

PY-ZA South African Model Company



HELP.PYZAMC

Release 4.6B



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PY-ZA South African Model Company

This model company (the Cape to Cairo Trailer Company (CCT)) has been designed to represent a 'typical' company in South Africa. In terms of SAP System configurations, it is therefore possible to find similarities between your organization and the CCT.

This document serves as:

- A guide to the South African model company CCT
- A source for referencing customizing entries in the SAP System
- A reference for SAP system information and terminology



As the CCT is still currently in a developments of implementation, there may be instances where certain entries have not yet been maintained in the system.

Introduction

Purpose

The Cape to Cairo Trailer Company (CCT) has been created as the South African model company. It is representative of the standard SAP HR & Payroll functionality implemented in South Africa.

With the CCT model entries, consultants and implementation teams can considerably reduce SAP HR implementation times.

Integration

The following components contain customizing entries:

- SAP HR Personnel Management (PA)
- SAP HR Time Management (TM)
- SAP HR Payroll South Africa (PY-ZA)

Features

The model company offers you:

1. Customized entries
2. SAP HR integration with standard business scenarios

Constraints

As the CCT is a view of a 'typical' company in South Africa, you may experience the following scenarios:

- That certain circumstances within in CCT are not relevant for your organization.
- That you will need to perform additional customizing and maintenance activities in order to be productive with your SAP HR Payroll South Africa System.

Overview

Overview

The Cape to Cairo Trailer Company (CCT) was founded in 1987 by Cornelius Bosch. He started his company by making trailers in his garage in White River. The company has since grown into a multi-million Rand concern, with over 500 employees. CCT is no longer under family control, but is now run by a Board of Directors.

The Cape to Cairo Trailer Company makes trailers for all types of vehicles in various product lines. Their factory is situated in Midrand (Gauteng area outside of Johannesburg). In addition to the factory site, there are three other offices around the country, namely a head office in Sandton, and regional offices in Cape Town and Durban.

The Head Office employs about 60 people, in the following areas: Manufacturing and Distribution, Sales and Marketing, Finance, and Human Resources. Each of these areas is headed by a Director, who reports to the CEO. These employees are paid monthly on a variety of salary packages, depending on the level of the jobs they perform (which are graded according to the Peromnes Job Grading System).

Each of the Regional Offices employ about 20 people, mainly in the area of Sales, while Finance and Human Resources are also represented in the regions. The sales force covers extensive territories, deal with corporate customers, as well as dealers (through whom most of the products are sold). The sales representatives are often on the road and away from home. They must therefore be equipped with the latest computer and telecommunications equipment, in order to facilitate communications with the CCT offices and with their customers. All regional employees are paid monthly, according to the levels appropriate for their jobs. Furthermore, the Sales staff has a large portion of variable pay in their salary packages, which is based on a commission structure.

The factory site employs about 400 people, the majority of whom are directly involved in manufacturing. All the manufacturing employees on the factory site are unionized. Most employees belong to the Transport & General Workers Union (TAGWU). However, the employees in the paint shop belong to the Chemical Workers Industrial Union (CWIU). These employees are paid weekly, based on an hourly rate. While negative time recording is currently used to track employee hours, there is a possibility that clock cards will be introduced in the near future. Currently, there are four shift for manufacturing employees each consisting of a 40 hour work week.

In addition to the manufacturing staff, there is a goods receiving area where raw materials are received and a distribution area where finished products are sent out. The employees in these areas are paid weekly, but are not unionized. Their salary levels are graded according to the Patterson Grading System (which also applies to the unionized members, but with different pay rates). At the factory, there are also a number of clerical staff workers who are paid on a monthly basis, working in the following areas: Human Resources, Finance, and EHS (Environmental, Health, and Safety). The factory site premises is protected by an in-house Security Department who patrol the site seven days a week between 8:00 and 17:00. In the off-time of the in-house Security Department, the premises is patrolled by an external Security Service, ensuring that there a security 24 hours a day seven days a week.

Company Structure

In this section, you will see examples of how the company structure at CCT is integrated into the SAP business structure.

Organizational Structure

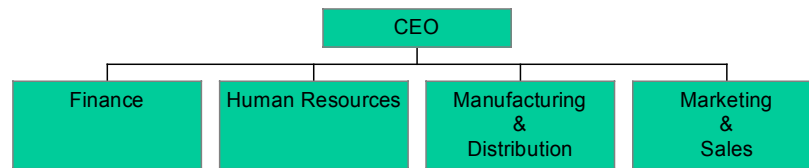
Organizational Structure

Definition

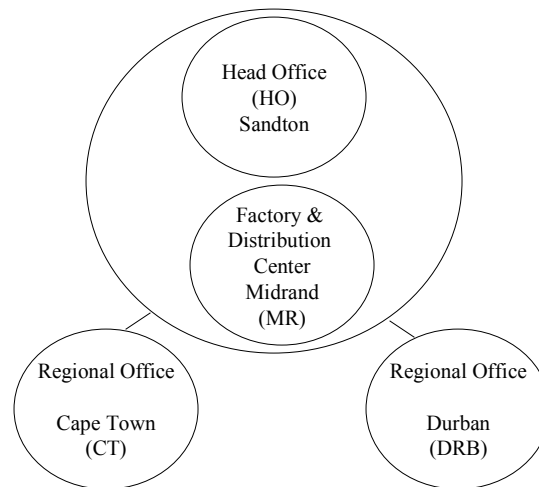
There are two ways of looking at the structure of an organization.

1. The first is what is referred to as the traditional 'financial' view of an organization. Such a view is usually depicted by an organigram of the organization. It is indicative of the cost structure of an organization; therefore the reference to the financial view of an organization. It tends to follow functional areas and is a hierarchical depiction of an organization structure.

The top-level 'financial' view of the CCT is depicted as follows:



2. Another way to view a company structure is to concentrate more on physical location(s) of an organization. This view is similar to the SAP HR structure which is required for implementing payroll. It is therefore the view that will be emphasized in constructing the South African model company. An overall view of the CCT is depicted as follows:



➔ In this model company project, the above representations of company structures will be linked to entities in the SAP System in order to describe the structure of the CCT.

💡 For background information on SAP HR Personnel Administration and how Personnel Administration data is structured and processed in the system, see [Basic Objects and Structures in Personnel Administ \[Ext.\]](#).

Company Code

Use

The company code represents a legally independent company with its own accounting unit, thereby creating statutory balance sheets and profit and loss statements.

Feature

Within a client, the company code represents the highest level of the company structure. In customizing, the company code is identified by a four-digit alphanumeric code.



The company code for the CCT is ZA01.



The CCT entries have been pre-configured in the system. To customize entries, see in the Enterprise IMG: *Enterprise Structure* → *Definition* → *Financial Accounting* → *Define, copy, delete, check company code*.

Personnel Area

Personnel Area

Definition

A personnel area is a specific entity within SAP HR Personnel Administration (PA). It represents a subdivision of the company code. The individual personnel areas in a company code consist of a four-digit alphanumeric code. Personnel areas have the following functions:

- They allow you to generate default values for data entry, including payroll accounting areas.
- They can be used as selection criterion for reporting.
- They can serve as a basis for authorization checks.

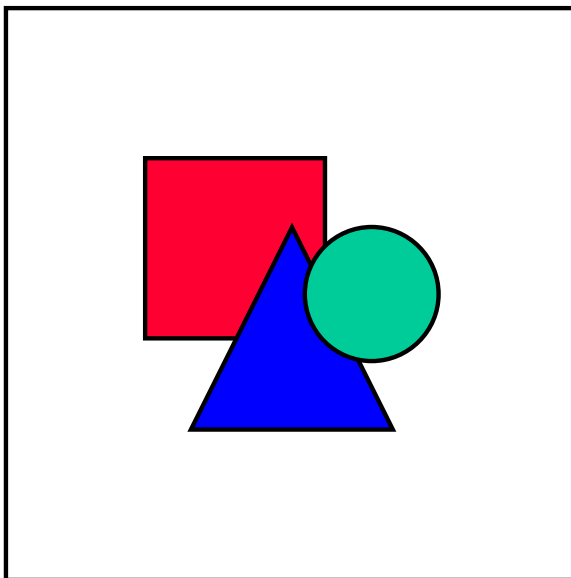
Use

Generally in SAP, the personnel area corresponds to an actual workplace site, whether it is a factory, a research laboratory, a regional or head office, or a remote sales office. It can also be used to differentiate between different divisions within a company.

Structure

At the CCT, the personnel areas are as follows:

Code	Personnel Area
ZA01	Head Office - Sandton
ZA02	Factory – Midrand
ZA03	Regional Office - Cape Town
ZA04	Regional Office - Durban



Personnel Area can be used as a selection criteria for authorizations and reporting.



The CCT model company entries have been pre-configured in the system. To customize entries, see in the SAP Reference IMG: *Enterprise Structure → Definition → Human Resource Management → Define, Copy, Delete, Check Personnel Area*.

Also, to assign personnel areas to company codes, see in the SAP Reference IMG: *Enterprise Structure → Allocation → Human Resource Management → Assign Personnel Area to Company Code*.

Personnel Subarea

Personnel Subarea

Definition

A personnel subarea is a SAP HR Personnel Administration specific unit and is a subdivision of the personnel area. At this level, the organizational control of pay scale, wage type structures, work schedule and planning take place. The individual personnel subareas are identified by a four-digit alpha-numeric identification code.

Use

The South African specific control features are also stored at this level. The main organizational functions of the personnel subarea are as follows:

- Specifying the groupings for SAP HR Time Management, which allows, for example, work schedules, substitution, absence, and leave types to be set up on a personnel subarea specific basis.
- The personnel subarea can serve as a selection criterion for reporting.
- With personnel subareas, you can generate default values for pay scale types and areas for an employee's basic pay.
- You can specify holiday calendars based on personnel subareas.
- With personnel subareas, you can define specific wage types per personnel areas.
- Personnel subareas can be represented as legal entity for accounting purposes.

In general, the personnel subarea refers to an area in a workplace, in which a group of people work under similar conditions of employment. For example, within head office, most people will work a standard eight-hour day five days week. Therefore, the entire head office is classified under one personnel subarea. However, on a factory site, there will be people with different employment conditions. For example, the clerical staff works five days a week, while production workers work rotating shifts on a 40 hour/week schedule. In such an instance, different personnel subareas are needed.

