay Envelopes  
Proportional Length Fonts |
| Bank Details: | Code: SBK001  
Bank name: Standard Bank  
Branch Name: Standard Bank  
Branch Code: 051001  
Account Number: 4433221125 |
| EE Reference Number: | 5544332211 |
| Industry Sector: | Manufacturing, Engineering and Related |
| SETA Registered with: | MERSETA Manufacturing, Engineering and Related Services |
| Business Type: | Private Sector |
| CEO: | Mr Daniel Snyman |
| Contact Details of CEO: | d.snyman@oxford.co.za  
Tel: 0112222220  
Fax: 0112222221 |
| Equity Manager: | Mr David Marais |
| Contact Details of Equity Manager: | d.marais@oxford.co.za  
Tel: 0112222224  
Fax: 0112222225 |
Answer To Exercise 1:

1. Select Setup…Company Parameters.
2. Enter the information as provided.
3. Select the “Addresses” tab.
4. Enter the information as provided.
5. The following screen is displayed:

![Setup Company Parameters - Sole Access Mode](image)

6. Select the “Statutory” tab.
7. Enter the information as provided.
8. The following screen is displayed:

![Setup Company Parameters - Sole Access Mode](image)
9. Select the “Payment” tab.
10. In the “Denomination Analysis” section, enter the minimum units. These units allocate the minimum units to be used when paying in cash:

<table>
<thead>
<tr>
<th>Value</th>
<th>Min. Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>R200.00</td>
<td>1</td>
</tr>
<tr>
<td>R100.00</td>
<td>2</td>
</tr>
<tr>
<td>R50.00</td>
<td>4</td>
</tr>
<tr>
<td>R20.00</td>
<td>2</td>
</tr>
<tr>
<td>R10.00</td>
<td>1</td>
</tr>
<tr>
<td>R5.00</td>
<td>1</td>
</tr>
<tr>
<td>R2.00</td>
<td>1</td>
</tr>
<tr>
<td>R1.00</td>
<td>1</td>
</tr>
</tbody>
</table>

11. In the “Bank / Branch” field, select the Zoom button.
12. The following screen is displayed:

No bank has been defined as yet and must be set up before you can continue.
15. Select “<F6> = Add” to add a bank/branch.
16. Enter the bank information as provided.
17. The following screen is displayed:

![Edit Bank/Branch Codes](image1)

18. Select “OK”.
19. The following screen is displayed:

![Bank/Branch Zoom](image2)

20. Select “<Enter> = Select”.
21. In the “Account Number” field, enter “4433221125”.
22. The following screen is displayed:

![Setup Company Parameters - Sole Access Mode](image)

23. Select the “Paper Style” button.
24. Select the “Plain” option.
25. The following screen is displayed:

![Paper Style Assistant](image)

26. Select “Next”.
27. Select the “Continuous Pay Envelopes” option.
28. The following screen is displayed:

![Image of Payroll Assistant interface]

29. Select “Next”.

30. Select the “Proportional Length Fonts” option.

31. The following screen is displayed:

![Image of Proportional Fonts selection]

32. Select “Next”.

---

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33. The following screen is displayed:

34. Select “Finish”.

35. Select the “Skills & Equity” tab.

36. Ensure that the “Enable Skills and Equity” check box is checked.

37. Enter the information provided:

<table>
<thead>
<tr>
<th>EE Reference Number:</th>
<th>5544332211</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Sector:</td>
<td>Manufacturing, Engineering and Related</td>
</tr>
<tr>
<td>SETA Registered with:</td>
<td>MERSETA Manufacturing, Engineering and Related Services</td>
</tr>
<tr>
<td>Business Type:</td>
<td>Private Sector</td>
</tr>
<tr>
<td>CEO:</td>
<td>Mr Daniel Snyman</td>
</tr>
<tr>
<td>Contact Details of CEO:</td>
<td>E-mail: <a href="mailto:d.snyman@oxford.co.za">d.snyman@oxford.co.za</a>, Tel: 01122222220, Fax: 01122222221</td>
</tr>
<tr>
<td>Equity Manager:</td>
<td>Mr David Marais</td>
</tr>
<tr>
<td>Contact Details of Equity Manager:</td>
<td>E-mail: <a href="mailto:d.marais@oxford.co.za">d.marais@oxford.co.za</a>, Tel: 01122222224, Fax: 01122222225</td>
</tr>
</tbody>
</table>
38. The following screen is displayed:

![Setup Company Parameters - Sole Access Mode](image)

39. Select “OK”.

40. The following screen is displayed:

![Setup Company Parameters - Sole Access Mode](image)

41. Select “No”, as there are no employees loaded yet.

- The Oxford Manufacturing (Pty) Ltd. will not be making use of the Integration function to integrate Sage Pastel Payroll & HR with Sage Pastel Accounting.
- Oxford Manufacturing (Pty) Ltd. will not suppress zero payslips.

**Example**

Oxford Manufacturing (Pty) Ltd. would like you to check the pay frequencies. In addition, you need to confirm the public holidays to enable your system to calculate all the transactions and leave values accurately.

1. Select Setup…Pay Frequencies.
2. The following screen is displayed:

3. Select the “Weekly” tab.

4. The following screen is displayed:

Note: Sage Pastel Payroll & HR automatically checks the months in the tax year that has 5 weekly pay periods. This will ensure that no pay period for weekly paid employees is missed.

Note: The tax year can consist of 52/53 weeks or 26/27 fortnights. There are 4 months within the tax year that has 5 weekly pay periods, and 2 months in the tax year that has 3 fortnightly pay periods.

5. Select the “Holidays” tab.
6. The following screen is displayed:

![Image of Setup Pay Frequencies window]

**Exercise 2**

Oxford Manufacturing (Pty) Ltd. celebrated their birthday on 27 March 2015, you are required to create this as a public holiday for the company.

**Answer To Exercise 2:**

1. Select Setup…Pay Frequencies.
2. Select the "Holidays" tab.
3. The following screen is displayed:

![Image of Setup Pay Frequencies window with Oxford Manufacturing's birthday added]

**Note:** Public holidays may be added by simply clicking on the next available line and entering the required details.
4. Select an available line.
5. Enter “27/03/2015” as the date
6. The following screen is displayed:

7. Select “OK”.
8. Enter “Oxford Birthday” as the “Description”.
9. The following screen is displayed:

10. Select “OK”.

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
2.3 Creating User Defined Fields

User Defined Fields are employee data fields which you can create to capture more information which are not contained in the default information fields on the employee Masterfiles. These fields can be used in formulas. There are four types of User Defined Fields, namely:

- Alphanumeric Fields.
- Numeric Fields.
- Date Fields.
- Yes / No Fields.

Example

Oxford Manufacturing (Pty) Ltd. has decided to add two alphanumeric fields, namely “Next of Kin” and “Contact Number”.

Create the following user defined fields:

<table>
<thead>
<tr>
<th>Alphanumeric 1:</th>
<th>Next of Kin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alphanumeric 2:</td>
<td>Contact Number</td>
</tr>
</tbody>
</table>

2. The following screen is displayed:

3. In the “Alphanumeric Fields”, enter “Next of Kin” and “Contact Number”.
4. The following screen is displayed:

5. Select “OK”.
Exercise 3

Oxford Manufacturing (Pty) Ltd. has decided to add a Yes / No field determining whether the employee owns a vehicle or not as well as a Numeric field determining the approximate market value of the vehicle.

Create the following user defined fields:

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Own Vehicle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numeric</td>
<td>Value of Vehicle</td>
</tr>
</tbody>
</table>

A

Answer to Exercise 3
You can access the User Defined fields by selecting Edit…Employee Masterfile and selecting the User Def. tab.

2.4 Setting up Transactions

Transactions

A transaction is an entry in Sage Pastel Payroll & HR that affects an employee’s payslip. These entries may include basic salary, medical aid deduction, travel allowance, bonuses, leave taken and so forth. Transactions drive your payroll processing. When you create an employee, you will specify which transactions the employee should have. A transaction can be used for all pay frequencies used such as monthly, weekly or fortnightly.

Default Transactions

Default transactions are referred to as permanent or regular transactions. They represent the employee’s normal remuneration package, which includes the basic salary/wage, fringe benefits, deductions and company contributions. These items are processed and paid to the employee in every pay period. They make processing your company’s payroll simple and efficient as the payroll for each employee is already set up every month. Adjustments can be made if necessary.

Sage Pastel Payroll & HR is distributed with a number of basic default transactions. You can also create additional transactions to suit your company’s requirements.
Current Period Transactions

These are transactions specific to the current period, e.g. overtime, sundry payments or deductions and leave transactions.

Transaction Templates

Each transaction is linked to a transaction template. A transaction template is used to define a set of processing rules common to one or more transactions. After setting up transaction templates, you will set up transactions, each linked to a transaction template. You can link as many transactions as required to a single transaction template. When you link a transaction to a transaction template, the processing rules defined for the transaction template will also apply to the transaction. Some transaction template rules can be overridden per transaction.

Setting up Transactions

The following standard transaction templates and transaction codes exist when a company is created on Sage Pastel Payroll & HR:

<table>
<thead>
<tr>
<th>Template Type</th>
<th>Transaction Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leave</td>
<td>0001 – 0999</td>
</tr>
<tr>
<td>Income</td>
<td>5000 – 5999</td>
</tr>
<tr>
<td>Benefits</td>
<td>6000 – 6999</td>
</tr>
<tr>
<td>Deductions (Tax-Deductible)</td>
<td>7000 – 7999</td>
</tr>
<tr>
<td>Deductions (Non Tax-Deductible)</td>
<td>8000 – 8999</td>
</tr>
<tr>
<td>Company Contributions</td>
<td>9000 - 9999</td>
</tr>
</tbody>
</table>

You can create your own transaction templates and transactions using the available transaction codes 1000 to 4999. When selecting Setup…Transactions.
The following screen is displayed:

```
Basic Details

- Code

The Code is the unique identifier of each transaction. For system-generated transactions the code has been allocated by Sage Pastel Payroll & HR. When you create your own transactions, they have to make use of a code between 1000 – 4999.
```
• **Template**

The Template will specify the processing rules to be used in this transaction. Refer to the template for information on any processing rules, which may not be changed at the transaction level.

• **Description**

The Description will default to the template’s description but for ease of use, each transaction should have a unique description.

• **Block**

In the event where a transaction is no longer needed, but where it has already accumulated totals during the financial year, you can simply check the “Block” check box. This will prevent the transaction from being used accidentally on an employee’s payslip.

• **Reference**

You can use this field for any additional text you may require.

• **Update / Clear Totals**

Sage Pastel Payroll & HR allows you to report on figures for the current tax year and this option will always default to update / clear totals at year end. You may select to “Never clear the totals” (e.g. Loan Repayments), or to clear it in a “Specific Month”, e.g. the number of Shifts Worked is accumulated from January to December and therefore, the totals will be cleared in Period 10 (December).

**Processing Rules**

• **Affect Payslip**

This option indicates that the transaction will have an effect on the payslip, e.g. a private retirement annuity which affects the income tax calculations will not be checked to affect the payslip because it would influence the nett pay of the employee and it shouldn’t.

• **Print on Payslip**

Checking this check box will print the relevant transaction on the employee’s payslip.
• Pro-rata at Start / End

This option will allow Sage Pastel Payroll & HR to automatically pro-rata amounts paid to or deducted from employee’s earnings if the employee’s start date or termination date is in the middle of a week, fortnight or month.

• Compulsory Deduction

If the “Use Compulsory Deductions” check box has been checked in the company parameters, and the template type is a deduction type, you will specify whether the transaction is a compulsory deduction type or not.

• Mandatory Deduction

If a new employee is created and is not linked to an employee profile, mandatory transactions may be added to the employee’s set up as default transactions.

• Special Run Transaction

A transaction can be selected to be part of a special run by checking this box.

• Stats. SA Transaction Type

If Stats. SA require your company information the reports that have to be drawn must have income type specifications such as regular bonus, irregular bonus, severance pay or overtime.

• Calculation Totals

Calculation Totals are the framework of Sage Pastel Payroll & HR's payroll calculation engine. In each transaction template, you will specify which calculation totals should accumulate for transactions linked to this template. You can override these settings for each individual transaction.

• Copy to Weekly

If an amount or percentage that is entered is relevant to another pay frequency, it can be copied to it by selecting this option.

• Payslip Description

The “Payslip Description” can be different from the transaction description. The payslip description will print on the employee’s payslip.
• Percentage

A given percentage can be entered; depending on the transaction, e.g. pension based on 7.5% of basic salary/wage can automatically be calculated by Sage Pastel Payroll & HR.

• Amount

A given amount can be entered, depending on the transaction, e.g. repayment of a company loan may be a fixed amount based on company policy.

• GL Debit/Credit Code

These fields are used to integrate to an accounting software system.

