

Retirement Annuity

Disclaimer:

The Knowledge Base is our platform to share information with our customers and provide you with a 'help me, help myself' environment. The guides and documents provide step by step solutions to assist you with your queries based on the acquisition of solutions from previous enquiries.

**Important Note**

- The information contained in these articles should be treated as guidelines.
- Some articles are version and build specific.
- Articles may not be applicable to all environments.
- If the proposed solution is not successful, please post your comments below or contact the Sage Pastel Payroll and HR Department directly on (011) 304 4300 or support.pastelpayroll@sage.com.

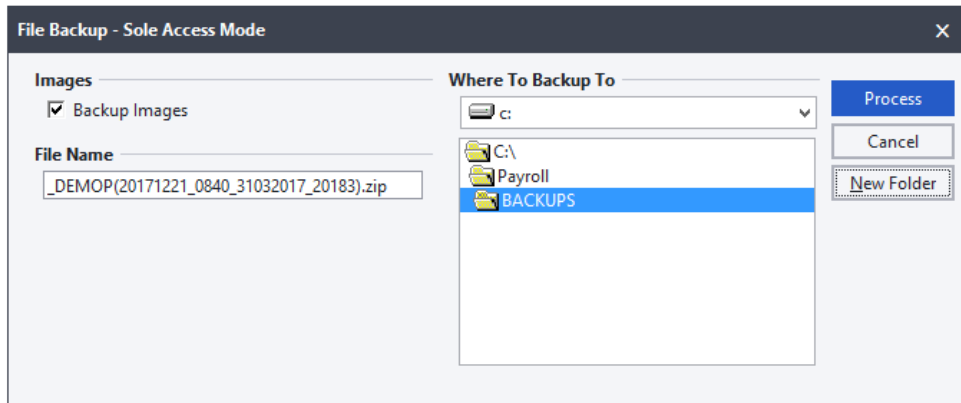
FAQ

Question:

How do I process a Retirement Annuity within Sage Pastel Payroll & HR?

Solution:

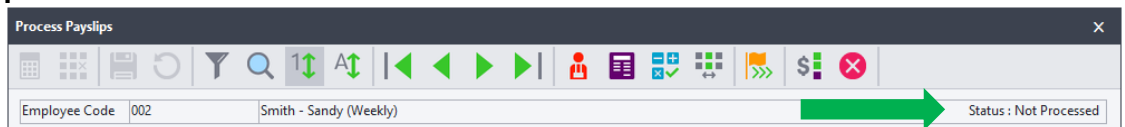
1. Make a backup of your data by going to **File...Backup**
2. Select the directory on your computer where Pastel Payroll must save the backup.
3. The following screen is displayed:



4. Select **Process**.

Note: Do not make Backups in your Company folder, always Backup to a separate folder.

5. Ensure that the employees you wish to process a Retirement Annuity for are **not processed**.



Retirement Annuity contributed by both Employee and Employer, and is deducted from the Employer's bank Account

6. Go to **Setup...Transactions**.
7. Select the magnifying glass and search for **Transaction code 7100 – Retirement Annuity**.
8. Select **Enter**.

- On the right hand side, under processing rules, select **“Affect Payslip”** and **“Print on Payslip”**

Setup Transactions - Sole Access Mode

Basic Details
 Code: 7100 Block
 Template: 7100 Retirement Annuity - Current - Deduction Tax-deductible
 Description: Retirement Annuity Reference:

Update / Clear Totals
 Year End
 Never
 End of Specific Month
 End of Cycle
 Cycle Start Date
 Cycle Length in Months
 Update Opening Balance with:
 Days Due Entitlement

Processing Rules
 Affect Notional Pay (Wage)
 Affect Payslip
 Print on Payslip
 Pro-rata at Start / End
 Compulsory Deduction
 Mandatory Transaction
 Special Run Transaction
 Stats. SA Transaction Type

Monthly Weekly Fortnightly

Payslip: Retirement Annuity
 Percentage: 0.000000 Amount: 0.00
 GL Debit Code: GL Credit:

- Select **Save**
- Go to **Process...Payslips**.
- Select the employee in question and select the **Default** tab.
- For an employee contribution to the Retirement Annuity, enter **Transaction code 7100 – Retirement Annuity** and insert the employee’s amount to contribute in the **Amount** field.
- The employer’s contribution will be inserted on **Transaction code 9400 – Retirement Annuity**.
- Enter the amount contributed by the company into the **Amount** field.
- Insert **Transaction code 6400 – Retirement Annuity Benefit** if the employer has contributed.