Structure

The personnel areas for the CCT are broken down into the following personnel sub-areas:

Head Office – Personnel Area ZA01

Departments	Personnel Sub- Area
Finance (Administration)	0001
Human Resources (Administration)	0001
Sales	0002
Manufacturing (Administration)	0001
Marketing (Administration)	0001
Distribution (Administration)	0001
Security	0008

Regional Offices – Personnel Areas ZA03 & ZA04

Departments	Personnel Sub-Area
Finance (Administration)	0001
Sales	0002
Human Resources (Administration)	0001
Security	0008



The personnel subarea for Sales is different from every other department due to their unique working hours and various allowances.

Factory & Distribution – Personnel Area ZA02

Departments	Personnel Sub-Area
Administration	0001
Distribution	0003
Plant manufacturing (Managers & Specialists)	0004
Goods Receiving	0003
Safety & Environment	0007
Plant Manufacturing (shift workers)	0005
Paint Shop	0006
Security	0008



The CCT model company entries have been preconfigured in the system. To customize entries see in the SAP Reference IMG: *Enterprise Structure → Definition → Human Resource Management → Define, Copy, Delete, Check Personnel Subarea.*

In addition, you must also maintain the attributes for the Personnel Subareas. To do so, maintain the table *Personnel Area/Subarea: Complete View (V_001P_ALL).*

Business Area

Business Area

Definition

A business area is an organizational unit within accounting that corresponds to a clearly defined segment of a business organization or a responsibility center within a business organization. A business area often corresponds to the highest level in the costing structure of the organization.

Use

A business area can be organized according to the following criteria:

- Functional lines (as specified in the CCT)
- Product lines (for example, where a company makes TVs, videos, and CD players and wants to measure the profitability of each business unit)
- Regional responsibility areas

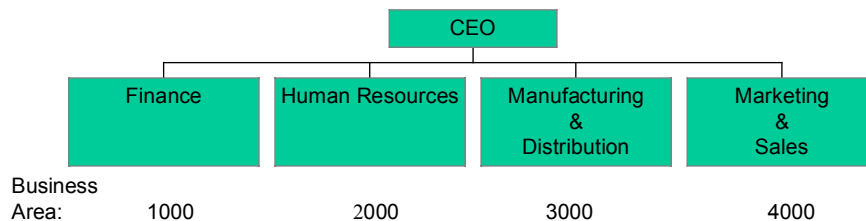
As business areas are generally specific to Finance and SAP HR Personnel Administration during implementations, this model company will not go into great detail regarding business areas.

The following is an example of how business areas could be structured at the CCT, with the CEO overseeing all the different business areas.



The structure below is only an example and is not representative of system pre-configurations.

Structure



The cost center structure generally flows from the business center structure. See [Business Area in Detail \[Page 17\]](#) for information on individual business areas and the corresponding cost centers.



To customize entries, see in the SAP Reference IMG: *Enterprise Structure* → *Definition* → *Financial Accounting* → *Maintain business area*.

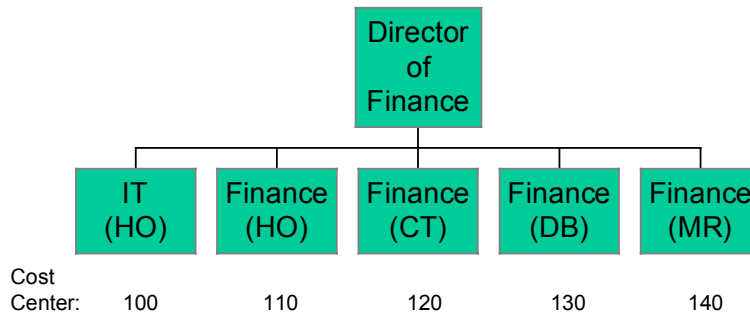
Business Area in Detail

Structure

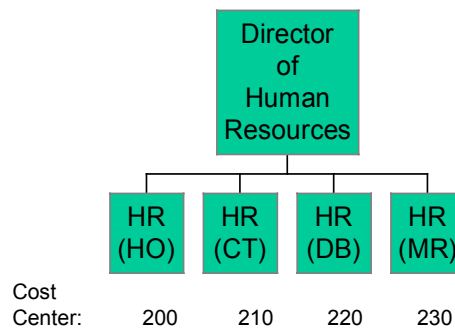
The following are the individual business areas for CCT with the corresponding cost centers:

➡ The structure below is only an example and is not representative of system pre-configurations.

Finance - Business Area 1000

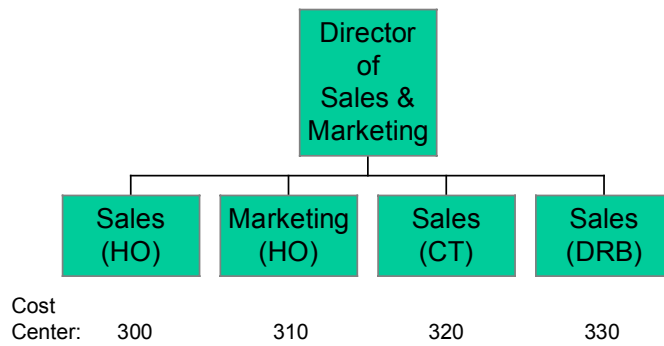


Human Resources - Business Area 2000

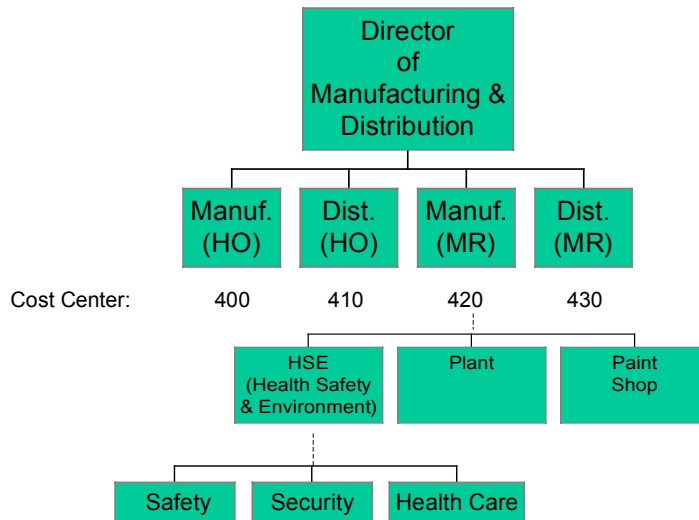


Business Area in Detail

Sales & Marketing - Business Area 3000



Manufacturing & Distribution - Business Area 4000



Country Modifier

Definition

Specifies the two-digit number assigned within the SAP System for each specific country version. For the standard South African release of the SAP HR and Payroll module, the South African country modifier is 16.

Use

This modifier allows South African specific net pay to be calculated from gross pay (which is commonly used worldwide).

Structure

At the CCT, the country modifier (molga) has been pre-configured to 16.



During payroll, the System defaults the Rand (ZAR) as the currency of choice based on the country modifier.



In order to have South African specific entries defaulted on your SAP system, you must set up your *User Parameter* accordingly. To do so, choose *System* → *User Profile* → *Own Data*. In the tab strip *Parameters* enter the following entries:

Parameters	Value
ABK	W0
MOL	16
LND	ZA
UGR	16

ABK = Default for the payroll area (monthly), you can change this default according any appropriate payroll area.

Personnel Structure

Personnel Structure

Definition

Describes an employee's position in a company from the individual employee's view.

Structure

The personnel structure can be considered from two perspectives:

- administrative perspective
- organizational perspective

The [administrative personnel structure \[Ext.\]](#) consists of the following elements:

- *Employee group*
- *Employee subgroup*
- *Payroll accounting area*
- *Organizational key*

The extent of the distinction that you make between employee groups and employee subgroups depends on your evaluation and access protection requirements.

The organizational key consists of a part of both the enterprise structure and the personnel structure. The elements employee group and employee subgroup could also be relevant in forming the organizational key.

The [organizational personnel structure \[Ext.\]](#) consists of the following elements:

- *Position*
- *Job*
- *Organizational unit*

Integration

To assign an employee to the personnel structure, use the *Hiring* personnel action. The data is stored in the [Organizational Assignment \[Ext.\]](#) (0001) infotype. This infotype is essential for authorization checks.

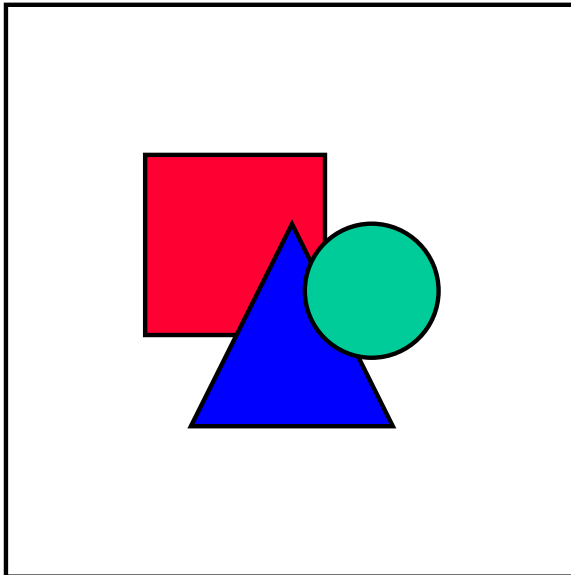
Employee Groups

Definition

The employee group divides employees into groups based on similar positions within a company. Employee groups are identified by a one-digit code.

Use

This is a high level division and generally relates to the type of relationship the person has with the organization, for example, whether the employee is an active employee or a pensioner.



Employee groups also criteria for system authorizations and reporting.

Structure

Within the CCT, model entries have been maintained for active employee in the system. For the complete list of employee subgroups, see [Employee Subgroups \[Page 22\]](#).



The CCT entries have been pre-configured in the system. To view these entries, see in the SAP Reference IMG: *Enterprise Structure* → *Definition* → *Human Resource Management* → *Maintain Employee Group*.

Employee Subgroups

Employee Subgroups

Definition

Employee subgroups subdivide employee groups according to the employee's status.

Use

Within the active workforce, for example, a distinction can be made between the employee group for industrial workers, salaried workers, and hourly workers. Employee subgroups should be designed on the basis that an employee does not fit into more than one employee subgroup. For example, it would not be necessary to have a subgroup for weekly paid employees and industrial workers (as most factory workers are paid on a weekly basis). The same principal applies to salaried employees and management (as a certain group of employees would fit into both categories).

