Dear Employer,

EMPLOYER INTERIM DECLARATIONS (EMP501): 22 SEPTEMBER TO 31 OCTOBER 2025

The South African Revenue Service (SARS) is committed to enabling government to build a capable state to advance the wellbeing of all South Africans. Employers play a vital role in this effort. Your commitment to tax compliance directly supports the country's economic development and growth.

As we approach the Employer Interim Reconciliation period, SARS is dedicated to giving clarity and certainty to make it easy to meet your obligations. This letter helps you navigate the upcoming reconciliation process.

Employers' Interim Reconciliation Declarations Is Part of Filing Season

The Employer Interim Reconciliation submission period is from **22 September to 31 October 2025**. During this time, all employers in the private and public sectors must reconcile their declarations for the first six months of the reconciliation year (**1 March 2025 to 31 August 2025**) and submit these on eFiling or e@syFile™ Employer. Employers with less than 50 employees may use eFiling.

To submit a correct and complete reconciliation, your EMP501 must reflect:

- PAYE, UIF, and SDL values from your previously submitted EMP201 returns, which will prepopulate in the EMP501. Where these values differ from the interim IRP5/IT3(a) certificates generated, employers must amend the prepopulated figures to the correct amounts.
- Payments made during the period (excluding any penalties and interest); and
- Accurate payroll information together with the IRP5/IT3(a) tax certificates for the period 1 March 2025 to 31 August 2025.

Key Changes for 2025

- Software update: use the new e@syFile. For the 2025 Employer Interim Reconciliation, the **e@syFile Thin Client** is now the primary submission channel for all employers. The "Flex" version is being phased out and can no longer be used for submissions, except for enquiries about historic data. Employers are encouraged to use the "Retrieve Certificate Detail" function to transfer certificate data from e@syFile Flex to e@syFile Thin Client. A step-by-step guide is available on the SARS website to assist with this process.
- Business Requirements Specification (BRS) updated to version 24.0.2. This update introduced new source codes, changes to validation rules, and amendments to some source code

descriptions. Employers and payroll administrators are encouraged to review the updated BRS to ensure their payroll systems and submissions are fully compliant with the latest requirements.

Enforcement of Income Tax Numbers

From the February 2026 employer filing season, Income Tax numbers will be strictly enforced in e@syFile™ Employer. Employers will no longer be able to submit reconciliations without valid Income Tax numbers for all employees. Please refer to **BRS – PAYE Employer Reconciliation for 2025 / 2026** for the latest rules.

To prepare:

- Use the ITREG/BundleReg process on eFiling or e@syFile™, the Tax Reference Number Enquiry Service on eFiling, or visit a SARS Service Center (with an appointment) to register or request employees' numbers.
- Use Tax Reference Number (TRN) Enquiry Services on eFiling
- Individuals can register or retrieve their own tax numbers on the SARS website under the "Individuals" section.

Failure to comply will result in administrative penalties. Employers are urged to take proactive steps now to avoid delays in submissions, rejection of reconciliations, or penalties being applied.

Submission Channels

To make the reconciliation process easier, SARS provides different submission options for different-sized employers.

- Employers with **50 or fewer employees** can use either SARS eFiling or e@syFile™ Employer. If the employer has **50 or fewer IRP5/IT3(a) certificates**, a tax-certificate file can be generated from the payroll system and this file can be imported into SARS eFiling.
- Employers with **50 employees or more** are required to use e@syFile™ Employer to file their EMP501 declarations.
- Employers with **five or fewer IRP5/IT3(a) certificates** can visit their nearest SARS Service Centre, where a SARS agent will help capture the EMP501 and related certificates. Please remember to book an appointment before visiting a SARS Service Centre.

Accuracy and Timely Filing Are Critical

Submitting accurate declarations on time leads to a smooth reconciliation process and helps avoid unnecessary penalties, such as:

- Possible penalties and interest for incorrect calculations. Incorrect calculation of the monthly PAYE liability could result in the imposition of both penalties and interest. This includes corrections made on the EMP501 reconciliation, because any shortfall is attributed to the last month of the reconciliation period.
- Late submission penalties. Employers must submit an accurate EMP501 using e@syFile™ Employer or SARS eFiling by **31 October 2025** to avoid penalties.

Consequences of Non-compliance

Failure to comply with reconciliation requirements carries serious consequences:

- Late submission of an EMP501 will result in administrative penalties equal to 1% of your annual PAYE liability. This penalty increases by 1% for every month the return remains outstanding, up to a maximum of 10%.
- ETI employers with unused ETI will forfeit the ETI for non-submission or where the employer has a non-compliant status.
- Employers who wilfully or negligently fail to submit EMP201 or EMP501 returns will be guilty of an offence. Upon conviction, they will be liable for a fine or imprisonment for up to two years.

What Constitutes a Criminal Offence?

Employers will face a fine or imprisonment for up to two years if they:

- Fail to deduct employees' tax (PAYE) from remuneration or fail to pay the deducted tax to SARS within the prescribed period;
- Do not deliver IRP5 or IT3(a) certificates to employees or former employees within the prescribed deadlines; or
- Use employees' deducted tax for purposes other than paying the correct amount to SARS.

Remember to Check Your Submission Status

Employers must check the status of submissions regularly after submission to ensure that their EMP501 was correct and accurate when filed with SARS. The **PAYE Dashboard** should also be consulted. This step offers employers certainty that they have no outstanding obligations.

More Information

For more information about completing manual certificates, employers can go to the e@syFile™ Employer User Guide or access the Step-by-Step Guide to the Employer Reconciliation Process under the Businesses and Employers page on the SARS website at www.sars.gov.za.

Sincerely

THE SOUTH AFRICAN REVENUE SERVICE

15 September 2025