Process Payslips

Employee Code: 001 Brown - John (Monthly) Status: New

Income		Deductions		Benefits		Contributions		Leave		Default		
Tran Code	Transaction Description	Job Code	Cost Centre	Processing Period	Quantity	Rate	Amount	Override	Balance	MTD Amount	YTD Amount	Reference
5002	Hourly Wage	0001	0001		173.3600	28.8417	5,000.00	<input type="checkbox"/>		0.00	0.00	
6400	Retirement Annuity Benefit						200.00	<input type="checkbox"/>		0.00	0.00	
7100	Retirement Annuity						200.00	<input type="checkbox"/>		0.00	0.00	
8001	PAYE tax						0.00	<input type="checkbox"/>		0.00	0.00	
8045	UIF - Employee (Actual Pay						25.84	<input type="checkbox"/>		0.00	0.00	
9045	UIF- Company (Actual Pay	0001	0001				25.84	<input type="checkbox"/>		0.00	0.00	
9100	OID Contribution	0001	0001				3.92	<input type="checkbox"/>		0.00	0.00	
9400	Retirement Annuity	0001	0001				200.00	<input type="checkbox"/>		0.00	0.00	

Hourly Wage, Demo Job Code 1, Demo Cost Centre 1

Total Gross Income: 2,384.40 Total Deductions: 225.84 Total Nett Pay: 2,158.56

Note: Transaction 6400 – Retirement Annuity Benefit will populate the same value as the transaction 9400 – Retirement Annuity.

If only the employee is contributing to the RA

- You will insert **Transaction code 7100 – Retirement Annuity** with its value on the **Default** tab only.

If only the company is contributing

- Insert **Transaction code 9400 – Retirement Annuity** with the amount of the contribution stipulated in the Amount field.

Process Payslips

Employee Code: 001 | Brown - John (Monthly) | Status: New

Income		Deductions		Benefits		Contributions		Leave		Default		
Tran Code	Transaction Description	Job Code	Cost Centre	Processing Period	Quantity	Rate	Amount	Override	Balance	MTD Amount	YTD Amount	Reference
5002	Hourly Wage	0001	0001		173.3600	28.8417	5,000.00	<input type="checkbox"/>		0.00	0.00	
6400	Retirement Annuity Benefit						200.00	<input type="checkbox"/>		0.00	0.00	
7100	Retirement Annuity						200.00	<input type="checkbox"/>		0.00	0.00	
8001	PAYE tax						0.00	<input type="checkbox"/>		0.00	0.00	
8045	UIF - Employee (Actual Pay)						25.84	<input type="checkbox"/>		0.00	0.00	
9045	UIF- Company (Actual Pay)	0001	0001				25.84	<input type="checkbox"/>		0.00	0.00	
9100	OID Contribution	0001	0001				3.92	<input type="checkbox"/>		0.00	0.00	
9400	Retirement Annuity	0001	0001				200.00	<input type="checkbox"/>		0.00	0.00	

Hourly Wage, Demo Job Code 1, Demo Cost Centre 1

Total Gross Income: 2,384.40 | Total Deductions: 225.84 | Total Nett Pay: 2,158.56

- Along with this transaction, you will insert **Transaction code 6400 – Retirement Annuity Benefit**.