General Descriptions

Take on Year-To-Date Information

When a company is set up during the course of a tax year, in other words not in period 1, the employees have already received salaries, paid tax and taken leave for that year. To ensure that all the payroll information is calculated correctly – including tax and leave calculations – you will need to enter year-to-date (YTD) totals up to the last pay period for each employee before processing new payslips. This will ensure that the employees only receive one tax certificate at the end of the tax year.

Transaction Processing Sequence

It is very important to understand the sequence in which Sage Pastel Payroll & HR processes transactions.

E.g. When processing deductions, there could be insufficient gross pay to cover all the deductions. Certain deductions should be processed first, leaving some deductions to carry over to the next pay period. However, if you selected to use the “Compulsory Deductions” feature, all the remaining deductions will be deducted, irrespective of the amount of gross pay available.
Example

Oxford Manufacturing (Pty) Ltd. has formed a Social Club. All employees will contribute monthly towards the Social Club. Create a new deduction transaction code 1000.

1. Select Setup…Transactions.
2. Select “New”.
3. In the “Code” field, enter “1000”.
4. The following screen is displayed:

5. In the “Template” field, select the Zoom button and select transaction template “8500 - Sundry 1 – Amount”.

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6. The following screen is displayed:

![Transaction Template Zoom]

7. Select the “<Enter> = Select” button.

8. The following screen is displayed:

![Setup Transactions - Sole Access Mode]

9. In the “Description” and “Payslip Description” field, enter “Social Club”.

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10. The following screen is displayed:

![Setup Transactions - Sole Access Mode]

11. Save the changes.
12. Select “Close”.

## Exercise 4

Oxford Manufacturing (Pty) Ltd. has provided all the employees with a laptop for private use. Create a new benefit transaction code 2000.

### Answer To Exercise 4:

1. Select Setup…Transactions.
2. Select “New”.
3. In the “Code” field, enter “2000”.
4. In the “Template” field, select the Zoom button and select transaction template “6040 – Use of Assets”.
5. In the “Description” field, enter “Laptop”.
6. In the “Payslip Description” field, enter “Laptop”.
7. The following screen is displayed:

8. Don't forget to “Copy to Weekly” as all the exercise states “All employees”

9. Save the changes.

10. Select “Close”.
Learning Unit 3
Creating Additional Parameters

After the completion of this learning unit, the learner will be able to:

- Create Cost Centres for employees.
- Create Job Codes for employees.
- Create Pay Points for employees.
- Create Occupations for employees.
- Create Bank/Branch Codes for employees.

3.1 Creating Cost Centres

Allocating employees to relevant cost centres simplifies the accounting processes in organisations who track cost and income by Cost Centre. Sage Pastel Payroll & HR Cost Centres are used for the following purposes:

- Allocating individual employees to specific Cost Centres.
- Allocating individual employee payslip transactions to specific Cost Centres.
- Sorting and/or selecting employees when generating reports.
- Processing/Printing payslips in batches.
- General Ledger (GL) Integration.

You allocate employee profiles to default Cost Centres on the employee profile setup. However, this allocation may be changed per employee on the employee Masterfile. When you enter employee income transactions such as hours worked, these transactions can be divided into different Cost Centres. However, deductions such as tax, pension, and medical aid are automatically allocated to the employee Masterfile Cost Centre.

**Note:** A different cost centre can be added to the payslip by selecting a transaction along with a different cost centre.
Example

Oxford Manufacturing (Pty) Ltd. would like you to create the Finance Cost Centre on Sage Pastel Payroll & HR:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>F</td>
<td>Finance</td>
</tr>
</tbody>
</table>

1. Select Edit…Cost Centres.
2. The following screen is displayed:

![Edit Cost Centres](image)

Note:
- The GL Debit and Credit codes are part of the integration setup process. Should a Cost Centre be debited or credited, the selection is done here.
- An e-mail address and password must be setup if a cost centre is used as a grouping tool when emailing the payslips.

3. In the “Code” field, enter “F”.
4. In the “Description” field, enter “Finance”.

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5. The following screen is displayed:

![Edit Cost Centres](image)

6. Select “OK”

**Exercise 5**

Oxford Manufacturing (Pty) Ltd. has an additional two Cost Centres and would like you to create them on Sage Pastel Payroll & HR:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>H</td>
<td>Human Resources</td>
</tr>
</tbody>
</table>

**Answer To Exercise 5:**

1. Select Edit…Cost Centres.
2. The following screen is displayed:
3. In the “Code” field, enter “M” and in the “Description” field, enter “Manufacturing”.
4. In the following “Code” field, enter “H” and in the “Description” field, enter “Human Resources”.
5. The following screen is displayed:

![Edit Cost Centers](image)

6. Select “OK”.

### 3.2. Creating Job Codes

Job codes represent the different jobs that have been allocated to the company’s employees. Job codes are used for the following purposes:

- Allocating individual employees to specific job codes.
- Sorting and/or selecting employees when generating reports.
- Processing/Printing payslips in batches.
- Allocating individual employee payslip transactions to specific job codes.

You will allocate individual employees to job codes on the employee Masterfile. When you enter employee income transactions such as hours worked, you can split these between different job codes. Employee deductions such as tax, pension and medical aid, can however not be split between job codes.

**Note:** A different job code can be added to the payslip by selecting a transaction along with a different job code.

### Example

Oxford Manufacturing (Pty) Ltd. asked you to create the Manager Job Code on Sage Pastel Payroll & HR:
1. Select Edit...Job Codes.
2. The following screen is displayed:

3. In the "Code" field, enter "M".
4. In the "Description" field, enter "Manager".
5. The following screen is displayed:

6. Select “OK”.

**Exercise 6**

Oxford Manufacturing (Pty) Ltd. asked you to create the additional Job Codes on Sage Pastel Payroll & HR:
<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Administrator</td>
</tr>
<tr>
<td>G</td>
<td>General Worker</td>
</tr>
</tbody>
</table>

**Answer To Exercise 6:**

1. Select Edit...Job Codes.
2. The following screen is displayed:

3. In the “Code” field, enter “A” and in the “Description” field, enter “Administrator”.
4. In the following “Code” field, enter “G” and in the “Description” field, enter “General Worker”.
5. The following screen is displayed:

6. Select “OK”.

[Image of Edit Job Codes window showing entries for A and G]
3.3. Creating Pay Points

Pay Points represent the different pay points (physical location) to which the company’s employees are allocated. Pay points are used for the following purposes:

- Allocating individual employees to specific pay points.
- Sorting and/or selecting employees when generating reports.
- Processing/Printing payslips in batches, mainly according to the physical location of the company’s employees.

You will allocate individual employees to pay points on the employee Masterfile. You cannot change/edit individual transactions on an employee’s payslip to be allocated to different pay points other than that specified on the employee Masterfile.

Example

Oxford Manufacturing (Pty) Ltd. has two branches and will use pay points for each branch. Create the first new Pay Point on Sage Pastel Payroll & HR:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>JHB</td>
<td>Johannesburg</td>
</tr>
</tbody>
</table>

1. Select Edit…Pay Points.
2. The following screen is displayed:
Note: An e-mail address and password must be setup if a pay point is used as a grouping tool when emailing the payslips.

3. In the “Code” field, enter “JHB”.
4. In the “Description” field, enter “Johannesburg”.
5. The following screen is displayed:

6. Select “OK”.

Exercise 7

Oxford Manufacturing (Pty) Ltd. would like you to create their second Pay Point on Sage Pastel Payroll & HR:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PTA</td>
<td>Pretoria</td>
</tr>
</tbody>
</table>

Answer To Exercise 7:

1. Select Edit…Pay Points.
2. The following screen is displayed:

3. In the “Code” field, enter “PTA” and in the “Description” field, enter “Pretoria”.

4. The following screen is displayed:

5. Select “OK”.
3.4. Creating Occupations

Occupations are used to specify the occupation of each employee. These occupations can be allocated to each employee on the employee Masterfile and may be printed on the payslip if required.

Example

Oxford Manufacturing (Pty) Ltd. requested your assistance in setting up the Payroll Administrator occupation on Sage Pastel Payroll & HR:

<table>
<thead>
<tr>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Administrator</td>
</tr>
</tbody>
</table>

1. Select Edit…Occupation List.
2. The following screen is displayed:

3. In the “Description” field, enter “Payroll Administrator”.

4. The following screen is displayed:

5. Select “OK”

**Exercise 8**

Oxford Manufacturing (Pty) Ltd. requested your assistance in setting up the following occupations on Sage Pastel Payroll & HR.

**Occupation**

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Manager</td>
</tr>
<tr>
<td>Carpenter</td>
</tr>
</tbody>
</table>
Answer To Exercise 8:

1. Select Edit…Occupation List.
2. The following screen is displayed:

3. In the “Description” field, enter “Equity Manager”.
4. In the following “Description” field, enter “Carpenter”.
5. The following screen is displayed:

6. Select “OK”.

3.5 Creating Bank and Branch Codes

Sage Pastel Payroll & HR enables you to pay the employees’ remuneration directly into their bank accounts by means of Electronic Funds Transfer (EFT). To facilitate this and ensure that the transfer is completed correctly, simply create codes that represent the different banks and bank branches used by the company and the employees.

Each bank branch has a unique branch code. In Sage Pastel Payroll & HR, unique codes are used to identify bank and bank branch information.

Example

The employees of Oxford Manufacturing (Pty) Ltd. have submitted their bank and branch details.

Add the following to your existing Bank/Branch Codes on Sage Pastel Payroll & HR:

<table>
<thead>
<tr>
<th>Code</th>
<th>Bank</th>
<th>Branch Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSA01</td>
<td>Absa Bank</td>
<td>632005</td>
</tr>
</tbody>
</table>

1. Select Edit…Bank / Branch Codes.
2. The following screen is displayed:

3. In the “Code” field, enter “ABSA01”.
4. In the “Description” field, enter “Absa Bank”.
5. In the “Branch Transfer Code” field, enter “632005”.
6. In the “Branch Name” field, enter “Absa Bank”.
7. In the “Bank Name” field, enter “Absa Bank”.

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8. The following screen is displayed:

![Bank/Branch Codes Screen]

9. Select “OK”

**Exercise 9**

Add the additional Bank/Branch information to your existing Bank/Branch Codes on Sage Pastel Payroll & HR:

<table>
<thead>
<tr>
<th>Code</th>
<th>Bank</th>
<th>Branch Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEDB01</td>
<td>Nedbank</td>
<td>198765</td>
</tr>
<tr>
<td>FNB001</td>
<td>First National Bank</td>
<td>254005</td>
</tr>
</tbody>
</table>

**Answer To Exercise 9:**

1. Select Edit…Bank / Branch Codes.
2. The following screen is displayed:

![Bank/Branch Codes Screen]

3. Create the remaining Bank / Branch Codes for “Nedbank” and “First National Bank”.

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4. The following screen is displayed:

![Edit Bank/Branch Codes](image)

5. Select “OK”.

---

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After the completion of this learning unit, the learner will be able to:

- Create Employee Profiles.
- Create Employee Masterfiles.
- View the Masterfile Reports.

4.1. Creating Employee Profiles

The use of employee profiles is optional; however, they can save a lot of time. Employee profiles contain a set of default settings for some of the fields which you enter when you create a new employee. When creating an employee, you can link the employee to a profile. Sage Pastel Payroll & HR copies the profile details into the employee’s fields. You can edit any of these fields for specific employees.

By creating profiles for each job type, department or cost centre of employee, a lot of time can be saved when capturing new employee data as similar information does not require repetitive capturing for each employee’s Masterfile.

Another advantage of using employee profiles is that you can use them to make changes for groups of employees, e.g. you currently pay certain employees by cash, and want to switch to cheque or bank transfer. You can change the relevant employee profiles instead of making changes to each individual employee Masterfile. Sage Pastel Payroll & HR gives you the option to apply the profile changes to all or only some of the employees linked to that employee profile.

This learning unit will show you how

- To create Employee Profiles,
- Capture information for each new employee on payroll and
- View the various reports which may be required for legislative submissions or human resources.