Structure

The following structure exists at CCT:

Employee Group Code	Employee Group	Employee Subgroup code	Employee Subgroup
1	Active	W0	Salaried Staff
		W1	Hourly Wage (Weekly)
		W2	Salary Packaging
		W3	Bi-Weekly Salaried
2	Retiree/Pensioner		
3	Early Retiree		
4	Trainee		
5	Terminated		
6	Inactive		
9	External Employee		



The CCT entries for employee group and employee subgroup have been pre-configured in the system. To customize entries, see in the SAP Reference IMG: *Enterprise Structure* → *Definition* → *Human Resource Management* → *Define, Copy, Delete, Check Employee Subgroup*.

Payroll Area

Definition

The payroll area represents an organizational unit for performing a payroll run. Based on organizational assignment, payroll areas group payroll data for employees according to when their payroll should be run. The payroll area provides two pieces of information, namely which set of employees need to be considered for the payroll run and the exact dates of their accounting period. The dates of the accounting period are determined as follows:

- The payroll period is stored as a period modifier per payroll area. Payroll can be run, for example, on a monthly, weekly, or bi-weekly basis.
- The exact dates are stored for each valid accounting period.
- The exact dates of the current accounting period are determined by using a payroll control record. The payroll control record keeps track of which period needs to be processed. Each payroll area has its own control record.

Use

The payroll areas used in the CCT are as follows:

Code	Payroll Area
W0	Monthly
W1	Weekly
W2	Bi-Weekly



The CCT entries have been pre-configured in the system. To customize entries, see in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Payroll Data* → *Basic Pay* → *Define EE subgroup grouping for PCR and coll.agrmt.prov.*

Integration

The feature ABRKS has also been maintained to default payroll areas into infotype *Organizational Assignment (0001)*.

Pay Scale Structure

Pay Scale Structure

Definition

The pay scale structure covers pay aspects which are dependent, for example, on regional, industrial-specific, financial, and time-related factors. It also takes into account the differences between industrial workers and salaried employee's, as well as circumstances related to pay scale changes.

Use

Having established the organization structure at the CCT, it is now necessary to set up the pay scale structure. There are four elements related to the pay scale structure:

- Pay scale type
- Pay scale area
- Pay scale group
- Pay scale level



Some companies do not have a strict pay scale structure. In such a case, salaries and wages can be entered in infotype *Basic Pay (0008)*. For such an instance, it is therefore not necessary to set up the pay scale structure in the SAP System.

For additional information, see [The Pay Scale Structure \[Ext.\]](#).



The feature **TARIF** has been used to default pay scale types and pay scale areas (based on payroll areas) into the infotype *Basic Pay (0008)*.

Pay Scale Type

Purpose

Pay scale type generally represents a collective agreement type.

Features

For example, a company such as the CCT has non-unionized employees and agreements with two different trades union. Each of these would be represented by a pay scale type as follows:

Code	Pay Scale Type
01	Non-Unionized
02	Chemical Workers Industrial Union (CWIU)
03	Transport and General Workers Union (TAGWU)



The CCT entries have been pre-configured in the system. To customize entries, see in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Payroll Data* → *Basic Pay* → *Define Pay Scale Type*.

Pay Scale Area

Pay Scale Area

Definition

The pay scale area is a geographical area in which a particular collective agreement is valid. In South Africa, it is possible to have pay scale rates in various parts of the country. For example, the rates in the Gauteng are the higher than most other parts of the country.

Use

In the CCT, different rates apply to certain non-unionized staff who work in the Head Office in Sandton, as compared with to those in similar jobs who work in either the Durban or Cape Town region (which are on identical pay scales).

The pay scale areas for the CCT are:

Code	Pay Scale Areas
01	Gauteng
02	Regions



The CCT entries have been pre-configured in the system. To customize entries, see in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Payroll Data* → *Basic Pay* → *Define Pay Scale Area*.

Pay Scale Group

Definition

Pay scale groups generally represent the job grades in an organization. According to the employee's job grade, an appropriate salary structure is applied.

Use

The CCT uses the two most common South African job evaluation systems, namely Peromnes and Patterson.

- **Peromnes**

Pay scale group	Level	Employee Subgroup
TOP MMT	01-03	W2
SEN MMT	04-06	W0
MID MMT	07-09	W0
JUN MMT	10-12	W0
CLERICAL	13-16	W1

Office workers use the Peromnes system of evaluation and are banded into employee groups, for example, Top Management, Junior Management, and Clerical. The pay scale levels define the actual Peromnes grade within these groups.

- **Patterson**

Pay scale group	Level	Employee Subgroup
A BAND	01	W1
A BAND	02	W1
B BAND	01	W0
B BAND	02	W0
C BAND	01	W0
C BAND	02	W0
D BAND	01	W0
D BAND	02	W0
E BAND	01	W2
E BAND	02	W2

A BAND employees represent unskilled workers, such as: cleaners, maintenance workers, and tea room staff.

B BAND represent employees such as: clerical workers, personnel officers, and low level artisans.

C BAND represent employees such as: Line Managers and Supervisors.

Pay Scale Group

D BAND represent employees in Management.

E BAND represent Executives.



The CCT entries have been pre-configured in the system. To customize entries, see in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Payroll Data* → *Basic Pay* → *Pay scale groups and levels*.

Pay Scale Level

Definition

Pay scale levels are subdivisions of pay scale groups. They often refer to the 'notch' that the employee is on within his pay scale group. They can also refer to the percentile in which the employee's salary falls into.

The pay scale levels used in at the CCT for 'notch' employees are:

Peromnes

Code	Pay scale level
01	25 % (low)
02	50 % (average)
03	75 % (high)

Patterson

Code	Pay scale level
01	01 Level
02	02 Level



The CCT entries have been pre-configured in the system. To customize entries, see in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Payroll Data* → *Basic Pay* → *Pay scale groups and levels*.

Master Data Requirements

Master Data Requirements

Use

Employee specific data which is stored in the system is referred to as master data. As SAP is an integrated system, you only need to enter specific master data for each employee only once. This data, which is entered in SAP HR Personnel Administration, is then readily available for other SAP components such as Finance and Controlling.

Structure

For detailed information, see:

- [Personnel Administration \[Ext.\]](#)
- [Processing Human Resource Data \[Ext.\]](#)
- [Processing HR Master Data Using Fast Entry \[Ext.\]](#)

Actions Infotype (I0000)

Definition

An action is how a business process is implemented in the System. In the PA area, there are a number of actions that may take place such as:

- Hiring an employee
- Terminating an employee
- Giving an employee a salary increase

Use

At the CCT, only one action has thus far been set up, namely the hiring event. The hiring event takes you through the following infotypes:

- *Events (000)*
- *Personal Data (0002)*
- *Monitoring Dates (0019)* - necessary for the submission of an employee's age letter
- *Organizational Assignment (0001)*
- *Additional Personal Data (0077)* - necessary for the Employment Equity Report
- *Addresses (0006)*
- *Planned Working Time (0007)*
- *Basic Pay (0008)*
- *Bank details (0009)*
- *Tax SA (0149)*
- *Social Insurance SA (0150)*

Integration

For additional information, see [Actions \(Infotype 0000\) \[Ext.\]](#).



To initiate the hiring process of an employee, choose in the *SAP Easy Access* SAP standard menu: *Personal* → *Personnel Management* → *Administration* → *HR master data* → *Personnel actions*. Then enter the employee's personnel number and the relevant employee information.



You could also access this screen from the *SAP Easy Access* screen by adding the *Actions* transaction into your *Favorites*. To do so:

1. From the *SAP Easy Access* screen, choose *Favorites* → *Insert transaction*.
2. In the *transaction code* field, enter PA40 and select *Enter*.

Personnel Actions appears in your *Favorites* List.

3. From the *Favorites list*, select *Personnel Actions*.

Organizational Assignment Infotype (I0001)

Organizational Assignment Infotype (I0001)

Definition

With this infotype, you assign details to an employee indicating the status which he or she has within the organization.

Use

This infotype is divided into three categories:

- Enterprise Structure - indicating how the employee fits into the overall structure of the company, for example, in which office the employee works.
- Personnel Structure - indicates the employees status in the organization, for example, whether the employee is an active and salaried employee.
- Organizational Structure - indicates the job (description) which the employee holds, in relation to the internal company structure.



The *Position* field in the Organizational Structure contains a link between the Personnel Administration (PA) and [Organizational Management \[Ext.\]](#).

The *Contract* field - is a free format field in the system and can be used by customers for their own customization. At the CCT, the following entries have been customized in the *Employment Contract* table (T542A).

Code	Contract
00	Not relevant
01	Full-time
02	Part-time
03	Hourly-paid
04	Daily paid
05	Commission
06	Temporary staff
07	Piece worker
08	Seasonal worker
09	Trainee/Apprentice
10	Manager in group.
11	Contract worker
99	Other employees

Administrative Group

This is generally used to print and sort employee payslips, that is, it is used as a pay point. At the CCT, the administrative groups (which also refer to the Personnel Area) are:

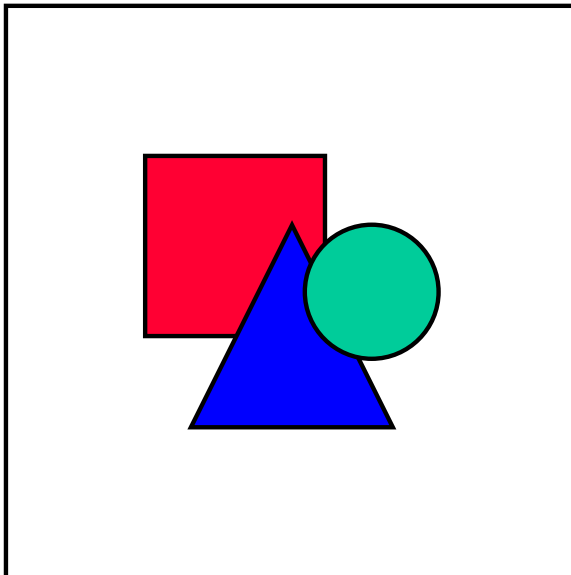
Organizational Assignment Infotype (I0001)

Code	Administrative Group
ZA01	Head Office
ZA02	Factory Site
ZA03	Cape Town
ZA04	Durban

Administrators

The following fields are used in authorizations:

- Personnel Administrator
- Time Management Administrator
- Payroll Administrator
- Payroll Supervisor



Authorizations will be customized and expanded upon in Phase II of the CCT model company project.



To customize Organizational Assignment entries, see in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Organizational Data* → *Organizational Assignment*.

Integration

For additional information on this infotype, see [Organizational Assignment \(Infotype 0001\) \[Ext.\]](#).

Work Schedule Infotype (I0007)

Work Schedule Infotype (I0007)

Definition

The work schedule defines the company's time table and contains information on working and break time for groups of employees:

The smallest unit of the work schedule is the **Daily Work Schedule**. Authorized working times and break times are stored in the daily work schedule. Non-working days are also defined.