Process Payslips

Employee Code: 001 | Brown - John (Monthly) | Status: New

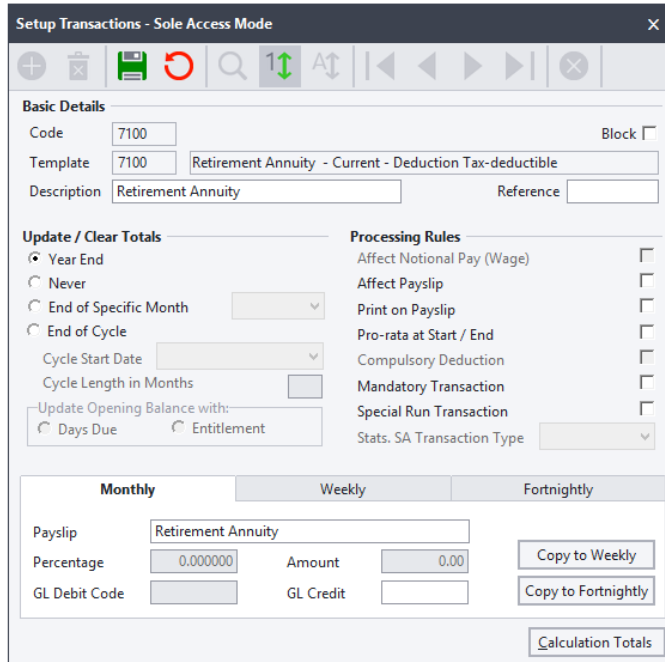
Income		Deductions		Benefits		Contributions		Leave		Default		
Tran Code	Transaction Description	Job Code	Cost Centre	Processing Period	Quantity	Rate	Amount	Override	Balance	MTD Amount	YTD Amount	Reference
5002	Hourly Wage	0001	0001		173.3600	28.8417	5,000.00	<input type="checkbox"/>		0.00	0.00	
6400	Retirement Annuity Benefit						200.00	<input type="checkbox"/>		0.00	0.00	
7100	Retirement Annuity						200.00	<input type="checkbox"/>		0.00	0.00	
8001	PAYE tax						0.00	<input type="checkbox"/>		0.00	0.00	
8045	UIF - Employee (Actual Pay)						25.84	<input type="checkbox"/>		0.00	0.00	
9045	UIF- Company (Actual Pay)	0001	0001				25.84	<input type="checkbox"/>		0.00	0.00	
9100	OID Contribution	0001	0001				3.92	<input type="checkbox"/>		0.00	0.00	
9400	Retirement Annuity	0001	0001				200.00	<input type="checkbox"/>		0.00	0.00	

Hourly Wage, Demo Job Code 1, Demo Cost Centre 1

Total Gross Income: 2,384.40 | Total Deductions: 225.84 | Total Nett Pay: 2,158.56

Private RA Employee contributions

20. Go to **Setup...Transactions**.
21. Select the magnifying glass and search **Transaction code 7100 – Retirement Annuity**.
22. Select **Enter**.
23. On the right hand side, under Processing rules, make sure **“Affect Payslip”** and **“Print on Payslip”** are deselected. Save the changes.



Setup Transactions - Sole Access Mode

Basic Details
 Code: 7100 Block
 Template: 7100 Retirement Annuity - Current - Deduction Tax-deductible
 Description: Retirement Annuity Reference:

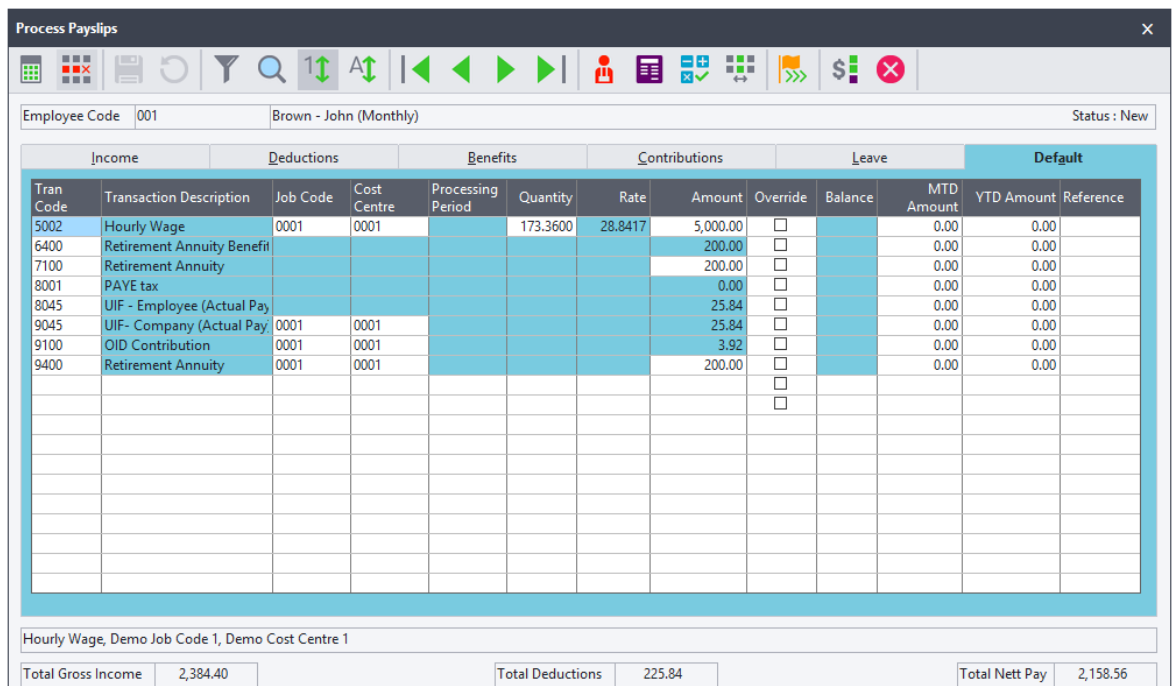
Update / Clear Totals
 Year End
 Never
 End of Specific Month
 End of Cycle
 Cycle Start Date:
 Cycle Length in Months:
 Update Opening Balance with:
 Days Due Entitlement