Each example or exercise will focus on completing the necessary steps to understanding of the steps and procedures.
Example

Oxford Manufacturing (Pty) Ltd. requested that you create an Employee Profile with the following details:

<table>
<thead>
<tr>
<th>Profile Description:</th>
<th>Administrator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code</td>
<td>ADMIN01</td>
</tr>
<tr>
<td>Pay Frequency:</td>
<td>Monthly</td>
</tr>
<tr>
<td>Pay Method:</td>
<td>Bank Transfer</td>
</tr>
<tr>
<td>Tax Method:</td>
<td>Average</td>
</tr>
<tr>
<td>Working Hours per Day:</td>
<td>9 hours</td>
</tr>
<tr>
<td>Hours per Week:</td>
<td>45 hours</td>
</tr>
<tr>
<td>Days per Month:</td>
<td>21.67</td>
</tr>
<tr>
<td>Pay Point:</td>
<td>Pretoria</td>
</tr>
<tr>
<td>Cost Centre:</td>
<td>Finance</td>
</tr>
<tr>
<td>Job Code:</td>
<td>Administrator</td>
</tr>
<tr>
<td>Type of Employment:</td>
<td>Permanent</td>
</tr>
<tr>
<td>Transactions:</td>
<td>5000 (Basic Salary)</td>
</tr>
<tr>
<td></td>
<td>7002 (Pension Fixed % Employee Amount)</td>
</tr>
<tr>
<td></td>
<td>8001 PAYE Tax</td>
</tr>
<tr>
<td></td>
<td>8045 (UIF – Employee Actual Pay)</td>
</tr>
<tr>
<td></td>
<td>9002 (Pension Fixed % Employer Amount)</td>
</tr>
<tr>
<td></td>
<td>9045 (UIF Company Actual Pay)</td>
</tr>
<tr>
<td></td>
<td>9100 (OID Contribution)</td>
</tr>
<tr>
<td></td>
<td>9150 (Skills Development Levy)</td>
</tr>
</tbody>
</table>

Annual Leave Days: 17 days
Sick Leave: 30 days
Family Responsibility Leave: 3 days

1. Select Edit…Employee Profiles.
2. Select “New”.

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3. The following screen is displayed:

4. In the “Code” field, enter “ADMIN01”.
5. In the “Description” field, enter “Administrator”.
6. From the “Pay Frequency” drop down menu, select the “Monthly option”.
7. From the “Payment Method” drop down menu, select the “Bank Transfer” option.
8. From the “Tax Method” drop down menu, select the “Average” option.
9. From the “Type of Employment” drop down menu, select the “Permanent” option.
10. In the “Pay Point” look up field, select “Pretoria”.
11. In the “Cost Centre” look up field, select “Finance”.
12. In the “Job Code” look up field, select “Administrator”.
13. The following screen is displayed:

![Edit Employee Profiles](image)


15. The following screen is displayed:

![Edit Employee Profiles](image)
16. Enter the following transactions:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5000</td>
<td>Basic Salary</td>
</tr>
<tr>
<td>7002</td>
<td>Pension Fixed %</td>
</tr>
<tr>
<td>8001</td>
<td>PAYE Tax</td>
</tr>
<tr>
<td>8045</td>
<td>UIF Employee Actual Pay</td>
</tr>
<tr>
<td>9002</td>
<td>Pension Fixed % Employer</td>
</tr>
<tr>
<td>9045</td>
<td>UIF Company Actual Pay</td>
</tr>
<tr>
<td>9100</td>
<td>OID Contribution</td>
</tr>
<tr>
<td>9150</td>
<td>Skills Development Levy</td>
</tr>
</tbody>
</table>

17. The following screen is displayed:

![Edit Employee Profiles](image)

18. Select the “Leave” tab.
19. The following screen is displayed:

20. In the next available line, enter transaction code “0001 – Annual Leave”.
21. In the “Cycle Leave Entitlement” field, enter “17”.
22. In the next available line, enter transaction code “0020 – Sick Leave”.
23. In the “Cycle Leave Entitlement” field, enter “30”.
24. In the next available line, enter transaction code “0003 – Family Responsibility Leave”.
25. In the “Cycle Leave Entitlement” field, enter “3”.
26. The following screen is displayed:
27. Select the “Working Days” tab.
28. In the “Hours per Day” field, enter “9”.
29. In the “Hours per Week” field, enter “45”.
30. In the “Days per Month” field, enter “21.67”.
31. Check the “Working Days” from “Monday to Friday”.
32. The following screen is displayed:

![Screen showing employee profile with working days set from Monday to Friday]

33. Save the changes.
34. Select “Close”.

![Edit Employee Profiles window with completed working days and hours fields]
Exercise 10

Oxford Manufacturing (Pty) Ltd. requested that you create an Employee Profile for a manager using the following information:

<table>
<thead>
<tr>
<th>Profile Description:</th>
<th>Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profile Description:</td>
<td>Manager</td>
</tr>
<tr>
<td>Code:</td>
<td>MAN0001</td>
</tr>
<tr>
<td>Pay Frequency:</td>
<td>Monthly</td>
</tr>
<tr>
<td>Pay Method:</td>
<td>Bank Transfer</td>
</tr>
<tr>
<td>Tax Method:</td>
<td>Average</td>
</tr>
<tr>
<td>Hourly Paid:</td>
<td>Yes</td>
</tr>
<tr>
<td>Working Hours per Day:</td>
<td>9 hours</td>
</tr>
<tr>
<td>Hours per Week:</td>
<td>54 hours</td>
</tr>
<tr>
<td>Days per Month:</td>
<td>26</td>
</tr>
<tr>
<td>Type of Employment:</td>
<td>Permanent</td>
</tr>
<tr>
<td>Pay Point:</td>
<td>Johannesburg</td>
</tr>
<tr>
<td>Cost Centre:</td>
<td>Human Recourses</td>
</tr>
<tr>
<td>Job Code:</td>
<td>Manager</td>
</tr>
</tbody>
</table>
| Transactions:        | 5002, Hourly wage  
                        | 5501, Travel allowance  
                        | 6026, Taxable travel portion  
                        | 7002, Pension Fixed %  
                        | 8001, PAYE tax  
                        | 8045, UIF Employee Actual Pay  
                        | 9002, Pension Fixed %  
                        | 9045, UIF Company actual pay  
                        | 9100, OID contribution  
                        | 9150 Skills development levy |
| Annual Leave Days:   | 21 days |
| Sick Leave Days:     | 36 days |
| Family Responsibility Leave: | 3 days |

- In addition, Oxford Manufacturing (Pty) Ltd. requested that you add transaction code 5009 – Shifts Worked to Employee Profile 2000 - Weekly Default.

Answer To Exercise 10:

1. Select Edit…Employee Profiles.
2. Select “New”.
3. The following screen is displayed

4. In the “Code” field, enter “MAN0001”.
5. In the “Description” field, enter “Manager”.
6. On the “General” tab under the “Payment” section in the “Pay Frequency” drop down menu, select “Monthly”.
7. From the “Payment Method” drop down menu, select the “Bank Transfer” option.
8. From the “Tax Method” drop down menu, select the “Average” option.
9. From the “Type of Employment” drop down menu, select the “Permanent” option.
10. In the “Pay Point” look up field, select “Johannesburg”.
11. In the “Cost Centre” look up field, select “Human Recources”.
12. In the “Job Code” look up field, select “Manager”.
13. Check the “Hourly Paid” tick box.
14. The following screen is displayed:

15. Select the “Transactions” tab.
16. Enter the transactions as provided.

### Transactions

- 5002 hourly wage
- 5501 travel allowance
- 6026 Taxable travel portion
- 7002 Pension – Fixed %
- 8001 PAYE tax,
- 8045 UIF Employee (Actual Pay)
- 9002 Pension Fixed %
- 9045 UIF company Actual Pay
- 9100 OID contribution
- 9150 Skills Development Levy

---

**BCEA Leave Periods**

When creating an Employee Profile, the BCEA Leave Periods will default to 3 for monthly employees, 13 for weekly and 7 for fortnightly. This is standard based on legislation whereby a person will not be financially less well off (deprived) when going on leave and having less income than what they would have earned based on the average period. This can be adjusted per person if a person goes on to maternity leave.
17. The following screen is displayed:

18. Select the “Leave” tab.
19. Enter the leave transactions as provided.
20. The following screen is displayed:

22. In the “Hours per Day” field, enter “9”.
23. In the “Hours per Week” field, enter “54”.
24. In the “Days per Month” field, enter “26”.
25. Check the “Working Days” from “Monday to Saturday”.

26. The following screen is displayed:

![Edit Employee Profiles]

27. Save the changes.

**Add transaction code 5009 – Shifts Worked to employee Profile 2000 - Weekly Default**

1. Select “Edit”.
2. Locate the “Weekly Default Profile”.
3. Select the “Transactions” tab.
4. The following screen is displayed:

5. In the next available line, enter transaction code “5009 – Shifts Worked”.

6. The following screen is displayed:

7. Save the changes.

8. Select “Close”.

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4.2 Creating Employee Masterfiles

4.2.1. Adding New Employee Information

Masterfile records

This contains all the static data of employees. You will create and edit employee records, depending on the employees’ actual information.

Employee documents

You will create access and view notes that are linked to individual employees.

To access Employee Masterfile, you can use the quick reference Icon or use the drop down menu.
Example

Oxford Manufacturing (Pty) Ltd. would like you to enter the following new employees’ details on Sage Pastel Payroll & HR:

<table>
<thead>
<tr>
<th>Basic Details</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Code</td>
<td>0001</td>
</tr>
<tr>
<td>Title</td>
<td>Mrs</td>
</tr>
<tr>
<td>Surname</td>
<td>Jones</td>
</tr>
<tr>
<td>Name</td>
<td>Samantha</td>
</tr>
<tr>
<td>Nickname</td>
<td>Sam</td>
</tr>
<tr>
<td>Profile</td>
<td>ADMIN01</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Personal...Details</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Start Date</td>
<td>03/03/2008</td>
</tr>
<tr>
<td>Date of Birth</td>
<td>06/07/1985</td>
</tr>
<tr>
<td>Identification Number</td>
<td>850706 0000 003</td>
</tr>
<tr>
<td>Gender</td>
<td>Female</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Widowed</td>
</tr>
<tr>
<td>Dependents</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Personal...Addresses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Address</td>
<td>45 North Road Morningside Johannesburg 2196</td>
</tr>
<tr>
<td>Postal Address</td>
<td>Same as Residential</td>
</tr>
<tr>
<td></td>
<td>543 Sarel Ave Mountain View Johannesburg 2192</td>
</tr>
<tr>
<td></td>
<td>PO Box 1356 Mountain View 2192</td>
</tr>
<tr>
<td></td>
<td>8 Shepherd Close Buccleuch Johannesburg 2066</td>
</tr>
<tr>
<td></td>
<td>Copy Company Postal</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payment...Details</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay Frequency</td>
<td>Monthly</td>
</tr>
<tr>
<td>Payment Method</td>
<td>Bank Transfer</td>
</tr>
<tr>
<td>Pay Point</td>
<td>PTA – Pretoria</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payment...Job Details</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Centre</td>
<td>F – Finance</td>
</tr>
<tr>
<td>Job Code</td>
<td>A – Administrator</td>
</tr>
<tr>
<td>Occupation</td>
<td>Payroll Administrator</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payment...Bank Details</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank / Branch</td>
<td>ABSA01 – Absa Bank</td>
</tr>
<tr>
<td>Account Number</td>
<td>9876543210</td>
</tr>
<tr>
<td>Account Holder</td>
<td>S Jones</td>
</tr>
<tr>
<td>Account Holder Relationship</td>
<td>Own</td>
</tr>
<tr>
<td>Account Type</td>
<td>Cheque</td>
</tr>
</tbody>
</table>
### Rates...Working Hours

| Hours per Day | 9 | 9 | 8 |
| Hours per Week | 45 | 54 | 40 |
| Days per Month | 21.67 | 26 | 21.67 |

### Tax...Details

| Tax Method | Average | Average | Average |
| Type of Employment | Permanent | Permanent | Permanent |

### Tax...Certificate

| Tax Office | Pretoria | Johannesburg | Johannesburg |
| Nature of Person | A – Individual with ID | A – Individual with ID | A – Individual with ID |

### Leave...Details

| Annual Leave Opening Balance | 5 | 7 | 1 |
| Annual Leave Entitlement | 17 | 21 | 15 |
| Family Responsibility Leave Opening Balance | 3 | 3 | 3 |
| Family Responsibility Leave Entitlement | 3 | 3 | 3 |
| Sick Leave Opening Balance | 30 | 36 | 30 |
| Sick Leave Entitlement | 30 | 36 | 30 |

### User Def.....Alphanumeric Fields

| Next of Kin | Leticia Loots | Natalie Marais | Sarah Molepo |
| Contact Number | 011 3233322 | 011 1122211 | 011 2225656 |

### User Def.....Numeric Fields

| Value of Vehicle | 150,000.00 | 260,000.00 | - |

### User Def.....Yes / No Fields

| Own Vehicle | Yes | Yes | No |

### Statutory...Details

| Employment Status | 01 - Active | 01 - Active | 01 – Active |

### Statutory...Medical Aid

| Medical Aid Beneficiaries (Incl. Main) | 3 | 3 | 3 |

| Contribution Payment Freq. | - | - | Amount every week (incl. 5th) |

### Skills / Equ...Details

| Race | White | Coloured | African |
| Occupational Level | Skilled Workers / Junior Management | Prof. Specialists / Mid Management | Semi-skilled |
| Occupational Category | Clerks | Legislators/Senior Officials/Managers | Craft and Related Trades |
| Occupational Function | Support | Support | Operational/Core |
| Disabled | Yes | No | No |
| Foreign National | No | No | No |
| Nature of Disability | Medical | - | - |
| Province | Gauteng | Gauteng | Gauteng |
| Citizenship | RSA | RSA | RSA |
Example