Each time model contains a combination of both the working and non-working days, for example, Monday – Friday as work days, with Saturday and Sunday as days off. The same pattern recurs periodically, for example, after a week. This sequence of daily work schedules is determined in the **Period Work Schedule**.

The period work schedule is defined in more detail in the **Work Schedule Rule**. It is also assigned to a public holiday calendar so that it can be valid for a specific calendar month.

The system generates the **Monthly Work Schedule** by applying the work schedule rule to a calendar. Concrete working times for one or more employees are based on the monthly work schedule.

The **Personal Work Schedule** is on the lowest level. It can be used to store current changes which affect the data of individual employees.

Use

The standard work schedule at the CCT is the normal work schedule and is defined according to the following parameters:

Standard Work Schedule

Work Schedule	WNORM
Personnel Area	ZA01 ZA02 (those employees not working in manufacturing and the paint shop) ZA03 ZA04
Employee Subgroup	W0 = 2 (Salaried) W1 = 1 (Weekly) W2 = 2 (Salaried) W3 = 2 (Salaried)
Personnel Sub Area	0001, 0002, 0003, 0004, 0007, 0008
Daily work schedule (days or hours)	Monday – Friday or 8:00 - 17:00
Breaks & Paid / Unpaid	13:00 - 14:00 Unpaid
Hours / day	8 / Day
Hours / work	40 / week

Work Schedule Infotype (I0007)

Hours / month	173 / month
Days / week	5

Shift Work Schedule

The shift work schedule at the CCT is used for those employees who work in the area of manufacturing / paint shop. This work schedule is defined according to the following parameters:

Work Schedule	WSHFT
Personnel Area	ZA02 (those employees working in manufacturing and the paint shop)
Employee Subgroup	W1 = 1 (Weekly)
Personnel Sub Area	0005, 0006
Daily work schedule (days / hours)	WK 1: Monday, Tuesday, Friday - Sunday / 8:00 - 17:00 WK 2: Wednesday - Sunday / 8:00 - 17:00 WK 3: Monday, Tuesday, Friday - Sunday / 8:00 - 17:00 WK 4: Monday, Thursday - Sunday / 8:00 - 17:00
Breaks & Paid / Unpaid	13:00 - 14:00 Unpaid
Hours / day	8 / Day
Hours / work	40 week
Hours / month	173 month
Days / week	5

Security Work Schedule

The security shift schedule is used at the CCT for their security staff. This work schedule is defined according to the following parameters:

Work Schedule	WSEC
Personnel Area	ZA01, ZA02, ZA03, ZA04
Employee Subgroup	W1 = 1 (Weekly)
Personnel Sub Area	0008
Daily work schedule (days / hours)	WK 1: Monday, Tuesday, Friday - Sunday / 8:00 - 17:00 WK 2: Tuesday - Saturday / 8:00 - 17:00
Breaks & Paid / Unpaid	13:00 - 14:00 Unpaid
Hours / day	8 / Day
Hours / work	40 week
Hours / month	173 month
Days / week	5

Work Schedule Infotype (I0007)



The CCT entries have been pre-configured in the system. To customize entries see the section in the SAP Reference IMG: *Personnel Time Management* → *Work Schedules*.



In order to activate work schedules, you must generate each work schedule. To do so, see in the SAP Reference IMG: *Personnel Time Management* → *Work Schedules* → *Work Schedule Rules and Work Schedules* → *Generate Period Work Schedules Manually* and *Generate Period Work Schedules in Batch*.



The feature *Default value for shift indicator (SCHKZ)* has been maintained to default work schedules into the infotype *Planned Working Time (0007)*.

Integration

For additional information on this infotype, see [Planned Working Time Infotype \(0007\) \[Ext.\]](#).



At the CCT, the official public holiday calendar for South Africa is used. For customizing, see in the SAP Reference IMG: *Personnel Time Management* → *Work Schedules* → *Define Public Holiday Classes*.

Bank Details Infotype (I0009)

Definition

Payment methods specify the permissible methods of payments for the transfer of money from the employer to the employee or external payees.

Use

At the CCT, the permissible payment methods are:

Code	Payment Method
	Cash Payment
A	ACB Payments
C	Pre-numbered Cheques
E	EFT Payment



The CCT model company entries have been pre-configured in the system. To customize entries, see in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Personal Data* → *Bank Details* → *Define Payment Method* → *Payment methods/company code ZA01*. Choose *Create* or *Copy* to create a new payment method. For each payment method created, then choose *Details*, and set the indicator in the field *Allowed for personnel payments*. Note: Setting the indicator allows you to view the payment method type in the infotype *Bank Details (0009)*.



To customize system parameters to run the ACB check digit verification functionality, see the section in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Personal Data* → *South African Account Number Verification*.

Integration

For additional information on this infotype, see [Bank Details \(Infotype 0009\) \[Ext.\]](#).

Wage Type Details

Wage Type Details

Use

Earnings and deductions are represented in the system as a wage types. Each wage type must be specially customized according.

Structure

There are three types of wage types that are used in the SAP Payroll system:

- **Model wage types** are delivered with the SAP system to help you configure wage types. Each model wage type starts with an 'M'. We recommend that you use the *Copy* tool to copy these wage types to your own name range and to check the settings. In most instances, configuration changes of these wage types in **not** necessary.
- **Dialog or primary wage types** are wage types created and defined by each individual customer in order to fulfill company specific needs. To create these wage types, it is recommended to use the *Copy* tool to copy a similar wage type. You must then rename the wage type and modify the wage type configurations accordingly.
- **Technical or secondary wage types** are supplied by SAP. Each one of these wage types begin with '/'. It is highly recommended that you do **not** alter these wage types, as they are used by the system during payroll processing.

Wage types can be defaulted in the System based on validity criteria, such as:

- Company code
- Personnel area
- Employee group
- Employee subgroup



For further details on wage types, see in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Payroll Data* → *Wage type concept*.



To setup wage types, see the section in the SAP Reference IMG: *Payroll* → *Payroll: South Africa* → *Basic Settings* → *Environment of wage type maintenance*.

- To copy and/or delete wage types, see in IMG: *Payroll: South Africa* → *Basic Settings* → *Environment of wage type maintenance* → *Create Wage Type Catalog*.
- To setup wage type logical views, see in the IMG: *Payroll: South Africa* → *Basic Settings* → *Environment of wage type maintenance* → *Logical views*. The logical view for South Africa is 16_ALL00.

Integration

In the infotype section (to follow in the structure), attributes to wage types are listed (per infotype group) in a chart format. The information provided includes the following information (when relevant):

The infotype advised and if applicable the frequency of a deduction or payment:

Regular payment infotype *Recurring Payments and Deductions (0014)*

Once off payment (or for each pay period where a different payment is made) infotype *Additional Payments (0015)*

Specify whether the amount is taxed or not and the % taxed. (Y/N)

Indicate if the amount is included in Pension Fund applicable earnings. (Y/N)

Indicate if the amount is included in Medical Aid applicable earnings. (Y/N)

Indicate if the amount is included in UIF applicable earnings. (Y/N)

Is the wagetype paid during absence? (Y/N)

Should the wagetype amount be calculated on a pro-rata basis?

Is the wagetype indicated on the IRP5 statement, and if so which block/section?

How is the wagetype amount calculated?

Amount is externally calculated and advised.(A)

Amount is fixed, not specified (F) constant.

Amount is calculated by the system (C).

At which personnel area (which group of EEs) is this wage type applicable?

Which employees qualify for this wage type?

How is the amount calculated?

Is the wage type calculated specifying units.

Is this wage type shown on the payslip, which window?

Gross Pay Calculations

Gross Pay Calculations

Purpose

The Gross Payroll component processes employee master data from SAP HR Personnel Administration and generates wage types and amounts to be used by the Net Payroll component, or to be exported to a third-party product for net calculation. Pre-tax deductions and earnings are processed within the Gross Payroll component.

Integration

The Gross Payroll component is closely integrated with the SAP HR Personnel Administration and SAP Benefits components.

Basic Pay Infotype (0008)

Definition

The basic earnings for an employee in a payroll period are entered into the infotype *Basic Pay (0008)*. It is possible to calculate an employee's basic pay from more than one wage type. For example, an employee may get a monthly salary and a car allowance. These wage types would be entered separately on infotype 0008.

The amount of the basic pay is determined either by:

- Manually entering the amount directly on the infotype
- System calculations from table entries (based upon the employee's pay scale group, area, type, and level)

Basic earnings can be entered into the system various ways. For example, they could be entered as described above where the employee earns a basic salary plus a car allowance. An employee could also be on a monthly package, with a car allowance. In this case however, the car allowance would form part of the package and would not be added to the monthly salary.

Use

At the CCT head office, employees are on a variety of packages:

- Monthly salary with an entered amount
- Monthly salary where the amount is looked up in the pay scale tables
- Monthly salary plus car and entertainment allowances
- Monthly package which may or may not include a car and/or entertainment allowance
- Annual salary (divided by 12 for a monthly salary)
- Annual salary which should be divided by 13 to reach the monthly salary
- Annual package (standard - which is divided by 12 for monthly salary)

Structure

Hourly Wage (M000)

The amount entered for this wage type is an employee's hourly wage amount.

Advised on Infotype	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Pd dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Typ e
0008	N	Y	Y	Y	/_512 W_D	N	N	N	Rate of Pay
Personnel Sub Area	0003, 0008								

Basic Pay Infotype (0008)

Applicable to which employees	Distribution, Goods Receiving, Security
Payslip	No
Processing class	1, 3, 6, 10, 20, 30, 31, 62, 64, 67
Rule change information	None

➔ This wage type can also be used by the system to create a monthly value, for example, when calculating medical aid contributions (as the wage type stores the number of hours worked by the employee).

Basic Salary (M020)

The amount entered for this wage type represents the amount the employee is paid per pay period. For example, if the employee is paid on a monthly basis, this amount represents the total salary for the month. Where as it the employee is paid on a weekly basis, the amount entered is the amount the employee is paid each week.

Advised on Infotype	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Pdur Abs Y/N	Pro rata for Unp Abs	IR P5	Amount A/F/C
0008	Y	Y	Y	Y	/_512 W_D	N	Y	Y	A
Personnel Sub Area	0001, 0002, 0004								
Applicable to which employees	Administration, Sales, Plant manufacturing (Managers & Specialists)								
Payslip	Earnings section (01)								

Basic Pay Infotype (0008)

Processing class	1, 3, 4, 6, 10, 20, 30, 31, 61, 62, 63, 64, 67, 71
Rule change information	None

Basic Salary (in Package) (M030)

This wage type is generated by the system when using the Salary Packaging functionality. It does not use indirect valuation, but rather, it is the amount remaining after an employee's package has been created.