Processing Rules
 Affect Notional Pay (Wage)
 Affect Payslip
 Print on Payslip
 Pro-rata at Start / End
 Compulsory Deduction
 Mandatory Transaction
 Special Run Transaction
 Stats. SA Transaction Type:

Monthly Weekly Fortnightly

Payslip: Retirement Annuity
 Percentage: 0.000000 Amount: 0.00
 GL Debit Code: GL Credit:
 Copy to Weekly
 Copy to Fortnightly
 Calculation Totals

24. Select the employee in question and select the **Default** tab.
25. For an employee contribution to the Retirement Annuity, enter **Transaction code 7100 – Retirement Annuity** and insert the employee’s amount to contribute in the **Amount** field.



Process Payslips

Employee Code: 001 Brown - John (Monthly) Status: New

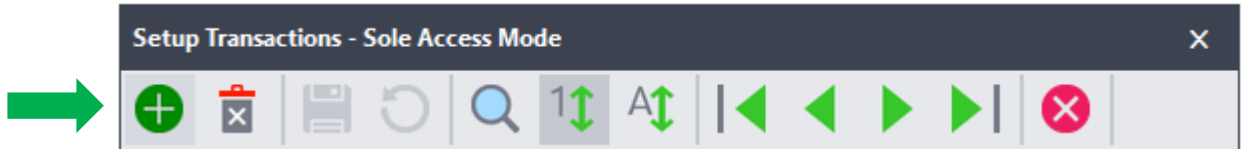
Income		Deductions		Benefits		Contributions		Leave		Default		
Tran Code	Transaction Description	Job Code	Cost Centre	Processing Period	Quantity	Rate	Amount	Override	Balance	MTD Amount	YTD Amount	Reference
5002	Hourly Wage	0001	0001		173.3600	28.8417	5,000.00	<input type="checkbox"/>		0.00	0.00	
6400	Retirement Annuity Benefit						200.00	<input type="checkbox"/>		0.00	0.00	
7100	Retirement Annuity						200.00	<input type="checkbox"/>		0.00	0.00	
8001	PAYE tax						0.00	<input type="checkbox"/>		0.00	0.00	
8045	UIF - Employee (Actual Pay						25.84	<input type="checkbox"/>		0.00	0.00	
9045	UIF- Company (Actual Pay	0001	0001				25.84	<input type="checkbox"/>		0.00	0.00	
9100	OID Contribution	0001	0001				3.92	<input type="checkbox"/>		0.00	0.00	
9400	Retirement Annuity	0001	0001				200.00	<input type="checkbox"/>		0.00	0.00	
								<input type="checkbox"/>				
								<input type="checkbox"/>				

Hourly Wage, Demo Job Code 1, Demo Cost Centre 1

Total Gross Income: 2,384.40 Total Deductions: 225.84 Total Nett Pay: 2,158.56

If the company contributes to a Private Retirement Annuity:

1. Go to **Setup...Transactions.**
2. Select **New.**



3. Insert any transaction code between **1000 and 4999.**
4. Insert transaction template as **Transaction code 5210 – Regular Taxable Income.**
5. Insert any transaction description.

Setup Transactions - Sole Access Mode

Basic Details

Code: 1000 Block

Template: 5210 Regular Payment - Income

Description: RA company contribution Reference:

Update / Clear Totals

Year End
 Never
 End of Specific Month
 End of Cycle
 Cycle Start Date:
 Cycle Length in Months:
 Update Opening Balance with:
 Days Due Entitlement

Processing Rules

Affect Notional Pay (Wage)
 Affect Payslip
 Print on Payslip
 Pro-rata at Start / End
 Compulsory Deduction
 Mandatory Transaction
 Special Run Transaction
 Stats. SA Transaction Type:

Monthly Weekly Fortnightly

Payslip: RA company contribution

Percentage: 0.000000 Amount: 0.00 Copy to Weekly

GL Debit Code: GL Credit: Copy to Fortnightly

6. Under **Processing Rules**, “**Print on Payslip**” and “**Affect Payslip**” must be selected.
7. **Save** the transaction.
8. Go to the employee’s Payslip, select the **Default tab.**
9. Insert the transaction created and insert the value the Employer contributes into the **Amount field.**