1. Select Edit…Employee Masterfile.

2. Select “New”.

3. Enter the information provided in the exercise table in the Basic Details section:

4. In the “Code” field, enter “0001”.

5. In the “Title” field, enter “Mrs”.

6. In the “Surname” field, enter “Jones”.

7. In the “Name” field, enter “Samantha”.

8. In the “Nickname” field, enter, “Sam”.
9. In the “Profile” field, enter “ADMIN01”. (or make use of the Zoom function and select ADMIN01 – Administrator)

![Image of the Edit Employee Masterfile window]

Enter the information provided in the exercise table in the Details section on the Personal tab:

10. Select the “Personal” tab.
11. Select the “Details” tab.
12. In the “Start Date” field, enter “03/03/2008”.
13. In the “Date of Birth” field, enter “06/07/1985”.
14. In the “Identification Number” field, enter “850706 0000 003”.
15. From the “Gender” drop down menu, select the “Female” option.
16. From the “Marital Status” drop down menu, select the “Widowed” option.
17. In the “Dependants” field, enter “2”.
18. The following screen is displayed:

![Image of the Personal tab in the Edit Employee Masterfile window]
Enter the information provided in the exercise table on the Addresses tab on the Personal tab:

<table>
<thead>
<tr>
<th>Personal</th>
<th>Payment</th>
<th>Details</th>
<th>Addresses</th>
<th>Contacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start Date</td>
<td>01/01/2000</td>
<td>Date of Birth</td>
<td>06/07/1985</td>
<td></td>
</tr>
<tr>
<td>Identification Number</td>
<td>05076060000003</td>
<td>Passport Number</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country of Issue</td>
<td></td>
<td>Sex</td>
<td>Female</td>
<td></td>
</tr>
<tr>
<td>Marital Status</td>
<td>Widowed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Service</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

19. Select the “Addresses” tab.
20. In the “Residential Address” field, enter “45, North Road, Morningside, Johannesburg, 2196”.
21. Select the “Same as Residential” option from the drop down box.
22. The following screen is displayed:

Check the information provided in the exercise table in the Details section on the Payment tab:

23. Select the “Payment” tab.
24. Check that the “Payment Frequency” selected is the “Monthly” option.
25. Check that the “Payment Method” selected is the “Bank Transfer” option.
26. Check that the “Pay Point” is “PTA” (“Pretoria”).
Check the information provided in the exercise table in the Job Details section on the Payment tab:

27. Check that the “Cost Centre” is “F” (“Finance”).
28. Check that the “Job Code” is “A” (“Administrator”).
29. In the “Occupation” field, enter “Payroll Administrator” (or make use of the Zoom function and select “Payroll Administrator”).

Enter the information provided in the exercise table in the Bank Details section on the Payment tab:

30. In the “Bank / Branch” field, enter “ABSA01” (or make use of the Zoom function and select “ABSA01 – Absa Bank”)
31. In the “Account Number” field, enter “9876543210”.
32. In the “Account Holder” field, enter “S Jones”.
33. From the “Account Holder Relationship” drop down menu, select the “Own” option.
34. From the “Account Type” drop down menu, select the “Cheque” option.
35. The following screen is displayed:

[Image of the screen showing the bank details section]

Enter the information provided in the exercise table on the Working Days tab on the Rates tab:

36. Select the “Rates” tab.
37. Select the “Working Days” tab.
38. Check that the “Hours per Day” is “9”.
39. Check that the “Hours per Week” is “45”.
40. Check that the “Days per Month” is “21.67”.
41. Check the “Working Days” boxes “Monday to Friday”.
42. The following screen is displayed:

![Employee Details Screen](image)

Enter the information provided in the exercise table in the Details section on the Tax tab:

43. Select the “Tax” tab.
44. From the “Tax Method” drop down menu, select the “Average” option.
45. From the “Type of Employment” drop down menu, select the “Permanent” option.

Enter the information provided in the exercise table in the Certificate section on the Tax tab:

46. In the “Tax Office” field, enter “Pretoria”.
47. From the “Nature of Person” drop down menu, select the “A – Individual with ID / Passport” option.
48. The following screen is displayed:

Enter the information provided in the exercise table in the Details section on the Leave tab:

49. Select the “Leave” tab.

50. In the “Opening Balance” field of transaction code “0001 – Annual Leave”, enter “5”.

51. In the “Opening Balance” field of transaction code “0003 – Family Responsibility Leave”, enter “3”.

52. In the “Opening Balance” field of transaction code “0020 – Sick Leave”, enter “30”.

53. The following screen is displayed:
Enter the information provided in the exercise table on the User Def. tab:

54. Select the “User Def.” tab.
55. Select the “Alphanumeric Fields” tab.
56. In the “Next of Kin” field, enter “Leticia Loots”.
57. In the “Contact Number” field, enter “0113233322”.
58. The following screen is displayed:

<table>
<thead>
<tr>
<th>Description</th>
<th>Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>Next of Kin</td>
<td>Leticia Loots</td>
</tr>
<tr>
<td>Contact Number</td>
<td>0113233322</td>
</tr>
</tbody>
</table>

59. Select the “Numeric Fields” tab.
60. In the “Value of Vehicle” field, enter “150000”.
61. The following screen is displayed:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Car</td>
<td>150000.00</td>
</tr>
</tbody>
</table>

62. Select the “Yes / No Fields” tab.
63. Check the “Own Vehicle” check box.
64. The following screen is displayed:
Enter the information provided in the exercise table in the Details section on the Statutory tab:

65. Select the “Statutory” tab.
66. Select the “Details” tab.
67. Check that the “Employment Status” is “01 – Active”.
68. The following screen is displayed:

![Edit Employee Masterfile]

Enter the information provided in the exercise table on the Medical Aid tab on the Statutory tab:

69. Select the “Medical Aid” tab.
70. In the “Medical Aid Beneficiaries” field, enter “3” and press Enter.
71. The following screen is displayed:

![Edit Employee Masterfile window]

72. The following screen is displayed:

![Do you want Pastel Payroll to add the Medical Aid transactions to the employee's payslip?]

73. Select “Yes”

**Note:** When you select “Yes”, Sage Pastel Payroll & HR will automatically create the following transactions on the payslip for the employee:

- Transaction code 6172 – Medical Aid Fringe Benefit.
- Transaction code 8002 – Medical Aid Tax Credits.
- Transaction code 8000 – Med. Aid Tax Credit Applied.

Make sure that these transactions are on the payslip.
Enter the information provided in the exercise table in the Details section on the Skills/Equ tab:

74. Select the “Skills/Equ” tab.
75. From the “Race” drop down menu, select the “White” option.
76. From the “Occupational Level” drop down menu, select the “Skilled Workers/Junior Management” option.
77. From the “Occupational Category” drop down menu, select the “Clerks” option.
78. From the “Occupational Function” drop down menu, select the “Support” option.
79. Check the “Disabled” check box.
80. Ensure that the “Foreign National” check box is not checked.
81. In the “Nature of Disability” field, enter “Medical”.
82. From the “Province” drop down menu, select the “Gauteng” option.
83. From the “Citizenship” drop down menu, select the “RSA” option.
84. The following screen is displayed:

85. Save the changes.
86. Enter the details of the additional two employees on Sage Pastel Payroll & HR.

__________________________________________________________________
__________________________________________________________________
__________________________________________________________________
__________________________________________________________________
__________________________________________________________________
__________________________________________________________________
Masterfile Reports

Familiarising yourself with the View menu is important as it enables you to confirm information and to generate reports which may be needed for many reasons.

Various reports are available to verify the parameters used in the setup of your company. Use the View Parameters menu option to verify any company information you require.

The following report is very handy when you need to verify that the employee Masterfiles have been entered correctly.

Example

View the employee Masterfile report for all employees and ensure all data was captured correctly.

1. Select View…Masterfiles…Employee Masterfile.
2. The following screen is displayed:

   ![Employee Filter Screen]

3. Select “OK”.

4. The following screen is displayed:

5. From the “Print To” drop down menu, select the “Screen” option.
6. From the “Status” drop down menu, select the “All” option.
7. Leave the “From Profile” field blank.
8. In the “To Profile” field, enter “ZZZZ”.

**Note:** By leaving the “From Profile” field blank and entering “ZZZZ” in the “To Profile” field, Sage Pastel Payroll & HR will recognise that the “blank” in the “From Profile” field means it must include the very first Employee Profile, and the “ZZZZ” in the To Profile field means it must include the very last employee masterfile when it produces the Employee Master File Report. Therefore all the profiles will be included.

9. To view all entered information, check the following check boxes:
   - Personal Details
   - Payment Details
   - Rates Details
   - Tax and Statutory Details
   - User Defined Fields
   - Skills/Equity and Councils
10. The following screen is displayed:

11. Select “OK”.

12. The employee Masterfile report of Mrs Samantha Jones is displayed:
13. Compare all information displayed in the employee Masterfile report to the information that was given to you to enter.

14. Select the “Next (►)” button at the bottom of the employee Masterfile report screen until you advance to the next Masterfile report.

15. Continue and compare the employee Masterfile reports of Mr David Marais and Mr John Molepo to the information that was given to you to enter.

16. Select “Close”.
Learning Unit 5
The Processing Cycle

After the completion of this learning unit, the learner will be able to:

- Generate payslips.
- Set up leave.
- Use Sage Pastel Payroll & HR’s Note Facility.
- Perform the Payroll Run.
- Make backups.
- Perform a Clear Run Flags.
- Process cheques and bank transfers.
- View monthly/weekly reports.

5.1. Creating Payslips

Sage Pastel Payroll & HR automatically creates a payslip for every active employee in the company. The transactions that appear on the payslip can originate from the following sources:

- Employee Profiles

For every employee profile, a combination of default transactions can be specified. The applicable profile’s transactions will default onto a new employee's payslip if he/she is linked to a profile.

- Statutory Transactions

When basic salary/wage transactions are loaded, the necessary statutory transactions are generated. Sage Pastel Payroll & HR does this automatically and this function is maintained in line with current legislation for each country.

- Manually Entered

In every pay period, payslip transactions can be added, deleted or edited for each employee. Transactions to be processed every pay period can be specified as default (permanent) transactions. Depending on the type of transaction, periodic information per employee may be required, such as hours worked. For transactions that do not change often, default periodic values can be specified.
• Imported Batches

Data can be imported from a text file, most commonly created by a clock card system.

It is important to understand that Sage Pastel Payroll & HR creates transactions for employees on a periodic basis. Employee transactions, therefore, need to exist at two different levels:

• You need to know what an employee should earn for a normal pay period. This tie in with the concept of notional pay, which has to be derived from transaction values.

• You must be able to change transaction values for a particular pay period, e.g. an employee could work overtime, take unpaid leave, or be paid a bonus in any particular period.

Sage Pastel Payroll & HR stores these transactions separately on each employee record by keeping two sets of transactions:

• Default Transactions

Default transactions are sometimes referred to as permanent transactions. These can include income, deduction, benefit and contribution transactions.

• Periodic Transactions

Periodic transactions are copies of the default transactions but for a specific period. Sage Pastel Payroll & HR creates these whenever you process a pay period update. These are the transactions that Sage Pastel Payroll & HR actually use when processing and printing payslips.

• Entering rates for the first time

1. Verify the information entered for the employee on the Rates tab, under Edit…Employee Masterfile.

2. The hours per day should tie up with the hours per week for weekly employees. This means that the hours per day, multiplied by the working days per week, should equal the hours per week. (E.g. 8 working hours per day, 5 working days per week would be 8 x 5 = 40 working hours per week.)

3. In some companies employees work a set amount of hours per week, but staggered hours per day. Here you should enter the hours for each day on the employee Masterfile.

4. Should your working week consist of more than five working days, you should make the necessary changes. This can be done under the Rates…Working Days tab on the employee Masterfile.

5. Make sure the working days per week tie up with the days per month for weekly employees that get paid hourly.

6. Save your changes.

7. Go to the Process…Payslips screen and select the “Default” tab.

8. Enter the transaction for hourly wage, transaction code “5002 – Hourly Wage”.

9. For weekly employees the quantity on the Default tab must be the same as the hours per week on the employee Masterfile. Fortnightly employees will have double the amount of the hours per week.