Advised on Infotype	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Pdur Abs Y/N	Pro rata for Unp Abs	IR P5	Amount/F/C
0008	Y	Y	Y	Y	/_512 W_D	N	Y	Y	A

Personnel Sub Area	0001, 0002, 0004
Applicable to which employees	Administration, Sales, Plant manufacturing (Managers & Specialists)
Payslip	Earnings section (01)
Processing class	1, 3, 4, 6, 10, 20, 30, 31, 61, 62, 63, 64, 67, 71
Rule change information	None

Wage (Hourly paid) (M099)

Basic Pay Infotype (0008)

This wage type is generated by the system from the *Time Wage Type Selection Rule* table (T510S) based on the rate of pay from wage type M000 (on infotype 0008) and the planned working hours from the work schedule.

Advised on Infotype	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Pdur Abs Y/N	Prorata for Unp Abs	IRP 5	Amount A/F/C
0008	Y	N	N	N	/_512_W_D	N	N	Y	C
Personnel Sub Area	0003, 0008								
Applicable to which employees	Distribution, Goods Receiving, Security								
Payslip	.								
Processing class	1, 3, 4, 6, 10, 20, 30, 31, 61, 63, 64, 67, 71								
Rule change information	None								

Car Allowance (M104) and Car Allowance % (M107)

These wage types represent additional allowances which an employee can received in addition to basic salary. They are taxed at a lower tax rate (according to SARS specifications). The wage type M107 has been set up to be a percentage of the total package (in the **Salary Packaging** functionality).

Advised on Infotype	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Pdur Abs Y/N	Pro rata for Unp Abs	IR P5	Amount A/F/C
0008	Y	N	N	N	/_512_W_D	Y	Y	Y	A

Basic Pay Infotype (008)

Personnel Sub Area	0001, 0002, 0004
Applicable to which employees	Administration, Sales, Plant manufacturing (Managers & Specialists)
Payslip	Earnings section (08)
Processing class	1, 3, 4, 6, 10, 20, 30, 31, 61, 62, 64, 67, 71
Rule change information	None

→ You have the option to set this wage type as a percentage of the employee's retirement funding earnings. To do so, set processing class 71 to 1 or 2 accordingly. If the processing class is set to 2 (percentage contribution) the portion used to calculate the retirement funding portion is stored in the constant KFLEX in table T511K.

Entertainment Allowance (M103)

The amount entered for this wage type is fully taxable. The tax benefit gained by using this wage type is that an employee may reclaim this tax from the SARS at the end of the tax year (if sufficient documentation is provided).

Advised on Infotype	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Pdur Abs Y/N	Prorate for Unp Abs	IRP 5	Amount A/F/C
0008	Y	Y	N	N	_512 W_D	N	Y	Y	A
Personnel Sub Area	0002								

Basic Pay Infotype (0008)

Applicable to which employees	Sales
Payslip	Earnings section (08)
Processing class	1, 3, 4, 6, 10, 20, 30, 31, 61, 62, 64, 67, 71
Rule change information	None



You have the option to set this wage type as a percentage of the employee's retirement funding earnings. To do so, set processing class 71 accordingly.

Integration

For additional information, see [Basic Pay \(Infotype 0008\) \[Ext.\]](#).



The CCT model company entries have been pre-configured in the system. To customize entries see in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Payroll Data* → *Basic Pay* → *Wage Types* → *Check wage type groups 'Basic Pay'*.



The feature *Wage Type Model* (LGMST) has been setup to default wage types into this infotype based on an employee's subgroup.

Recurring Payments and Deductions Infotype (0014)

Definition

Recurring payments and deductions only need to be entered into the system once. They will then recur in the system for each payroll period until the specified end date for that particular payment or deduction.

The amount to be paid or deducted can either be:

- entered,
- looked up in a table, or
- calculated.

In certain instances, it may be preferable to enter a number and a unit to let the system perform a calculation (such is the case for a percentage contribution).

For additional information, see [Recurring Payments/Deductions \(Infotype 0014\) \[Ext.\]](#).



The CCT entries have been pre-configured in the system. To customize entries, see the section in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Payroll Data* → *Recurring Payments and Deductions*.

Allowances

Allowances

See [Housing Allowance as a Fringe Benefit \[Page 91\]](#).

Deductions

Use

Net pay deduction (M501)

This wage type stores amounts which are to be deducted from an employee's pay outside of the normal payroll (after taxes are calculated).

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Amo unt A/F/ C
14	N	N	N	N	/_512 W_D	Y	N	N	A
Personnel Sub Area	All								
Applicable to which employee s	All								
Amount (R)	Variable	min/m ax:.							
Payslip	Other deductions								
Processin g class	6, 10, 20, 30, 61, 62, 64, 67								
Rule change informatio n	None								

Union Subscription Percentage (M513)

This wage type is used to deduct employee contributions to a trade unions. The employees working in: Distribution, Plant Manufacturing contribute to the *Transport and General Workers Union (TAGWU)*, while the employee's in the Paint Shop contribute to the *Chemical Workers Industrial Union (CWIU)*.

Deductions

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Am ount A/F/ C
14	N	N	N	N	V_51 2W_D	Y	N	N	F
Personnel Sub Area	0003, 0005, 0006								
Applicable to which employees	Distribution, Plant Manufacturing, Paint Shop								
Payslip	Other deductions								
Processing class	6, 10, 20, 30, 47, 61, 62, 64, 67								
Rule change information	None								

NIC Employee (M560)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Am ount A/F/ C
14	N	N	N	N	V_512 W_D	Y	N	N	F
Personnel Sub Area	.								
Applicable to which employees	.								
Amount (R)	.		min/max:.						

Deductions

Number/Unit	.	min/max:
Payslip	.	
Processing class	6, 10, 20, 30, 47, 61, 62, 64, 67	
Rule change information	.	

Additional Tax Amount (M600)

This wage type stores an additional tax amount which an employee chooses to have deducted from his or her pay (above and beyond the standard tax rate). An employee may decide to contribute an additional tax in order to reduce the amount he or she owes to SARS at the end of the tax year. The system generates an internal wage type /403 which stores the additional tax amount. The amount is cumulated into the employee's PAYE and an indicator is set on the IRP5 form in the box *Voluntary Deduction*.

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA App I Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Amo unt A/F/ C
14	Y	N	N	N	V_512 W_D	N	N	N	A
Personnel Sub Area	All								
Applicable to which employees	All								
Amount (R)	Variable per employee	min/ max:.							
Payslip	Other deductions								
Processing class	6, 10, 20, 30, 61, 62, 64, 67, 68								

Deductions

Rule change information	.
-------------------------	---

Deduction, C with advance (MD00)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Dedur Abs Y/N	Prora for Unp Abs	IRP 5	Amount A/F/C
14	Y	N	N	N	V_512 W_D	Y	N	N/A	.
Personnel Sub Area	.								
Applicable to which employees	.								
Amount (R)	.	min/max:.							
Number/Unit	.	min/max:.							
Payslip	.								
Processing class	.								
Rule change information	.								

Deduction, D without advance (MD02)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Dedur Abs Y/N	Prora for Unp Abs	IRP 5	Amount A/F/C
14	Y	N	N	N	V_512 W_D	Y	N	N/A	.
Personnel Sub Area	.								

Deductions

Applicable to which employees	.	
Amount (R)	.	min/max:.
Number/Unit	.	min/max:.
Payslip	.	
Processing class	.	
Rule change information	.	

Deduction, C without arrears (MD04)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Dedur Abs Y/N	Prorata for Unp Abs	IRP 5	Amount A/F/C
14	Y	N	N	N	V_512 W_D	Y	N	N/A	.
Personnel Sub Area	.								
Applicable to which employees	.								
Amount (R)	.	min/max:.							
Number/Unit	.	min/max:.							
Payslip	.								
Processing class	.								
Rule change information	.								

Deduction, D with arrears (MD06)

Deductions

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Dedur Abs Y/N	Prora ta for Unp Abs	IRP 5	Amou nt A/F/C
14	Y	N	N	N	V_512 W_D	Y	N	N/A	.
Personnel Sub Area	.								
Applicable to which employees	.								
Amount (R)	.	min/ma x:.							
Number/Unit	.	min/ma x:.							
Payslip	.								
Processing class	.								
Rule change information	.								

Arrears with Balance Recovery (MD50)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Dedur Abs Y/N	Prora ta for Unp Abs	IRP 5	Amou nt A/F/C
14	Y	N	N	N	V_512 W_D	Y	N	N/A	.
Personnel Sub Area	.								
Applicable to which employees	.								
Amount (R)	.	min/ma x:.							
Number/Unit	.	min/ma x:.							

Deductions

Payslip	.
Processing class	.
Rule change information	.

Deduction to MD70-Balance (MD80)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Dedur Abs Y/N	Prora ta for Unp Abs	IRP 5	Amou nt A/F/C
14	Y	N	N	N	V_512 W_D	Y	N	N/A	.
Personnel Sub Area	.								
Applicable to which employees	.								
Amount (R)	.	min/ma x:.							
Number/Unit	.	min/ma x:.							
Payslip	.								
Processing class	.								
Rule change information	.								

Club Membership (M5DM)

At the CCT, all of the head office employees belong to a social club. The amount is a standard contribution for all employees and is reviewed periodically.

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Ap pl Y/N	Wage Table	Dedur Abs Y/N	Prora ta for Unp Abs	IRP 5	Amo unt A/F/ C

Deductions

14	N	N	N	N	V_512 W_D	Y	N	N	A
Personnel Sub Area	All								
Applicable to which employees	All								
Amount (R)	R5	min/ max:							
Payslip	Other deductions								
Processing class	6, 10, 20, 30, 61, 62, 64, 67								
Rule change information	W011								

Community Chest (M5DC)

This is a voluntary donation the employee makes to Community Chest (a charitable organization). The amount contributed varies among employees.

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Amo unt A/F/ C
14	N	N	N	N	V_512 W_D	Y	N	N	A
Personnel Sub Area	All								
Applicable to which employees	All								
Amount (R)	Variable per employee	min/m ax:.							

Deductions

Payslip	Other deductions
Processing class	6, 10, 20, 30, 41, 61, 62, 64, 67

Funeral Insurance (M5DF)

This is a voluntary contribution calculated as a percentage of an employee's basic pay.