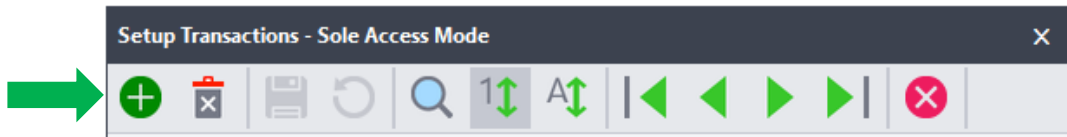
Process Payslips												
Employee Code		Brown - John (Monthly)						Status : New				
Income		Deductions		Benefits		Contributions		Leave		Default		
Tran Code	Transaction Description	Job Code	Cost Centre	Processing Period	Quantity	Rate	Amount	Override	Balance	MTD Amount	YTD Amount	Reference
1000	RA company contribution	0001	0001				1,000.00	<input type="checkbox"/>		0.00	0.00	
5002	Hourly Wage	0001	0001		173.3600	28.8417	5,000.00	<input type="checkbox"/>		0.00	0.00	
8001	PAYE tax						0.00	<input type="checkbox"/>		0.00	0.00	
8045	UIF - Employee (Actual Pay)						33.84	<input type="checkbox"/>		0.00	0.00	
9045	UIF - Company (Actual Pay)	0001	0001				33.84	<input type="checkbox"/>		0.00	0.00	
9100	OID Contribution	0001	0001				6.75	<input type="checkbox"/>		0.00	0.00	
								<input type="checkbox"/>				
								<input type="checkbox"/>				
RA company contribution, Demo Job Code 1, Demo Cost Centre 1												
Total Gross Income		3,384.40		Total Deductions		33.84		Total Net Pay		3,350.56		

Private RA and Employer pays the RA

Note: If there are employee who have Private RAs as well as employees who have RAs owned by the Employer, the Employer paid RA will be processed on 7100 – Retirement Annuity.

The Private Annuity will be setup as follows:

1. Go to **Setup...Transactions**.
2. Select **New**.



Insert any transaction code between **1000 and 4999**.

3. Insert transaction template as **Transaction code 7100 – Retirement Annuity**
4. Insert any transaction description.

Setup Transactions - Sole Access Mode

Basic Details

Code: 1001 Block

Template: 7100 Retirement Annuity - Current - Deduction Tax-deductible

Description: Retirement Annuity Reference:

Update / Clear Totals

Year End
 Never
 End of Specific Month
 End of Cycle
 Cycle Start Date
 Cycle Length in Months
 Update Opening Balance with:
 Days Due Entitlement

Processing Rules

Affect Notional Pay (Wage)
 Affect Payslip
 Print on Payslip
 Pro-rata at Start / End
 Compulsory Deduction
 Mandatory Transaction
 Special Run Transaction
 Stats. SA Transaction Type

Monthly Weekly Fortnightly

Payslip: Retirement Annuity

Percentage: 0.000000 Amount: 0.00 Copy to Weekly

GL Debit Code: GL Credit: Copy to Fortnightly

Calculation Totals

5. Under **Processing Rules**, **“Print on Payslip”** and **“Affect Payslip”** must not be selected.

6. **Save** the transaction.
7. Go to the employee's Payslip, select the **Default tab**.
8. Insert the transaction created and insert the value the Employer contributes into the **Amount field**.

Tran Code	Transaction Description	Job Code	Cost Centre	Processing Period	Quantity	Rate	Amount	Override	Balance	MTD Amount	YTD Amount	Reference
1001	Retirement Annuity						200.00	<input type="checkbox"/>		0.00	0.00	
5002	Hourly Wage	0001	0001		173.3600	28.8417	5,000.00	<input type="checkbox"/>		0.00	0.00	
8001	PAYE tax						0.00	<input type="checkbox"/>		0.00	0.00	
9045	UIF - Employee (Actual Pay)						23.84	<input type="checkbox"/>		0.00	0.00	
9045	UIF - Company (Actual Pay)	0001	0001				23.84	<input type="checkbox"/>		0.00	0.00	
9100	OID Contribution	0001	0001				3.92	<input type="checkbox"/>		0.00	0.00	

Retirement Annuity	
Total Gross Income	2,384.40
Total Deductions	23.84
Total Nett Pay	2,360.56