10. If there are monthly paid employees who get paid per hour you need to calculate the hours per month. Take the hours per day and multiply it with the days per month. (E.g. 8 working hours per day, 21.67 working days per month would be 8 x 21.67 = 173.36 working hours per month.) Enter this figure under the “Quantity” column.

11. The next step is to enter the amount under the “Amount” column. Take the figure in the “Quantity” column and multiply with the employee’s hourly rate of pay. This will give you the earnings over a default period.

12. You then process the actual hours worked per period on the “Income” tab.

13. If you make any changes on the “Default” tab, the rate will change.

Points to Remember

- The rates should remain the same, even though the hours worked might fluctuate. These changes should be made under the **Income tab only** and NOT on the Default tab.
- Should the employee receive an increase, the amount on the Default tab is the only figure that should be edited. Sage Pastel Payroll & HR will automatically recalculate the rate of pay per hour for the employee.

**Example**

Familiarise yourself with the tabs on the Process Payslips screen in Sage Pastel Payroll & HR.

1. Select Process…Payslips.
2. The following screen is displayed:
3. Select the “Income” tab.

4. The following screen is displayed:

![Image of Process Paytips screen showing Income tab]

5. Select the “Deductions” tab.

6. The following screen is displayed:

![Image of Process Paytips screen showing Deductions tab]

7. Select the “Benefits” tab.
8. The following screen is displayed:

9. Select the “Contributions” tab.

10. The following screen is displayed:

11. Select the “Leave” tab.
12. The following screen is displayed:

![Process Payslip Screen]

13. Select “Next” to access the following employee’s payslip.
14. Select “Close”.

**Processing Retirement Funding Transactions**

**Example**

The employees of Oxford Manufacturing (Pty) Ltd. contribute towards the company pension fund with Sure Health. The contributions from the employees – according to the fund – are 6%, calculated on Basic Salary/Wages. Set up the pension fund transactions correctly and ensure that these transactions reflect on all employees payslips.

**Employee Contribution:**

1. Select Setup…Transactions.
2. Select the transaction Zoom button.
3. Locate transaction code “7002 – Pension – Fixed %”.

4. The following screen is displayed:

5. In the “Percentage” field, enter “6%”.
6. The following screen is displayed:

7. Select the “Copy to Weekly” button.
8. Save your changes.
9. Select the transaction Zoom button.
10. Locate transaction code “5000 – Basic Salary”.

[Image of the Setup Transactions - Safe Access Mode window]
11. The following screen is displayed:

![Setup Transactions - Sole Access Mode](image)

12. Select the “Calculation Totals” button.

13. The following screen is displayed:

![Calculation Totals - Sole Access Mode](image)

14. Check the “Retirement Funding Income” check box.
15. The following screen is displayed:

16. Select “OK”.
17. Save your changes.
18. Select the transaction Zoom button.
19. Locate transaction code “5002 – Hourly Wage”.
20. The following screen is displayed:

Processing Rules for “Affect Notional Pay (Wage)”

When this box is ticked, the transaction will use the amount affecting Notional Pay (otherwise known as Wage). This means that the transaction using this code, will use the amount of financial remuneration as defined by the BCEA as Wage. Income which will affect notional pay are: basic salary, weekly wage, daily wage and director remuneration.

(Please refer to the Legislation manual for more information.)

21. Select the “Calculation Totals” button.
22. The following screen is displayed:

![Calculation Totals - Sole Access Mode](image)

23. Check the “Retirement Funding Income” check box.

24. The following screen is displayed:

![Calculation Totals - Sole Access Mode](image)

25. Select “OK”.

26. Save your changes.

27. Select “Close”.
Employer Contribution:

Exercise 11

Oxford Manufacturing (Pty) Ltd. also contributes towards the company pension fund with Sure Health. The contributions by the company – according to the fund – are 6%, calculated on basic salary/wages. Set up the pension fund transactions correctly and ensure that these transactions reflect on all employees payslips.

Answer To Exercise 11:

1. Select Setup…Transactions.
2. Select the transaction Zoom button.
3. Locate transaction code “9002 – Pension Fund – Fixed % – Company Contribution”.
4. The following screen is displayed:

![Setup Transactions - Sole Access Mode](image)

5. In the “Percentage” field, enter “6%”.

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6. The following screen is displayed:

![Setup Transactions - Sole Access Mode](image)

7. Select the “Copy to Weekly” button.
8. Save your changes.

**Note:** If an RFI Profile setup is used to calculate retirement contributions, Actual % transactions must be used and not Fixed % transactions. In other words the periodic income that was actually received should be used, not a fixed amount.

**Reflecting Retirement Funding transactions on the payslip:**

**Example**

When the employee profiles for Mrs Samantha Jones was set up, the exercise included transaction code 7002 – Pension – Fixed % as well as transaction code 9002 – Pension Fund – Fixed % – Company Contribution on their payslips.

1. Select Process...Payslips.
2. Locate Mrs Samantha Jones.
3. The following screen is displayed:

![Screen Displayed]


**Exercise 12**

Confirm that transaction code 7002 – Pension Fund – Fixed % and transaction code 9002 – Pension Fund – Fixed % – Company Contribution is displayed on the Default tab of Mr. David Marais and Mr. John Molepo.

**Answer To Exercise 12:**

1. Select Process…Payslips.
2. Locate Mr David Marais.
3. Confirm that transaction code “7002 – Pension Fund – Fixed %” and transaction code “9002 – Pension Fund – Fixed % – Company Contribution” is displayed on the “Default” tab of Mr David Marais’ payslip.
4. Locate Mr John Molepo.
5. The following screen is displayed:

![Screen Displaying Payroll Transactions]

6. On the next available line, enter transaction code “7002 – Pension – Fixed %”.
7. Select the next available line.
8. The following screen is displayed:

If “No” is selected, the changes will only take effect on the next period’s payslip, e.g. the periodic tabs are not updated. If Yes is selected, Sage Pastel Payroll & HR does the necessary calculations for tax and other contributions and the screen reflects the information as follows:

9. Select “Yes”.
10. On the next available line, enter transaction code “9002 – Pension – Fixed % – Company Contribution”.
11. Select the next available line.

12. The following screen is displayed:
13. Select “Yes”.
14. Save the changes.
15. Select “Close”.

**Processing Transactions on Monthly Payslip**

**Example**

Enter the following transactions and amounts on Mrs Samantha Jones’ payslip:

<table>
<thead>
<tr>
<th>Transactions</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5000</td>
<td>Basic Salary</td>
<td>R 10 000.00</td>
</tr>
<tr>
<td>7002</td>
<td>Pension – Fixed %</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>8000</td>
<td>Med. Aid Tax Credit Applied</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>8001</td>
<td>PAYE Tax</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>8045</td>
<td>UIF – Employee (Actual Pay)</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9002</td>
<td>Pension – Fixed %</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9045</td>
<td>UIF – Company (Actual Pay)</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9100</td>
<td>OID Contribution</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9150</td>
<td>Skills Development Levy</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
</tbody>
</table>
1. Select Process…Payslips.
2. Locate Mrs Samantha Jones.
3. The following screen is displayed:

<table>
<thead>
<tr>
<th>Team Code</th>
<th>Job Code</th>
<th>Cost Centre</th>
<th>Processing Period</th>
<th>Quantity</th>
<th>Rate</th>
<th>Amount</th>
<th>Override</th>
<th>Balance</th>
<th>MTD Amount</th>
<th>YTD Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5000</td>
<td>A</td>
<td>F</td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6172</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6174</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7002</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6004</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6101</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6102</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6045</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6046</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6047</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6054</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6055</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6050</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Basic Salary

Total Gross Income: 0.00
Total Deductions: 0.00
Total Net Pay: 0.00

4. In the “Amount” column of transaction code “5000 – Basic Salary”, enter “10000”.

5. Tab through the columns.
6. The following screen is displayed:

   ![Process Payslips window with a question about changes affecting the current period's payslip]

7. Select “Yes”.

8. The following screen is displayed:

   ![Process Payslips window showing employee details and payroll information]

9. Save the changes.

10. Select “Close”.
Capturing Transactions on Payslip.

**Exercise 13**

The following transactions must be entered for Mr John Molepo and Mr David Marais:

**Mr John Molepo**

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Description</th>
<th>Quantity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5002</td>
<td>Hourly Wage</td>
<td>40 (8 x 5)</td>
<td>R 2 500.00</td>
</tr>
<tr>
<td>5321</td>
<td>Overtime @ 1.5</td>
<td>3</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>5300</td>
<td>Commission</td>
<td></td>
<td>R 2 000.00</td>
</tr>
<tr>
<td>7002</td>
<td>Pension – Fixed %</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>8000</td>
<td>Med. Aid Tax Credit Applied</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>8001</td>
<td>PAYE Tax</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>8045</td>
<td>UIF Employee (Actual Pay)</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9002</td>
<td>Pension – Fixed %</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9045</td>
<td>UIF Company (Actual Pay)</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9100</td>
<td>OID Contribution</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9150</td>
<td>Skills Development Levy</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
</tbody>
</table>

**Mr David Marais**

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Description</th>
<th>Quantity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5002</td>
<td>Hourly Wage</td>
<td>234 (9 x 26)</td>
<td>R 35 000.00</td>
</tr>
<tr>
<td>1000</td>
<td>Social Club</td>
<td></td>
<td>R 75.00</td>
</tr>
<tr>
<td>5501</td>
<td>Travel Allowance 1</td>
<td></td>
<td>R 3 000.00</td>
</tr>
<tr>
<td>6026</td>
<td>Taxable Travel Portion -1</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>7002</td>
<td>Pension – Fixed %</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>8000</td>
<td>Med. Aid Tax Credit Applied</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>8001</td>
<td>PAYE Tax</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>8045</td>
<td>UIF Employee (Actual Pay)</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9002</td>
<td>Pension – Fixed %</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9045</td>
<td>UIF Company (Actual Pay)</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9100</td>
<td>OID Contribution</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9150</td>
<td>Skills Development Levy</td>
<td></td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
</tbody>
</table>
Answer To Exercise 13:

Mr John Molepo

1. Select Process…Payslips.
2. Locate Mr John Molepo.
3. Select the “Default” tab.
4. In the “Quantity” field of transaction code “5002 – Hourly Wage”, enter “40”.
5. In the “Amount” field of transaction code “5002 – Hourly Wage”, enter “2500”.
6. Tab through the columns.
7. The following screen is displayed:

8. Select “Yes”.
9. The following screen is displayed:

10. Select the “Income” tab.
11. In the next available line, enter transaction code “5300 – Commission”.
12. In the “Period Amount” field, enter “2000”.
13. In the next available line, enter transaction code “5321 – Overtime @1.5”.
14. In the “Quantity” field, enter “3”.

15. The following screen is displayed:

![Process Payslips](image)

**Note:** Commission and Overtime must be processed on the Income tab because these income transactions fluctuate. The amounts and quantities of Commission and Overtime transactions will be cleared when closing the pay period.

16. Save the changes.

17. Locate Mr. David Marais.

18. Continue and enter the amounts for Mr. David Marais’ payslip.
### Hourly Wage

![Hourly Wage screenshot]

### Social Club

![Social Club screenshot]
Travel Allowance

5.2. Setting up Leave

Sage Pastel Payroll & HR can be used to accurately keep an up-to-date record of employee leave history. Sage Pastel Payroll & HR calculates the accrual of annual leave based on the leave entitlement for a full year. E.g. an annual leave entitlement for a monthly paid employee of 15 working days will result in an accrual of 1.25 days per month (15 days per year divided by 12 months in a year).

The applicable leave transaction must be added to the Employee Masterfile before leave can be processed on the Leave tab on the Process…Payslips screen.

Example

Follow these steps to adjust leave balances

Should the annual leave days due on existing employees be incorrect, the days due may be modified. This can be done as follows:

1. Select Edit…Employee Masterfile.
2. Locate Mrs Samantha Jones.
3. Select the “Leave” tab.
4. The following screen is displayed:

Note: You will only be able to process leave on the payslip, provided that the relevant leave transaction has been entered on the employee Masterfile.

5. In the “Opening Balance” field, enter the numbers of days you would like to increase or reduce the days due amount by.

Therefore, the Days Due + Days Taken – Days Accrued = Opening Balance.

If you have to change the number of Leave Days Due, they will have to edit the Opening Balance field on the Edit...Employee Masterfile screen, on the Leave tab, e.g. to increase the Days Due, increase the Opening Balance with the appropriate number of leave days. Similarly, to reduce the Days Due, decrease the Opening Balance with the appropriate number of leave days.

Where there is already an amount entered in the Opening Balance field, you will change the amount according to the amount of days to increase or reduce the Days Due, e.g. the Opening Balance amount is shown as 5. Reduce the Days Due amount by 1.5 days, thus the Opening Balance amount will be changed to 3.5.