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Amo unt A/F/ C
14	N	N	N	N	V_512 W_D	Y	N	N/A	A
Personnel Sub Area	All								
Applicable to which employee s	All								
Amount (R)	Variable per employee	min/m ax:.							
Payslip	Other deductions								
Processing class	6, 10, 20, 30, 41, 61, 62, 64, 67								
Rule change informatio n	.								

Additional Payments and Deductions Infotype (0015)

Additional Payments and Deductions Infotype (0015)

Definition

Wage types entered in infotype *Additional Payments and Deductions* (0015) apply only for the payroll period in which they are entered (it is date driven).

As in infotype *Recurring Payments and Deductions* (0014), the amounts can be either:

- entered,
- looked up in a table, or
- calculated.



You can also enter a number and unit instead of an amount.

Integration

For additional information, see [Additional Payments \(Infotype 0015\) \[Ext.\]](#).



The CCT entries have been pre-configured in the system. To customize entries, see the section in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Payroll Data* → *Additional Payments*.

Payments

Use

Bonus (Once-off Payment) (M601)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Ap pl Y/N	UIF App l Y/N	Wage Table	Pd dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Am ount A/F/ C	
15	Y	N	N	N	V_51 2W_ D	N	N	N	A	
Personn el Sub Area	All									
Applicabl e to which employe es	All									
Amount (R)	Variable									min/ max:.
Number/ Unit	.									min/ max:.
Payslip	Bonus									
Processi ng class	4, 6, 10, 20, 30, 47, 61, 62, 63, 64, 67, 71									
Rule change informati on	None									

Taxable Payment (M111)

Payments

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA App I Y/N	UI F Ap pl Y/ N	Wage Table	Pd dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Am ount A/F/ C
15	Y	N	N	N	V_51 2W_ D	N	N	N	A
Personnel Sub Area	All								
Applicable to which employees	All								
Amount (R)	Variable	min/ max:.							
Number/ Unit	.	min/ max:.							
Payslip	Other earnings								
Processing class	4, 6, 10, 20, 30, 47, 61, 62, 63, 64, 67, 71								
Rule change information	None								

Nontaxable Payment (M112)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA App I Y/N	UI F Ap pl Y/ N	Wage Table	Pd dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Am ount A/F/ C
15	N	N	N	N	V_51 2W_ D	N	N	N	A

Payments

Personnel Sub Area	All	
Applicable to which employees	All	
Amount (R)	Variable	min/ max:.
Number/ Unit	.	min/ max:.
Payslip	Other earnings	
Processing class	4, 6, 10, 20, 30, 47, 61, 62, 63, 64, 67, 71	
Rule change information	.	

Gratuity (M113)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA App I Y/N	UIF App I Y/N	Wage Table	Pd dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Am ount A/F/ C
15	Y	N	N	N	V_51 2W_D	N	N	N	A
Personnel Sub Area	All								
Applicable to which employees	All								

Payments

Amount (R)	Variable	min/ max:.
Number/Unit	.	min/ max:.
Payslip	.	
Processing class	4, 6, 10, 20, 30, 61, 62, 63, 64, 67, 68	
Rule change information	.	

Gratuity Tax Directive (M114)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA App I Y/N	UIF App I Y/N	Wage Table	Pd dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Am ount A/F/ C
15	Y	N	N	N	V_51 2W_D	N	N	N	A
Personnel Sub Area	All								
Applicable to which employees	All								
Amount (R)	Variable	min/ max:.							
Number/Unit	.	min/ max:.							
Payslip	.								
Processing class	4, 6, 10, 20, 30, 61, 62, 63, 64, 66, 67								

Payments

Rule change information	.
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Gross up Bonus (Tax) (M6G1)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UI F Appl Y/N	Wage Table	Pd dur Abs Y/N	Pro rata for Unp Abs	IR P5	Amount A/F/C
15	Y	N	N	N	V_51 2W_ D	N	N	Y	A
Personnel Sub Area	All								
Applicable to which employees	All								
Amount (R)	Variable	min/ max: .							
Number/ Unit	.	min/ max: .							
Payslip	Bonus								
Processing class	1, 3, 4, 5, 6, 10, 20, 30, 31, 62, 63, 64, 65, 66, 67								
Rule change information	.								

Gross up Bonus (Tax & SI) (M6G5)

Payments

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA App I Y/N	UI F Ap pl Y/N	Wage Table	Pd dur Abs Y/N	Pro rata for Unp Abs	IR P5	Am oun t A/F/ C
15	Y	N	N	N	V_51 2W_ D	N	N	N	A
Personnel Sub Area	All								
Applicable to which employees	All								
Amount (R)	Variable		min/ max:.						
Number/ Unit	.		min/ max:.						
Payslip	Bonus								
Processing class	1, 3, 4, 6, 10, 20, 30, 31, 61, 62, 63, 64, 65, 67								
Rule change information	.								

Miscellaneous Reimbursement - Non-taxable (M6PM)

This wage type is used at the CCT for the reimbursement of employees who make purchases on behalf of the company with their own money, for example buying a book. Note: This does not include travel or subsistence allowance (as these must be reported separately on the IRP5).

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA App I Y/N	UI F Ap pl Y/N	Wage Table	Pd dur Abs Y/N	Pro rata for Unp Abs	IRP 5	Am oun t A/F/ C
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Payments

15	N	N	N	N	V_51 2W_ D	N	N	N	A
Personnel Sub Area	All								
Applicable to which employees	All								
Amount (R)	Variable	min/ max:.							
Number/ Unit	.	min/ max:.							
Payslip	Other earnings								
Processing class	4, 6, 10, 20, 30, 61, 62, 63, 64, 67, 68, 71								
Rule change information	.								

Profit Share Bonus (M6PP)

Once a year, certain senior managers receive a profit sharing bonus. The amount is calculated by the system.

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Pd dur Abs Y/N	Pro rata for Unp Abs	IR P5	Amount A/F/C
15	Y	N	N	Y	V_51 2W_ D	N	Y	Y	C
Personnel Sub Area	0001, 0002								

Payments

Applicable to which employees	Senior Managers in Administration and Sales	
Amount (R)	.	min/ max:.
Number/ Unit	.	min/ max:.
Payslip	Bonus	
Processing class	4, 6, 10, 20, 30, 47, 61, 62, 63, 64, 67, 71	
Rule change information	.	

Long Service Award (M6PL)

After fifteen years on uninterrupted service with CCT, employees receive a long service award (in cash). The amount is calculated based on their current basic salary.

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Pd dur Abs Y/N	Prorata for Unp Abs	IRP 5	Amount A/F/ C
15	Y	N	N	Y	V_51 2W_D	Y	N	Lump Sum	C
Personnel Sub Area	All								
Applicable to which employees	All								

Payments

Amount (R)	.	min/ max:.
Number/Unit	.	min/ max:.
Payslip	Bonus	
Processing class	4, 6, 10, 20, 30, 61, 62, 63, 64, 67, 71	
Rule change information	.	

Retrenchment Lump Sum (M6PR) Tax of Retrenchment Lump Sum (M6RT)

If an employee is made redundant, they are paid out a lump sum which is taxed according to redundancy legislation.


Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UI F Appl Y/N	Wage Table	Pdur Abs Y/N	Pro rata for Unp Abs	IR P5	Amount A/F/C
15	Y	N	N	N	V_51 2W_ D	Y	N	Y	A
Personnel Sub Area	0001, 0002, 0004								
Applicable to which employees	Administration, Sales, Plant Manufacturing (Managers & Specialists)								
Amount (R)	variable	min/ max: .							
Number /Unit	.	min/ max: .							

Payments

Payslip	Other earnings
Processing class	4, 6, 10, 20, 30, 61, 62, 63, 64, 67, 68, 71
Rule change information	.

Kilometer Claim (M6PK)

Employees are reimbursed if they travel with their own vehicle for business purposes. Data must be entered into the number and unit (kilometer) fields. A calculation is performed based upon the data entered and the fixed kilometer rate stored in the constants table (T511K).

 Kilometer claim is only considered a non-taxable reimbursement if the employee is reimbursed per kilometer R1,30 or less and the total annual kilometer distance does not exceed 8,000 kilometers.

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA App I Y/N	UIF App I Y/N	Wa ge Tab le	Pd dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Am ount A/F/ C
15	N	N	N	N		N	N	Y	C
Personnel Sub Area	0001, 0002								
Applicable to which employees	Administration, Sales								
Amount (R)	.	min/ max:.							
Number/Unit	Number of kilometers		min/ max:.						
Payslip	Other earnings								
Processing class	4, 6, 10, 20, 30, 61, 62, 63, 64, 67, 68, 71								

Rule change informati on	.
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Deductions

Deductions

Use

Deduction, C with advance (MD00)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Prora ta for Unp Abs	IRP 5	Amou nt A/F/C
15	Y	N	N	N	V_512W _D	Y	N	N/A	.
Personnel Sub Area	.								
Applicable to which employees	.								
Amount (R)	.	min/ma x:.							
Number/Unit	.	min/ma x:.							
Payslip	.								
Processing class	.								
Rule change information	.								

Deduction, D without advance (MD02)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Prora ta for Unp Abs	IRP 5	Amou nt A/F/C
15	Y	N	N	N	V_512 W_D	Y	N	N/A	.
Personnel Sub Area	.								

Deductions

Applicable to which employees	.	
Amount (R)	.	min/max:.
Number/Unit	.	min/max:.
Payslip	.	
Processing class	.	
Rule change information	.	

Deduction, C without arrears (MD04)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Pd dur Abs Y/N	Prora ta for Unp Abs	IRP 5	Amou nt A/F/C
15	Y	N	N	N	V_512 W_D	Y	N	N/A	.
Personnel Sub Area	.								
Applicable to which employees	.								
Amount (R)	.	min/max:.							
Number/Unit	.	min/max:.							
Payslip	.								
Processing class	.								
Rule change information	.								

Deduction D, with arrears (MD06)

Deductions

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Dedur Abs Y/N	Prora ta for Unp Abs	IRP 5	Amou nt A/F/C
15	Y	N	N	N	V_512 W_D	Y	N	N/A	.
Personnel Sub Area	.								
Applicable to which employees	.								
Amount (R)	.	min/ma x:.							
Number/Unit	.	min/ma x:.							
Payslip	.								
Processing class	.								
Rule change information	.								

Arrears w. Balance Recovery (MD50)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Dedur Abs Y/N	Prora ta for Unp Abs	IRP 5	Amou nt A/F/C
15	Y	N	N	N	V_512W _D	Y	N	N/A	.
Personnel Sub Area	.								
Applicable to which employees	.								
Amount (R)	.	min/ma x:.							
Number/Unit	.	min/ma x:.							