(5 Days – 1.5 (reducing amount) = 3.5 days).
As illustrated on the screen above, the “Annual Leave” “Opening Balance” is 3.5 days. The “Days Due” is 4.92 days.

Processing leave on Payslip

Exercise 14

Change Mrs Samantha Jones’ Days Due to 3.42 days.

Answer to exercise 14:
Answer To Exercise 14:

In the “Opening Balance”, the amount will be changed to 2 days.

(4.92 Days – 1.5 Days = 3.42)

6. Select “Save”

The leave history can be viewed on the employee Masterfile. Select the Leave tab and select a specific leave type. As soon as the line is clicked on twice, it will show a full history of that particular leave type.
It is always a good idea to make use of the “Remarks” field when processing leave on the “Leave” tab of the Process…Payslips screen.

Note: Only annual leave will automatically accrue leave days due. Formulas can be written for the other leave transactions to enable leave accrual on Sage Pastel Payroll & HR.

Procedures for Leave Processing

1. Select the Process…Payslips.
2. Select the relevant employee and select the “Leave” tab.
3. On a new line, enter transaction code “0001 – Annual Leave”.

Note: A leave transaction line that is grayed out will already be present on the “Leave” tab. This line is automatically created in Sage Pastel Payroll & HR to reflect the leave accrual value. Do not process any leave on the leave accrual line. A second leave transaction is loaded on the second line to capture the leave taken by the employee.

Example

Mrs Samantha Jones, a monthly paid employee of Oxford Manufacturing (Pty) Ltd, took annual leave on 5 March 2015. Process the annual leave for Mrs Samantha Jones on her payslip.

1. Select Process…Payslips.
2. Locate Mrs Samantha Jones.
3. Select the “Leave” tab.
4. The following screen is displayed:

5. On the next available line, enter transaction code “0001 – Annual Leave”.
6. In the “Date From” field, enter “05/03/2015”.
7. In the “Date To” field, enter “05/03/2015”.
8. The “Days Taken” field should indicate “1.00”.
9. The following screen is displayed:

10. Save the changes.
11. Select “Close”.

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Leave processing for weekly or fortnightly employees

If leave is processed for a weekly or fortnightly paid employee for longer than one pay period (e.g. a week or a fortnight), the leave should be entered on the last payslip that the employee will receive before going on leave. The date that is entered should be entered within the current period or the first date of the next period.

When processing annual leave for a weekly paid employee and the number of days taken is more than a week, Sage Pastel Payroll & HR will automatically calculate that the leave processed is for more than one period and increase the income and deduction transaction values to correspond. The employee will be paid in advance. This will change the employee status to “On Leave” in the following pay period.

Whilst the employee is on leave, no payslip will be generated. Only once the employee has returned to work will the employee’s payslip be generated again.

To print a report of employees on leave for any period you can go to View…Payroll Reports…Leave…Employees on Leave Listing Report.

You can print a leave history report by accessing View…Payroll Reports…Leave…Leave History. Sick and any other leave types can be processed in the same manner.

Exercise 15

Mr John Molepo, a weekly paid employee of Oxford Manufacturing (Pty) Ltd, took annual leave from 3 March 2015 to 4 March 2015. Process the annual leave on the payslip of Mr John Molepo.

Answer to exercise 15:

1. Select Process…Payslips.
2. Locate Mr John Molepo.
3. Select the “Leave” tab.
4. The following screen is displayed:

5. In the next available line, enter transaction code “0001 – Annual Leave”.
6. In the “Date From” field, enter “03/03/2015”.
7. In the “Date To” field, enter “04/03/2015”.
8. The following screen is displayed:

9. Select “OK”.
10. The following screen is displayed:

Note: Remember to adjust the working hours when processing leave for an hourly paid employee. This is ONLY done on the Income tab as this is the capturing of the actual hours worked. The default tab is where the rate is setup and if the quantity of hours worked or the amount received is changed the rate will change.

11. Select the "Income" tab.
12. The following screen is displayed:
Note: Sage Pastel Payroll & HR automatically added Transaction Code 5012 – BCEA Leave Taken to the Income tab on the payslip of Mr John Molepo to reflect the leave pay.

13. In the “Quantity” field of transaction code “5002 – Hourly Wage”, adjust the working hours to reflect “24” hours as the amount of leave taken has reduced the actual hours worked.

14. The following screen is displayed:

![Process Payslips](image)

15. Save the changes.

16. Select “Close”.

### Processing Unpaid Leave

1. Select Process…Payslips.
2. Select the “Leave” tab.
3. Enter transaction code “0002 – Unpaid Leave” in the next available line.
4. Sage Pastel Payroll & HR will prompt the user to enter the “From Date” and “To Date” of the unpaid leave. Select the day/s when unpaid leave was taken.
5. If the employee receives a salary, a negative transaction will automatically be populated on the “Income” tab. The amount will be reflected under transaction code “5020 – Unpaid Leave”.
6. The number of hours worked can be reduced on the “Income” tab for hourly paid employees.
Exercise 16

Mr John Molepo did not show up for work on 05/03/2015 and did not provide a medical certificate. This is the third time in a period of 8 weeks. Enter this as unpaid leave on the Leave tab of his payslip.

**Note:** You need to set up transaction code “0002 – Unpaid Leave” on the Masterfile before you can process Unpaid Leave on Mr John Molepo’s Payslip.

**Answer to exercise 16:**

1. Select Edit…Employee Masterfile.
2. Locate Mr John Molepo.
3. Select the “Leave” tab.
4. In the next available line, enter transaction code “0002 – Unpaid Leave”.
5. Save your changes.
6. The following screen is displayed:

![Edit Employee Masterfile](image)

7. Select “Close”.
8. Select Process…Payslips.
9. Locate Mr John Molepo and select the “Leave” tab.
10. On the next available line, enter transaction code “0002 – Unpaid Leave”.
11. In the “Date From” field, enter “05/03/2015”.
12. In the “Date To” field, enter “05/03/2015”.

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Page 132 of 176
13. The following screen is displayed:

14. Select the “Income” tab.
15. The following screen is displayed:

16. Adjust the number of hours in the “Quantity” field of transaction code “5002 – Hourly Wage” to display as “16”.

17. Select “Save”.

18. Select “Close”.
Termination and Leave Paid Out

When processing leave for an employee on the Leave tab of the employee’s payslip, Sage Pastel Payroll will automatically calculate the number of leave days taken. This will be reflected under the “Days Taken” column. If at any time this field needs to be edited, you can select the “Days Taken” field and enter the changed number of days taken, e.g. 0.5 days taken instead of one full day.

Paying out leave due: Should an employee be terminated and still have leave days due, annual leave days due have to be paid out to the employee. To do this, enter the annual leave transaction on the payslip and check the “Pay Out” check box. As soon as the “Pay Out” check box is checked, the dates from and to will default to the period accrual dates. The system will automatically pay out all the leave days due to the employee. You may edit the number of days to be paid out. As soon as the “Pay Out” check box is checked, Sage Pastel Payroll & HR automatically creates transaction code “5010 – Leave Pay” on the Income tab and enters a value for the leave pay.

The “Pay Out” box is only checked in following situations:

- Upon termination of the employee where you pay out the employee’s leave pay (Leave in Lieu).
- If an employee is not physically going on leave, but he/she would like to “cash-in” some leave days in exchange for a Rand value for the leave days due.

**Note:** According to the BCEA 15 days annual leave must be taken in a one year cycle.

You can link a note to the leave processed of a word processor, spreadsheet, or graphics program file. Opening the note in Sage Pastel Payroll & HR will then enter the word processing, spreadsheet, or graphics file, and opens the linked file you specified in the note.

Reinstating Employees

If you processed annual leave for an employee, and the employee status is flagged as ‘On Leave’, you may reinstate the employee if the employee returns from leave early. The company will have to decide which of the following options to follow:

- You can reinstate the employee and pay the employee for the time that was worked. This will have a tax implication because the employee’s earnings are increased with an additional periods work.

- Alternatively, you can determine what the employee was originally paid for the current period, wait out the leave on Sage Pastel Payroll & HR and then start paying the employee from the next period. This method will have no tax implications. If this method is selected you will have to rectify the number of leave days due to the employee by adjusting the opening balance on the Leave tab in the employee Masterfile.
Note: If the company uses shifts worked to determine the leave days due, you must include the number of shifts worked by the employee by adding transaction code 5009 – Shifts worked to the payslip.

5.3. Performing the Payroll Run

You will use the Payroll Run Assistant to complete the second stage of payroll processing. The first stage of the Payroll Run was to enter and edit the pay period’s payslips. The second stage involves the final calculation and printing of payslips. After the Payroll Run, you will perform the Pay Period Update for the employees to process the next period.

It is important to make a backup of the company at this stage, which can also be done when using the Payroll Run Assistant.

The Payroll Run process has two purposes:

- **Final Calculation**

  Although an employee’s transactions are calculated and saved when editing the payslip, a final calculation must be performed before printing the payslip. This is necessary because transaction amounts could be derived from formulas and/or employee Masterfile data, which can change at any time during the Pay Period. The final calculation checks the current transaction and employee parameters, and calculates accordingly. As soon as this calculation is performed, the processed employee’s payslip information appears on the reports available in the View…Payroll Reports menu.

- **Payslip Printing**

  Once an employee’s final calculation has been performed, his/her payslip may be printed from the Process…Payroll Run menu. If the company requires multiple copies of already printed payslips, you can reprint these payslips from the View…Payroll Reports…Reprint Payslips menu.
Example

Perform the weekly Payroll Run for Mr. John Molepo.

2. The following screen is displayed:

3. Select “Next”.
4. Select the “Perform the final calculation without printing payslips” option.
5. The following screen is displayed:

6. Select the “Filter” button.
7. The following screen is displayed:

8. Highlight the “Weekly” option.
9. Highlight the “Employees” option under “Weekly”.
10. Highlight the “Code” option under “Employees”.
11. The following screen is displayed:

12. Select “OK”.
13. Select “Next”.

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14. The following screen is displayed:

![Payroll Run Assistant - Sole Access Mode](image)

**Confirm Operation**

WARNING: The process you are about to initiate can only be reversed using the Process...Clear Run Flags procedure. Please ensure you have made backups of your data as specified previously.

To exit this Assistant without performing the payroll run, click the Cancel button.

To start the payroll run, click the Process button.

15. Select “Process”.

16. The following screen is displayed after the processing has taken place:

![Payroll Run Assistant - Sole Access Mode](image)

**Operation Complete**

The payroll run has been successfully completed. Click the Finish button to exit the Assistant.

17. Select “Finish”.

![Payroll Run Assistant - Sole Access Mode](image)
Example

View Mr David Marais’s payslip

1. Select View…Payroll Reports…Reprint Payslips.
2. Highlight the “Employees” option.
3. Highlight the “Code” option.
4. Select “Mr John Molepo”.
5. Select “OK”.
6. The following screen is displayed:

![Reprint Payslips dialog box]

7. From the “Print To” drop down menu, select the “Screen” option.
8. From the “For Period” drop down menu, select the “01 - 01/03/2015 - 07/03/2015” option.
9. Select “OK”.


10. The following screen is displayed:

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>EMPL NO</th>
<th>EMPLOYEE NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oxford Manufacturing (Pty) Ltd</td>
<td>0003</td>
<td>Mr J Molepo</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hourly Wage</td>
<td>16.00</td>
<td>1000.00</td>
</tr>
<tr>
<td>BCEA Leave Taken</td>
<td>2.00</td>
<td>1312.50</td>
</tr>
<tr>
<td>Commission</td>
<td></td>
<td>2000.00</td>
</tr>
<tr>
<td>Overtime @ 1.5</td>
<td>3.00</td>
<td>281.25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td>150.00</td>
</tr>
<tr>
<td>PAYE Tax</td>
<td>620.59</td>
</tr>
<tr>
<td>UIF Contribution</td>
<td>25.04</td>
</tr>
<tr>
<td>Net Pay Round Up</td>
<td>-0.78</td>
</tr>
</tbody>
</table>

**TOTAL EARNINGS** 4503.75
**TOTAL DEDUCTIONS** 765.75
**NETT PAY** 3738.00

11. Study Mr John Molepo's payslip.
12. Select “Close”. 
5.4. Clearing the Run Flags

Once an employee’s payslip is processed, you cannot change or edit any values on the payslip or Masterfile until the Pay Period Update is processed or if the Run Flags are not cleared.

The Process…Clear Run Flags is a process of resetting ‘flags’ that allows you to edit and recalculate the employee payslips. Once an employee is processed in a Payroll Run for a period, Sage Pastel Payroll & HR locks that employee’s record, whether you print a payslip or not. A ‘flag’ will indicate that the calculation for the employee has been completed.

In some situations it might be necessary to change and recalculate an employee’s values, and reprint the payslip after a Payroll Run was already performed. For this purpose you will make use of the Clear Run Flags function.