Deductions

Payslip	.
Processing class	.
Rule change information	.

Recovery for MD50 (MD60)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Dedur Abs Y/N	Prora ta for Unp Abs	IRP 5	Amou nt A/F/C
15	Y	N	N	N	V_512 W_D	Y	N	N/A	.
Personnel Sub Area	.								
Applicable to which employees	.								
Amount (R)	.	min/ma x:.							
Number/Unit	.	min/ma x:.							
Payslip	.								
Processing class	.								
Rule change information	.								

Balance (MD70)

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Dedur Abs Y/N	Prora ta for Unp Abs	IRP 5	Amou nt A/F/C
15	Y	N	N	N	V_512W _D	Y	N	N/A	.

Deductions

Personnel Sub Area	.	
Applicable to which employees	.	
Amount (R)	.	min/max:.
Number/Unit	.	min/max:.
Payslip	.	
Processing class	.	
Rule change information	.	

Cell Phone Payment (M6DC)

This wage type is used for certain employees in the Head Office and Sales who make private calls on their company cell phone.

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Amo unt A/F/ C
15	N	N	N	N	V_512 W_D	Y	N	N	A
Personnel Sub Area	0001, 0002								
Applicable to which employees	Administration, Sales								
Amount (R)	Variable	min/m ax:.							
Payslip	Other deductions								

Deductions

Processing class	6, 10, 20, 30, 41, 61, 62, 64, 67
Rule change information	None

Miscellaneous Deduction (M6DM)

This wage type is used to calculate incidental employee deductions, such as the loss of a security card.

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Dedur Abs Y/N	Prorata for Unp Abs	IRP 5	Amount A/F/ C
15	N	N	N	N	V_512 W_D	N	N	N	A
Personnel Sub Area	All								
Applicable to which employees	All								
Amount (R)	Variable	min/ max:							
Payslip	Other deductions								
Processing class	6, 10, 20, 30, 41, 61, 62, 64, 67								
Rule change information	None								

Salary Advance Recovery

In the event of a salary advance, an amount is paid out to an employee prior to the salary run. The amount is then reclaimed from the employee in the next salary run using this wage type.

Deductions

Regular 14 Once 15	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Prora ta for Unp Abs	IRP5	Amou nt A/F/C
15	Y	Y	Y	Y	.	Y	N	.	A
Personnel Sub Area	.								
Applicable to which employees	.								
Amount (R)	.	min/ma x:.							
Number/Unit	.	min/ma x:.							
Payslip	.								
Processing class	.								
Rule change information	.								

External Payment Wage Types Infotype (0011)

Definition

External payment wage types are payments to third parties, which are made through the Finance Department.

Use

At the CCT, the following external payment is allowed:

Wage Type	Description
M7G1	Garnishee Order Example

Integration

For additional information, see [External Bank Transfers \(infotype 0011\) \[Ext.\]](#).



The CCT entries have been pre-configured in the system. To customize entries, see the section in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Payroll Data* → *External transfers*.

External Insurances Infotype (0151)

External Insurances Infotype (0151)

Use

In infotype *External Insurances* (0151), you set up characteristics for South African external insurances. Premiums for external insurance policies are deducted directly from an employee's salary.



For annuities, SARS calculates tax exemptions based on non-retirement funding income. Whereas in the case of pension contributions, contributions are based on your retirement funding income.

External Annuities (M9A1)

By entering the applicable amount for this wage type, employees at the CCT can track annuity amounts which are paid outside of the payroll run. This wage type is beneficial for tracking the non-taxable contributions to annuities.

Advised on Infotype	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Amo unt A/F/ C
151	N	N	N	N	V_512 W_D	Y	N	Y	A
Personnel Sub Area	All								
Applicable to which employees	All								
Amount (R)	Variable	min/m ax:.							
Payslip	Other deductions								
Processin g class	6, 10, 20, 30, 62, 67, 72								
Rule change informatio n	WT37								




The external annuity cumulates into wage type /333 and is reflected by the SARS code 4006 (current retirement annuity fund contribution).

External Insurances Infotype (0151)

Retirement Annuity (M9A2)

This wage type stores the employee's amount contributed to their retirement annuity, which deducted from his or her pay.

Advised on Infotype	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Amo unt A/F/ C
151	N	N	N	N	V_512 W_D	Y	N	N	A
Personnel Sub Area	All								
Applicable to which employees	All								
Amount (R)	Variable	min/m ax:.							
Payslip	Other deductions								
Processin g class	6, 10, 20, 30, 62, 67, 72								
Rule change informatio n	WT37								

 The external annuity cumulates into wage type /333 and is reflected by the SARS code 4006 (Current retirement annuity fund contribution).

Arrear Pension (M9PA)


Based on the specifications set by insurance company's, employees can make arrears payments into their pension plans. For example, certain pension plans allow you to make arrear contributions which you can back-date in the time frame of five years.

This wage type stores the deduction for the employee's arrear pension contribution amount (in the respective pay period).

Advised on Infotype	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Amo unt A/F/ C
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External Insurances Infotype (0151)

151	N	N	N	N	V_512 W_D	Y	N	Y	A
Personnel Sub Area	All								
Applicable to which employees	All								
Amount (R)	Variable	min/max:							
Payslip	Other deductions								
Processing class	6, 10, 20, 30, 62, 65, 66, 67, 72								
Rule change information	WT37								

 Pension fund arrears cumulates into wage type /332 and is reflected by the SARS code 4002 (Arrear pension fund contribution).

Arrears Annuity (M9AA)

Based on the specifications set by insurance company's, employees can make arrears payments into their retirement annuity. For example, certain pension plans allow you to make arrear contributions which you can back-date in the time frame of five years.

This wage type stores the deduction for the employee's arrear pension contribution amount (in the respective pay period).

Advised on Infotype	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Dedur Abs Y/N	Prorata for Unp Abs	IRP 5	Amount A/F/C
151	N	N	N	N	V_512 W_D	Y	N	Y	A
Personnel Sub Area	All								

External Insurances Infotype (0151)

Applicable to which employees	All	
Amount (R)	Variable	min/max:
Payslip	Other deductions	
Processing class	6, 10, 20, 30, 62, 67, 72	
Rule change information	WT37	

The retirement annuity arrears cumulates into wage type /334 and is reflected by the SARS code 4007 (Arrear retirement annuity fund contribution).

Group Insurance (M900)

At the CTT, this wage type is responsible for deducting an employee's contribution amount to his or her life insurance policy.

Advised on Infotype	Taxed Y/N	PF Appl Y/N	MA Appl Y/N	UIF Appl Y/N	Wage Table	Ded dur Abs Y/N	Pror ata for Unp Abs	IRP 5	Amount A/F/C
151	N	N	N	N	V_512 W_D	Y	N	N	A

Personnel Sub Area	All	
Applicable to which employees	All	
Amount (R)	Variable	min/max:
Payslip	Other deductions	
Processing class	4, 6, 10, 20, 30, 61, 62, 64, 67	

External Insurances Infotype (0151)

Rule change informatio n	WT37
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Integration

The CCT entries have been pre-configured in the system. To customize entries see in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Payroll Data* → *External Insurance (ZA)*.

For additional information on this infotype, see [External Insurances Infotype \(0151\) \[Ext.\]](#).

Net Pay Calculations

Purpose

The Net Payroll Component of the SAP HR Payroll system processes taxes, deductions, and allowances for employees during a payroll run. Net Payroll processing is based on wage types entered in SAP HR Master Data as well as wage types that are calculated in the Gross Payroll component. Net Payroll generates a results cluster containing wage types and amounts for all employees in a payroll run. This cluster serves as the basis for all output from the SAP HR Payroll system, such as third-party remittances and statutory reporting.

Implementation Considerations

You should consult with members of the teams from the other SAP components being implemented at the site, such as the SAP HR Personnel Administration and Financial Accounting implementation teams prior to and during implementation of the Net Payroll component. To implement Net Payroll, you need to consult with project team members with knowledge of:

- Network administration
- Database administration
- SAP Basis and relevant operating systems

Integration

The Net Payroll component is fully integrated with SAP HR Personnel Administration (Master Data), Financial Accounting, Controlling, Benefits, and other components of the SAP system.

Taxes Infotype (0149)

Taxes Infotype (0149)

Use

You do not need to perform any specific customizing for tax, as all the necessary information for setting up taxes is delivered as standard software with the SAP HR Payroll South Africa component, including:

- Tax offices
- Tax procedures
- Tax rebates

Tax information generated from this infotype is used to calculate the amount of tax the employee must pay to SARS.



Depending on the tax procedure chosen, the amount of income tax calculated may vary.

Integration

For additional information on this infotype, see [Taxes Infotype \(0149\) \[Ext.\]](#).



SAP monitors legislative changes, so that you always remain legally compliant. SAP will keep you up-to-date with legal changes by either:

- Providing table changes in a Legal Change Package (LCP) (as of release 4.6B referred to as SAP HR Support Package), or
- Informing you of the changes to be made in the System via notes in the Online Service System (OSS).



To view tax data, see the section in the SAP Reference IMG: *Payroll* → *Payroll: South Africa* → *Tax*.

See also in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Payroll Data* → *Tax (ZA)*.

Social Insurances Infotype (0150)

Definition

This infotype cover South African Unemployment Fund (UIF), Pension Fund (PF), and Medical Aid (MA). The specific requirements for each individual insurance fund is described below. The exemption reasons for each social insurance fund come standard in the system.

UIF

The implementation for UIF is standard in the system. Therefore, no customization is required.

Pension

Each pension fund must be set up and defined in the system.

At the CCT, there is currently only one pension fund, namely CCT Pension Fund. Pension fund contributions are calculated at 15% of the employee's pensionable income. The employer and the employee each contribute 50% of the total contribution.

Medical Aid

Each medical aid scheme must be set up and defined within the system. All the data needed to populate the medical aid tables, with all the various levels of contribution must be entered. Medical aid contributions are calculated based upon values entered into tables. If the employer pays more than 67% of the total contribution, the employee must pay tax on the amount exceeding the 67%. This is Standard SAP functionality.

Use

At CCT, the employee and employer each pay 50% of the relevant contribution. The contribution amount is evaluated by a number of factors, including: the medical aid scheme, the employee's salary, and the number of employee dependents.

Integration



The CCT entries have been pre-configured in the system. To customize entries see the section in the SAP Reference IMG: *Personnel Management* → *Personnel Administration* → *Payroll Data* → *Social Insurance (ZA)*.

For additional information on this infotype, see [Social Insurances Infotype \(0150\) \[Ext.\]](#).