- You should always check for errors on payslips and correct them before distributing the payslips to the company’s employees.
- You may be given additional information, such as overtime or commission, after you have already processed the Payroll Run.

Example

Follow these steps to clear the run flags

2. The following screen is displayed:

   ![Clear Run Flags Assistant - Sole Access Mode]

3. Select the “Filter” button.
4. The following screen is displayed:

5. Select Mr John Molepo.

6. Select “OK”.

7. Select “Next”.

8. The following screen is displayed:

9. Select “Process”.

10. The following screen is displayed:

![Image of a screen displaying operation complete message]

11. Select “Finish”.

The Run Flag for Mr John Molepo’s payslip has been cleared.

12. Do the Payroll Run for Mr John Molepo again.

5.5. **Making Backups of Your Company**

Backups are security copies of company data that you have to make on a regular basis. Backups will be needed in the event of power interruptions, hardware failure or corruption conditions.

Throughout the payslip processing cycle, Sage Pastel Payroll will advise you to make backups. Make and keep backups per pay period, and at the end of each month.

**Example**

Make a backup of Oxford Manufacturing (Pty) Ltd.’s data.

Use the Windows Explorer to create a folder on the C: drive and name it “Payroll Backups”. In this “Payroll Backups” folder, create a folder for Oxford Manufacturing in which you create a folder for each processing period.
1. Select File...Backup.
2. The following screen is displayed:

![Backup Image]

3. Select the directory on your computer where Sage Pastel Payroll & HR must save the backup for Oxford Manufacturing.
4. The following screen is displayed:

![Backup Image]

5. Select “Process”.

**Note:** Do not make backups in your company folder, always backup to a separate folder.
6. The following screen is displayed while the backup operation is taking place:

![Image of backup progress]

7. The following screen is displayed:

![Image of test ready message]

8. Select “OK”.

9. The following screen is displayed when the backup is completed:

![Image of backup completion]

10. Select “Close”.

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5.6. Pay Period Update

This is the last step in processing periodic payslips for your employees. During the Pay Period Update, the Pay Period's payslip information is saved into history, and no changes can be made to it. This option can only be run after the Payroll Run has been performed for all the employees in a specific pay frequency.

A Pay Period Update is the process of transferring all employees of one or more pay frequencies into the next pay period. Individual or multiple pay frequencies can be updated into their next respective pay periods by selecting Process…Pay Period Update.

Example

Perform the Pay Period Update for the weekly employees.

1. Process a Payroll Run for the weekly employees.
2. Select Process…Pay Period Update.
3. The following screen is displayed:

4. Select “Next”.
5. The following screen is displayed:

6. Select “OK”.

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7. Check the “Weekly” check box.
8. The following screen is displayed:

9. Select “Next”.
10. The following screen is displayed:

11. Select “Process”.

Note: To avoid this message in the future you can unselect Cheques and Bank Transfers in Setup…Company Parameters.
12. The following screen is displayed:

![Operation in Progress Image]

13. The following screen is displayed:

![Operation Complete Image]

14. Select “Finish”.

**Exercise 17**

For the period ending 14 March 2015 the following information has to be processed on the payslips:

- Mr John Molepo has taken a loan from the company for the amount of R 1 000.00. He agreed to pay back R 100.00 per week.
- Mr John Molepo received R 600.00 commission.
- Mr John Molepo worked 40 hours during this period.
- Perform a Payroll Run for the weekly employees for the period ending 14 March 2015.
• Perform a Pay Period Update for the weekly employees.
• For the week ending 21 March 2015, Mr John Molepo worked 4 hours Overtime @ 1.5 and must be paid R 150.00 commission.
• Mr John Molepo worked 40 hours during this period.
• Perform a Payroll Run and a Pay Period Update for the period ending 21 March 2015 for the weekly employees.

Answer to exercise 17:

For the period ending 14 March 2015 the following information has to be processed on the payslips:

• Mr John Molepo has taken a loan from the company for the amount of R 1 000.00. He agreed to pay back R 100.00 per week.
• Mr John Molepo received R 600.00 commission.
• Mr John Molepo worked 40 hours during this period.
• Perform a Payroll Run for the weekly employees for the period ending 14 March 2015.
• Perform a Pay Period Update for the weekly employees.
• For the week ending 21 March 2015, Mr John Molepo worked 4 hours Overtime @ 1.5 and must be paid R 150.00 commission.
• Mr John Molepo worked 40 hours during this period.
• Perform a Payroll Run and a Pay Period Update for the period ending 21 March 2015 for the weekly employees.

1. Select Process…Payslips.
2. Locate Mr John Molepo.
3. Select the “Default” tab.
4. The following screen is displayed:

![Process Payslip Screen](image)

5. In the next available line, enter transaction code “8150 – Staff Loan – Reducing Balance”.

6. In the “Balance” field, enter “1000” (This must be done before the Amount is entered).

7. In the “Amount” field, enter “100”.

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8. The following screen is displayed:

9. Select the “Income” tab.
10. In the next available line, enter transaction code “5300 – Commission”.
11. In the “Period Amount” field, enter “600”.
12. The following screen is displayed:

13. Save the changes.
15. Perform a “Payroll Run” and a “Pay Period Update” for the weekly employees.

**Note:** Remember to ALWAYS make a backup before processing the Pay Period Update.

**Note:** The weekly employees are now in the period ending 21/03/2015.

17. Locate Mr John Molepo.
18. Select the “Income” tab.
19. The following screen is displayed:

![](image)

20. In the next available line, enter transaction code “5321 – Overtime @ 1.5”.
21. In the “Quantity” field, enter “4”.
22. In the next available line, enter transaction code “5300 – Commission”.
23. In the “Period Amount” field, enter “150”.
24. The following screen is displayed:

25. Save the changes.
27. Perform a “Payroll Run” and a “Pay Period Update” for the weekly employees.

Note: The weekly employees are now in the period ending 28/03/2015.

Exercise 18

For the monthly period ending 31 March 2015 the following information has to be processed on the payslips:

- Mrs Samantha Jones worked 5 hours overtime @ 1.5 and resigned with effect from 28 March 2015. Terminate her on Sage Pastel Payroll and confirm the number of leave days due that should be paid out to her.
- Perform a Payroll Run for the period ending 28 March 2015 for the weekly employees.
- Perform a Payroll Run for the period ending 31 March 2015 for the monthly employees.

Answer to exercise 18:

1. Select Process…Payslips.
2. Locate Mrs Samantha Jones.
3. Select the "Income" tab.
4. The following screen is displayed:

5. In the next available line, enter transaction code “5321 – Overtime @ 1.5”.
6. In the “Quantity” field, enter “5”.
7. The following screen is displayed:

8. Save your changes.
9. Select the “Terminate” option.
10. In the “End Date” field, enter “28/03/2015”.
11. From the “Reason” drop down menu, select the “Resigned” option.
12. From the “Skills & Equity Performance Management Incident Type”, select from the zoom function “0003 – Termination – Resignation”.

13. The following screen is displayed:

14. Select “OK”.
15. The following screen is displayed:

16. Select “Yes”.
17. Select the “Leave” tab.
18. In the next available line, enter transaction code “0001 – Annual Leave”.
19. Check the “Pay Out” check box.
20. The following screen is displayed:

```
Note: Mrs Samantha Jones has 2.28 days of annual leave due to her that will be paid out.
```

21. Save your changes.

22. Select the "Income" tab.

23. The following screen is displayed:
Note: Sage Pastel Payroll & HR calculates the payout value of the annual leave days due and will automatically enter the value on the Income tab using transaction code 5010 – Leave Paid Out – Terminate.

24. Select “Close”.


26. Perform the “Payroll Run” for the period ending 28 March 2015 for the weekly employees.

27. Perform the “Payroll Run” for the period ending 31 March 2015 for the monthly employees.

5.7. Processing Cheques and Bank Transfers

The Cheque Printing / Bank Transfer Assistant guides you through the process of printing cheques and generating the electronic bank transfer information.

Note: The bank transfer file can only be generated once a Payroll Run has been completed.

Example

Oxford Manufacturing (Pty) Ltd. requested that you create a (CATS) Standard Bank format bank transfer file. The bank transfer is an actual transfer and the bank transfer file must be saved in your company folder.

The description for the bank transfer should be “March Salaries” and the statement narrative should be “Salaries”. The action date of this bank transfer is “31/03/2015”. The bank transfer file must only be created for monthly paid employees.

1. Select Process…Cheques / Bank Transfers.
2. The following screen is displayed:

3. Select “Next”.
4. Select the “Bank Transfer” option.
5. The following screen is displayed:

6. Select the “Filter” button.
7. Using the “Employee Filter” select only the monthly employees.
8. The following screen is displayed:

9. Select “OK”.
10. Select “Next”.
11. Select “Standard Bank format (CATS)” from the “Step 1” drop down menu.
12. The following screen is displayed:

13. Select the “Path” button.
14. Select the relevant folder where the file must be saved on your computer.
15. Select “OK”
16. Select the “Actual” bank transfer file option.
17. The following screen is displayed:

18. Select “Next”.

19. In “Step 1: Specify the description for the bank transfer”, enter “March Salaries”.

20. In “Step 2: Please enter the action date of the bank transfer”, select “31/03/2015”.


22. The following screen is displayed:

23. Select “Next”.
24. The following screen is displayed:

![Sage Pastel Payroll & HR's Cheque Printing / Bank Transfer Assistant - Sole Access Mode](Image)

Select "Finish".

**Note:** Contact your bank for their transfer details.

5.8. **Using Sage Pastel Payroll & HR’s Note Function**

A note can be of a general nature, that is to remind you to do certain tasks, or it can be applicable to a specific employee.

When you print Masterfile records, you have the option to print a summary of all the notes that are attached to employee records.

You can use the Note Function to accomplish an array of things. Some examples are:

- Attaching notes in Reports

As you create your reports, you can choose whether to attach notes. When Sage Pastel Payroll & HR prints the reports, it will include the notes.

- Link external files

You can link a note to a file created in a word processor, spreadsheet, or graphics program.

- Independent notes

You can create miscellaneous notes that are not attached to any Masterfile record. You can use these for to-do lists, reminders or scratch pads. These notes are assigned to the 'Other' note category.
Note: Press the F2 button to access the Note Facility at any time while working on Sage Pastel Payroll & HR.

Example

You need to set a reminder for Mrs Samantha Jones’ exit interview with the director on 28 March 2015.

1. Select Edit…Employee Masterfile.
2. Locate Mrs Samantha Jones.
3. The following screen is displayed:

4. Double click the “Note” option.
5. On the note, enter “Exit Interview with director. Remind Samantha.”
6. In the “Subject” field, enter “Exit interview.”
7. In the “Action Date” field, enter “28/03/2015”.

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8. The following screen is displayed:

![Note Facility](image)

9. Save the changes.
10. Close the Note Function.
11. Close the Employee Masterfile.

**Exercise 19**

Perform a Pay Period Update for the weekly and monthly employees.

**Answer to exercise 19:**

2. The following screen is displayed:
3. Select “Next”.

4. Select the “Monthly” and the “Weekly” pay frequency options.

5. The following screen is displayed:

6. Select “Next”.

7. The following screen is displayed:
8. Select “Process”.
9. The following screen is displayed:

![Screenshot of Pay Period Update Assistant - Sole Access Mode](image)

10. The following screen is displayed when the operation is complete:

![Screenshot of Pay Period Update Assistant - Sole Access Mode](image)

11. Select “Finish”.
5.9. Summary of the Process

**Step 1**
- Create the company and set up including passwords. This includes:
  - Company parameters
  - User Defined fields
  - Pay Parameters

**Step 2**
- Set up transactions:
  - Create Transaction Templates

**Step 3**
- If relevant to your company, set up:
  - Job codes
  - Pay Points
  - Cost Centres
  - Bank and Branch codes
  - Occupations

**Step 4**
- Create Employee Profiles

**Step 5**
- Create Employee MasterFiles

**Step 6**
- Create Payslips
- Leave
- Income
- Deductions
- Default transactions

**Note:** Steps 1 – 3 are stable and do not usually require additional amendments if the original setup has been done correctly.

Step 4 will be a step which will be reviewed and amended should the company require to do so.

Step 5 is done for each new employee. Complete the employee Masterfile with as much information originally as available. The Masterfile will be adjusted and amended with any changes to the individual employee’s employment.

Step 6 is the step which will be repeated regularly as per the pay periods and the individual employee status with income, leave, deductions and benefit transactions.
### Income

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>5000</td>
<td>Basic Salary</td>
<td>Affect Notional Pay</td>
</tr>
<tr>
<td>5001</td>
<td>Daily Wage</td>
<td>Affect Notional Pay</td>
</tr>
<tr>
<td>5002</td>
<td>Hourly Wage</td>
<td>Affect Notional Pay</td>
</tr>
<tr>
<td>5009</td>
<td>Shifts Worked</td>
<td></td>
</tr>
<tr>
<td>5010</td>
<td>Leave pay paid out (terminate)</td>
<td>Only when employee leaves company</td>
</tr>
<tr>
<td>5012</td>
<td>BCEA leave taken</td>
<td>Annual leave</td>
</tr>
<tr>
<td>5200</td>
<td>Paid sick leave</td>
<td>As per sick leave allowance</td>
</tr>
<tr>
<td>5016</td>
<td>Unpaid leave</td>
<td>Remember to deduct hours from income</td>
</tr>
<tr>
<td>5200</td>
<td>Annual bonus</td>
<td>Fluctuating income</td>
</tr>
<tr>
<td>5204</td>
<td>Other bonus</td>
<td>Fluctuating income</td>
</tr>
<tr>
<td>5300</td>
<td>Commission</td>
<td>Fluctuating income</td>
</tr>
<tr>
<td>5321</td>
<td>Overtime @ 1.5</td>
<td>Fluctuating income</td>
</tr>
<tr>
<td>5323</td>
<td>Overtime @ 2</td>
<td>Fluctuating income</td>
</tr>
<tr>
<td>5501</td>
<td>Travel Allowance</td>
<td>Private portion</td>
</tr>
</tbody>
</table>

### Fringe Benefits

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>6000</td>
<td>Acquisition of Asset</td>
<td></td>
</tr>
<tr>
<td>6021</td>
<td>Agreed private portion co car</td>
<td>As per calculation</td>
</tr>
<tr>
<td>6035</td>
<td>Company Car Taxable value</td>
<td>As per formula</td>
</tr>
<tr>
<td>6040</td>
<td>Use of Assets</td>
<td></td>
</tr>
<tr>
<td>6080</td>
<td>Free or cheap accommodation</td>
<td>As per formula</td>
</tr>
<tr>
<td>6100</td>
<td>Free or cheap services</td>
<td></td>
</tr>
<tr>
<td>6172</td>
<td>Medical aid fringe benefit</td>
<td>Automatically added when adding Medical aid beneficiaries as long as “affect payslip” has been agreed</td>
</tr>
<tr>
<td>6180</td>
<td>Medical aid benefit</td>
<td>Automatically added when adding Medical aid beneficiaries as long as “affect payslip” has been agreed</td>
</tr>
<tr>
<td>6400</td>
<td>Retirement annuity benefit</td>
<td></td>
</tr>
<tr>
<td>6401</td>
<td>Income replacement benefit</td>
<td></td>
</tr>
</tbody>
</table>
### Retirement funding Income

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>7000</td>
<td>Pension employee amount</td>
<td></td>
</tr>
<tr>
<td>7001</td>
<td>Pension fixed amount</td>
<td></td>
</tr>
<tr>
<td>7002</td>
<td>Pension Fixed %</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>7003</td>
<td>Pension Actual %</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>7040</td>
<td>Provident employee amount</td>
<td></td>
</tr>
<tr>
<td>7041</td>
<td>Provident Fixed amount</td>
<td></td>
</tr>
<tr>
<td>7042</td>
<td>Provident Fixed %</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>7043</td>
<td>Provident Actual %</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>7100</td>
<td>Retirement annuity</td>
<td></td>
</tr>
<tr>
<td>7200</td>
<td>Income replacement policy</td>
<td></td>
</tr>
</tbody>
</table>

### Tax

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>8000</td>
<td>Medical aid tax credit applied</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>8001</td>
<td>PAYE Tax</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>8002</td>
<td>Medical aid tax credit</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>8045</td>
<td>UIF Employee Actual</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>8046</td>
<td>UIF Employee Notional</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
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### Employer contributions

<table>
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<tr>
<th>Code</th>
<th>Description</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>9000</td>
<td>Pension employer amount</td>
<td></td>
</tr>
<tr>
<td>9001</td>
<td>Pension fixed amount</td>
<td></td>
</tr>
<tr>
<td>9002</td>
<td>Pension Fixed %</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9003</td>
<td>Pension Actual %</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9004</td>
<td>Provident fund Employer</td>
<td></td>
</tr>
<tr>
<td>9005</td>
<td>Provident fund Fixed amount</td>
<td></td>
</tr>
<tr>
<td>9006</td>
<td>Provident fund Fixed %</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9007</td>
<td>Provident fund Actual %</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9045</td>
<td>UIF Company actual pay</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
<tr>
<td>9046</td>
<td>UIF Company notional pay</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
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<td>9090</td>
<td>Medical aid employer amount</td>
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</tr>
<tr>
<td>9091</td>
<td>Medical aid fixed amount</td>
<td></td>
</tr>
<tr>
<td>9100</td>
<td>OID contribution</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
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<td>9150</td>
<td>Skills Development Levy</td>
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<td>9400</td>
<td>Retirement annuity</td>
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</tr>
<tr>
<td>9401</td>
<td>Income replacement policy</td>
<td>Calculated by Sage Pastel Payroll &amp; HR</td>
</tr>
</tbody>
</table>
Summary of the periodic processing cycle in Sage Pastel Payroll & HR

Capture all information in payslips, e.g. Overtime, Commission etc.

Process a Payroll Run

Print Payslips and Confirm that everything is correct

Print Payroll Reports
Print Statutory Reports
Create Bank Transfer File (Optional)

Create a Backup

Process a Pay Period Update

Sage Pastel Payroll & HR
Learning Unit 6
Sage Pastel Payroll & HR Product Range

Outcomes of learning unit 6

- Distinguish between the various products in the Sage Pastel Payroll & HR range.

6.1 Introduction

Tens of thousands of satisfied customers already use Sage Pastel Payroll & HR to automate their payroll processing. Sage Pastel Payroll & HR makes processing payroll information a function that any company can accomplish in-house, without the high costs normally associated with external payroll services.

We designed Sage Pastel Payroll & HR with your business in mind. Sage Pastel Payroll & HR boasts powerful and customisable features, while remaining easy to use. Although most businesses can run their payrolls using the standard transactions provided, you can customise transaction templates by setting up your own formulas, creating lookup tables, and using various other elements that Sage Pastel Payroll & HR provide.

6.2 The Sage Pastel Payroll & HR Product Range

The Sage Pastel Payroll & HR range is the ideal payroll solution for any size and type of business or non-profit concern. Sage Pastel Payroll & HR caters for the full spectrum of requirements from pre-defined, standard sets of transactions for less complicated payrolls, to more powerful and customisable features and functions for organisations with more sophisticated payroll requirements.

Sage Pastel Payroll & HR caters for organisations with:

- Up to 5 employees.
- Up to 10 employees.
- Up to 25 employees.
- Up to 50 employees.
- Up to 100 employees.
- Up to 150 employees.
- Up to 250 employees.
- Up to 500 employees.
- Up to 750 employees.
- Up to 1 000 employees.
- Up to 1 500 employees.
- Up to 2 500 employees.
- Up to 5 000 employees.
- 5 000 to unlimited employees.

Sage Pastel Payroll & HR is sold subject to an Annual Licence Fee (ALF), which will keep your payroll up-to-date with the latest legislative changes. These changes occur every year and the Sage Pastel Payroll & HR staff makes sure that you abide by it, whatever the changes may bring.

**Multiple Users**

If your organisation has a significant payroll, it may be advantageous to make use of the powerful Multi-User processing option. This function increases productivity, enabling more than one person to process batches and transactions, ensuring that the payroll is always ready on time.

**Custom Report Writer**

The Custom Report Writer allows you to create any type of report according to your business requirements. You can access a customised report layout in any of your companies thus eliminating the need to customise a report more than once. Create simple data listings by using the report assistant or create more complex reports using the advanced customisation and design features.

**Optional Modules**

These modules are sold individually and are subject to an annual licence fee, which covers all legislative and product upgrades, as well as telephonic and e-mail support.

**Self Service (SS)**

Sage Pastel Payroll & HR's Self Service (SS) is a web-based self-service tool enabling employees to manage and maintain their own information online. SS provides employees with a user-friendly means of streamlining payroll and HR administration online, while at the same time improving communications with department heads, administrators and management.

SS enables employees to make on-line applications for leave, loans, bursaries and more. Employees can now submit their travel claims online, view their payslips, update personal information, download HR related documentation on a real-time basis.
BI Payroll: Excel Reporting

What do you get when you combine South Africa's leading Payroll software with Microsoft® Excel?

A reporting tool that allows you to manipulate reports in order to make improved decisions through business intelligence (BI). If you entrust Microsoft® Excel to share, present and analyse information, then this module is for you.

BI Payroll: Excel Reporting is a module that dynamically links to your payroll data, taking your business way beyond traditional reporting functionality, using the power of Microsoft® Excel.

Our standard, ‘pre-set’ reports save you time

This module ships with more than 20 standard report formats such as a job costing report, year-on-year leave comparison report, leave taken listing, rate report, years of service listing, to name a few. The module retains amended spreadsheet layouts and makes them available for future use. These reports can be ‘sliced and diced’ according to your own unique requirements, with comprehensive graphical illustrations for easy analysis and reporting purposes.

End-user Empowerment

If you retain and save the design of your spreadsheets, you will avoid having to re-format them every time you generate the Excel report.

Customised Reports

You can customise the standard set of reports and templates, and even create new ones.

Your FREE 60-day* trial period allows you unlimited access to the full functionality of this module.

* Effective from date of registration.

Industrial Council Compliance

Sage Pastel Payroll & HR caters for the following Industrial Councils: MIBFA, MIBCO / MICFA, the Electrical Industry and the Road Freight Industry as well as the Private Security Industry. This module will even provide you with the ability to generate the applicable Industrial Council's electronic submission files.
Now you no longer have to manually complete the Industrial Council reports. Simply generate the submission file and e-mail it to the applicable Industrial Council at the click of a button.

This way you are ensured that all your calculations are correct the first time around, eliminating the chance of data-capture errors!

**Third Party Payments**

With our Third Party Payments module, any company deduction or contribution can automatically be paid over to the relevant company with the click of a button.

No more manual capturing required with a once-off beneficiary (third party) setup. You can eliminate human error and save valuable processing time as well as obtain a detailed transaction listing report per employee and party. Third Parties can include Provident Funds, Medical Aids, Garnishee Orders, Industrial Councils, OID, EMP201 SARS payments, to name a few.

**Multiple Transaction Manager**

The Multiple Transaction Manager module allows you to give the entire company a salary increase based on either a set value or a specific percentage and process a production bonus or commission by only using one screen. Over shutdown periods, putting your entire workforce on leave has never been this quick and easy. This feature allows you to make global updates to any transaction within Sage Pastel Payroll & HR to all, or a selection of employees. These transactions can include leave, bonuses, travel allowances, commission, to name a few.

**Salary Structuring**

Pastel Partner Payroll’s Salary Structuring module offers you amazing functionality to calculate individual employees’ remuneration packages. It is like having a Salary Structuring Assistant! This module simplifies the complicated task of structuring a Total Cost To Company remuneration package, according to the employee’s letter of appointment. By simply entering the total package value and various package components, Sage Pastel Payroll & HR will calculate the value of the remaining cash component and update the employee’s payslip with the structure you define. Alternatively, make use of the Nett to Gross Package calculation to accurately determine the gross basic salary required to ensure the employee receives an agreed nett pay amount in each pay packet.

The Salary Structuring module offers 8 calculators to assist you with the quick calculations of various allowance and fringe benefit values. Based on information provided by your employees, you can now calculate an accurate value for travel allowances or the taxable benefit value of a company vehicle without having to understand or refer back to any of the complicated rules and regulations required by legislation.
Our Salary Structuring module can be used to structure an employee’s pay package using one of two methods namely Total Cost To Company or Nett to Gross Salary. In addition, there are 8 calculators built into the Salary Structuring module to assist you to calculate the fringe benefit of the Use of Company Vehicle, Private use of Assets, Free and Cheap Accommodation and many more.

The standard functionality of the Salary Structuring module has been enhanced with an assistant wizard which is available to set up new employee salary information.

**Human Resources**

If you hire, fire, or pay staff, you are already doing HR, you might not know it yet. HR can be easy; you just need the best tools to do it.

If you have one or more employees in your business, not only do you need HR (Human Resource), you already have it! From the moment you place your first “Vacancy Available” sign on the door, or, run a “Wanted” advertisement in the classifieds, to the arrival of a new hire, to their first delegated assignment, to the first pay cheque you write, all the way through training, promotion, resignation, retrenchment and dismissal; you are practicing HR Management (HRM).

With our easy-to-use, legally compliant and automated Human Resource System, you can avoid costly CCMA cases or having to pay a compensation for wrongful dismissal. At last, you can rest assured that your biggest asset – your employees – is taken care of.