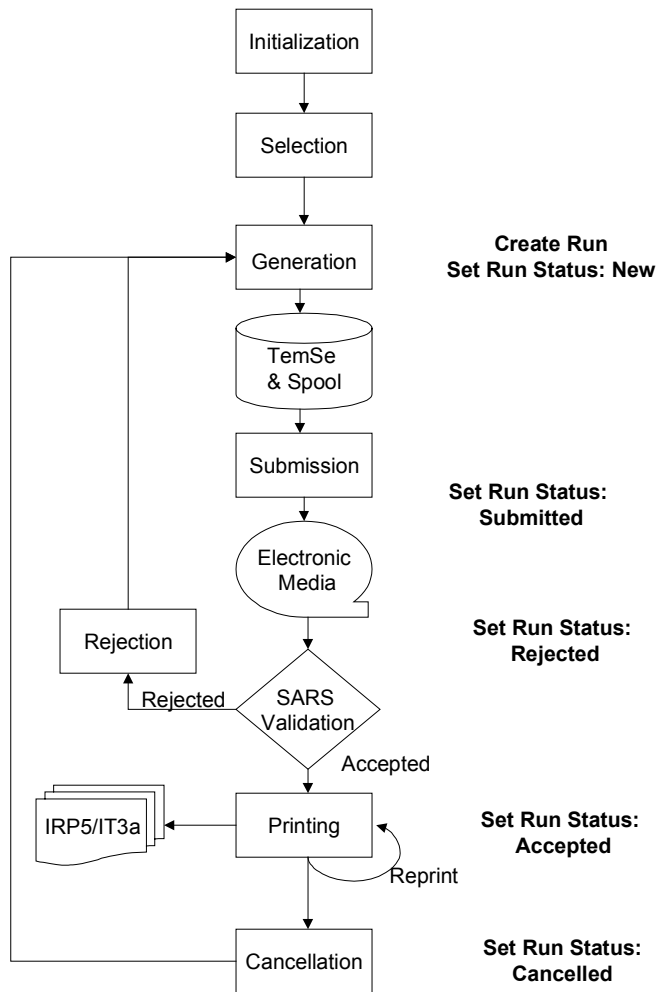
Employee IRP5 / IT3(a) Tax Certificates

Employee IRP5 / IT3(a) Tax Certificates

Purpose

As specified by the South African Receiver of Revenue (SARS), IRP5 / IT3(a) employee tax certificates must be issued to SARS in an electronic format. The following is a description of how to process electronic IRP5 / IT3(a) certificates with the SAP South African Payroll Accounting system.

Process Flow



For detailed information on how to perform each step, see:

[Initialization \[Ext.\]](#)

[Selection \[Ext.\]](#)

[Generation \[Ext.\]](#)

[Download Certificates onto Electronic Media \[Ext.\]](#)

[End Procedures \[Ext.\]](#)

[Cancellations \[Ext.\]](#)

See also:

[Maintain Tax Registration \[Ext.\]](#)

[Run Administration \[Ext.\]](#)

Result

Electronic IRP5 / IT3(a) certificates are generated for your employees.

Fringe Benefits

Fringe Benefits

The following section contains fringe benefits available in SAP HR Payroll South Africa.

Company Car (Infotype 0442)

Definition

With this infotype, you maintain employee company car information.

Use

Details maintained on this infotype provide the system with the information necessary to calculate employee contributions toward the company car and the corresponding tax implications.

Structure

The information on the infotype has been divided into the following categories:

- Car information
- Price & Benefit
- Additional information (valid only in Sweden)

Integration

For more detailed information about this infotype see national features for:

South Africa: [Maintain Company Car Details \(ZA\) \[Ext.\]](#)

Sweden: [Maintain Company Car Details \(SE\) \[Ext.\]](#)

Denmark: [Company Car \(Infotype 0442\) \[Ext.\]](#)

Loans Infotype (0045 & 0078)

Loans Infotype (0045 & 0078)**Definition**

Terms and conditions of loans are stored in infotypes 0045 and 0078. Each loan has a unique identifier consisting of the loan subtype together with the conditions that apply to the type of loan.

The two types of loans that exist are:

- Installment loans (not commonly used in South Africa)
- Annuity loans

With the installment loan, the repayment of the capital amount remains the same. However, the interest portion will gradually decrease, thereby slightly reducing each future monthly payment.

With an annuity loan, the monthly repayment remains the same, but the portions which relate to capital repayment and interest will vary monthly.

There may be a taxable benefit for the employee if the loan amount is greater than R3000. For example, if the Receiver's interest rate is currently 16% and the interest rate offered by the company is 10%, the employee can take advantage of a 6% benefit on the loan. If the amount of the loan is greater than R3000, the employee must pay tax in the difference between the Receiver's rate and companies interest rate.

Use

At the CCT, the employees may be eligible for the following annuity loans offered by the company.

Loan Subtype	Description	Loan Conditions	Result
1000	Housing loan	10% interest	6% taxable on amount > R3000
2000	Computer loan	16% interest	No tax benefit
3000	Personal loan	Interest free < R3000	Not taxable (< R3000)



To customize entries see the section in the SAP Reference IMG: *Payroll* → *Payroll: South Africa* → *Company Loans*.

Housing Allowance as a Fringe Benefit

Use

The SAP Payroll South Africa System configurations use the SARS formula to calculate the rental value of accommodations (which is supplied by an employer to an employee) for taxable benefit purposes.

The system also takes into account a clause in the SARS housing allowance in which the rental value (as determined by the formula) can be overwritten. Such is the case if SARS determines that the rental value (based on geographical location) is actually lower than the rental value as calculated by the formula. In such a case, SARS will issue a directive stating the new rental value amount. However, if a directive amount is higher than the value calculated in the formula, the lower value is used to calculate the taxable benefit value of the fringe benefit - housing allowance.

Structure

The following model wage types are used by the system to calculate housing allowances:

- Housing Rent (M5H0)
- Housing directive amount (M5HD)
- Housing ER Costs (M5HC)



See also the section in the SAP Reference IMG: *Payroll* → *Payroll: South Africa* → *Fringe Benefits* → *Housing Benefit*.

Absences

Absences



See the section in the SAP Reference IMG: *Personnel Time Management* → *Time Data Recording and Administration* → *Absences*.

Reporting

The following section contains reports specific to SAP HR Payroll South Africa.

Deduction Schedules

Deduction Schedules

Use

Deduction schedules allow you to keep a record of Social Insurance deductions made during a payroll period.

TemSe (Temporary Sequential) objects for Medical Aid, Pension Fund, and Insurance companies are generated by running the payroll and then by creating deduction schedules.

Prerequisites

1. You must set up the wage types to be read by the deduction schedule. To do so, choose in the IMG: *Payroll* → *Payroll: South Africa* → *Forms* → *Deduction Schedules* → *Set up accumulation of wage types with the form editor*.
2. You must also run the payroll.

Procedure

1. To create deduction schedules, choose from the *SAP standard menu: Human resources* → *Payroll Accounting* → *Africa* → *South Africa* → *Subsequent Activities* → *Per payroll period* → *Reporting* → *Deduction schedule* → *Create*. Based on information from the wage types used to calculate deduction schedules and the payroll run, the system will calculate deduction schedules.
2. To process the deduction schedule created in the previous step, choose from the *SAP standard menu: Human resources* → *Payroll Accounting* → *Africa* → *South Africa* → *Subsequent Activities* → *Per payroll period* → *Reporting* → *Deduction schedule* → *Process*. When processing deduction schedules, you have the option to run the following reports:
 - Employee Detail per Deduction Schedule Run
 - Insurance Deduction Summaries
 - Medical Aid Deduction Summaries
 - Pension Fund Deduction Summaries

Result

The deduction schedule report lists by Social Insurance each employee contribution per payroll period.



As a way to keep track of payments made, you can also send the appropriate information to the Insurance company in question by either downloading the reports or printing out hard copies.

Employment Equity Act

Purpose

The purpose of the Employment Equity Act (Act No. 75 from 1997) is to achieve equity in the workplace by:

- Promoting equal opportunity in the workplace
- Eliminating unfair discrimination in the workplace
- Implementing affirmative action measures addressing disadvantaged employment groups

The goal of affirmative action is to ensure that there is an equitable representation of the South African population in all occupational categories and levels in the workforce. The workforce should therefore be representative of the following percentages: 75% non-caucasian, 50% women, and 5% disabled.

Prerequisites

The Employment Equity Act is valid for all **designated employers** in South Africa. An employer qualifies as a **designated employer** if an organization meets one of the following criteria:

- The organization has 50 or more employees
- The organization has less than 50 employees, but their annual turnover is greater than or equal to that of a small business
- The organization is a municipality
- The organization is an organ of state

Process Flow

Organizations which qualify as a **designated employer** must submit their first equity report to the government by June 1999. For those organizations who qualify as a **designated employer** after June 1999, they have 12 months from their qualifying date to submit their first equity report.

A **designated employer** that employs less than 150 employees must submit updated equity reports every **two** years on the first working day in October.

A **designated employer** that employs 150 employees or more must **annually** submit an updated equity report on the first working day in October.

The report must list the organizations:

- Industrial sector
- Geographic location
- Employment status of their employees
- Ethnic and minority percentage break down of their employees



For customizing purposes, see in the SAP Reference IMG: *Payroll* → *Payroll South Africa* → *South African Reports* → *Employment Equity Act*.

To run the Employment Equity Act Report, see [Executing the Employment Equity Report \[Ext.\]](#).

Employment Equity Act

You can also access this report through the SAP Easy Access Menu: *Human Resources* → *Information Systems* → *Reports* → *Personnel Management* → *Administration* → *Administration South Africa* → *Employment Equity*.



All information used in the preparation of the employment equity reports (which are submitted to the government) must be retained for at least 5 years.



In addition to submitting an *Employment Equity* report, **designated employers** must also annually issue a statement regarding their organizations goals in terms of achieving employment equity, including a timetable. In order to assist you in this regard, see [Projecting Employment Equity in the Workforce \[Ext.\]](#).

Payslip

Use

For SAP HR Payroll South Africa, the following two payslips are available:

WONL

This payslip is in a portrait format and has been designed for online viewing purposes by the Personnel Department. This payslip contains more detail about an employee's remuneration (as compared to the form WPRT).

WPRT

This form, which is in a landscape format, is the payslip that you printout for your employees.

Integration



To access these forms, see in the SAP Reference IMG: *Payroll* → *Payroll South Africa* → *Forms* → *Remuneration Statement* → *Set Up Remuneration Statement*.