

How to Set up Tax Credit Claims

1 Capturing Tax Credit Claims

Where one needs to capture claims for tax credit the system allows you to capture different tax credits which can be on percentage or on amount. In this manual, we shall use a Medical Expense claim with the following particulars.

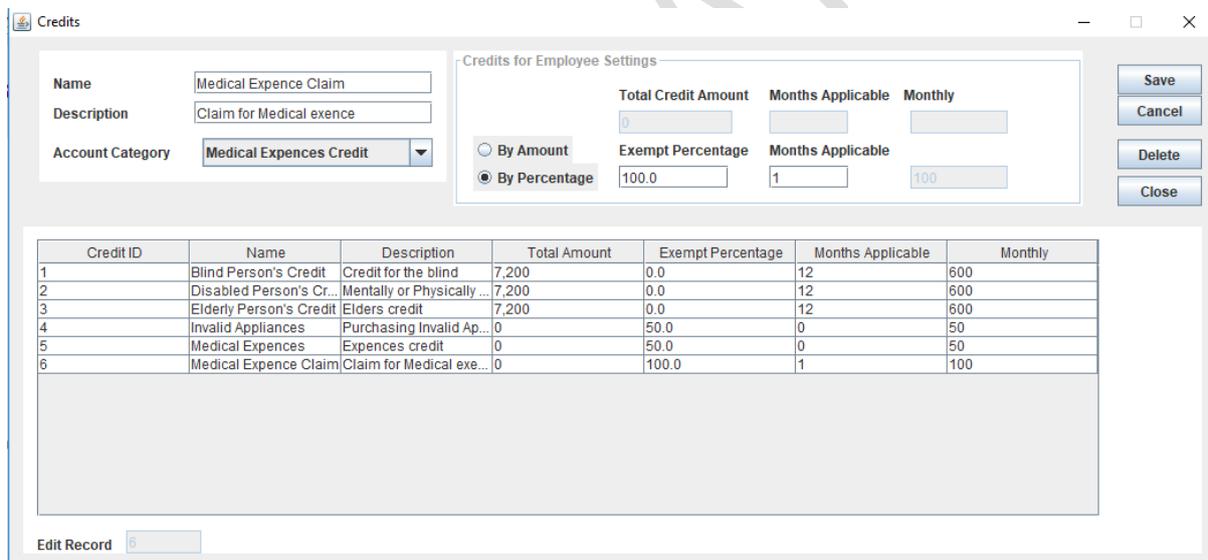
- Total Medical expense bills is \$1000
- Tax credit allowed to be claimed is 50%

1.1 Define Tax Credit

Select Tax Credit Definition under Payroll Definitions menu.

Define the tax credit claim in this case it is defined as Medical Expense Claim as shown in the options below. We use the percentage section of the definitions.

Option A



Credits for Employee Settings

Name: Medical Expense Claim
Description: Claim for Medical exence
Account Category: Medical Expenses Credit

By Amount
 By Percentage

Total Credit Amount: 0
Exempt Percentage: 100.0
Months Applicable: 1
Monthly: 100

| Credit ID | Name | Description | Total Amount | Exempt Percentage | Months Applicable | Monthly |
|-----------|-------------------------|----------------------------|--------------|-------------------|-------------------|---------|
| 1 | Blind Person's Credit | Credit for the blind | 7,200 | 0.0 | 12 | 600 |
| 2 | Disabled Person's Cr... | Mentally or Physically ... | 7,200 | 0.0 | 12 | 600 |
| 3 | Elderly Person's Credit | Elders credit | 7,200 | 0.0 | 12 | 600 |
| 4 | Invalid Appliances | Purchasing Invalid Ap... | 0 | 50.0 | 0 | 50 |
| 5 | Medical Expenses | Expences credit | 0 | 50.0 | 0 | 50 |
| 6 | Medical Expense Claim | Claim for Medical exe... | 0 | 100.0 | 1 | 100 |

Edit Record: 6

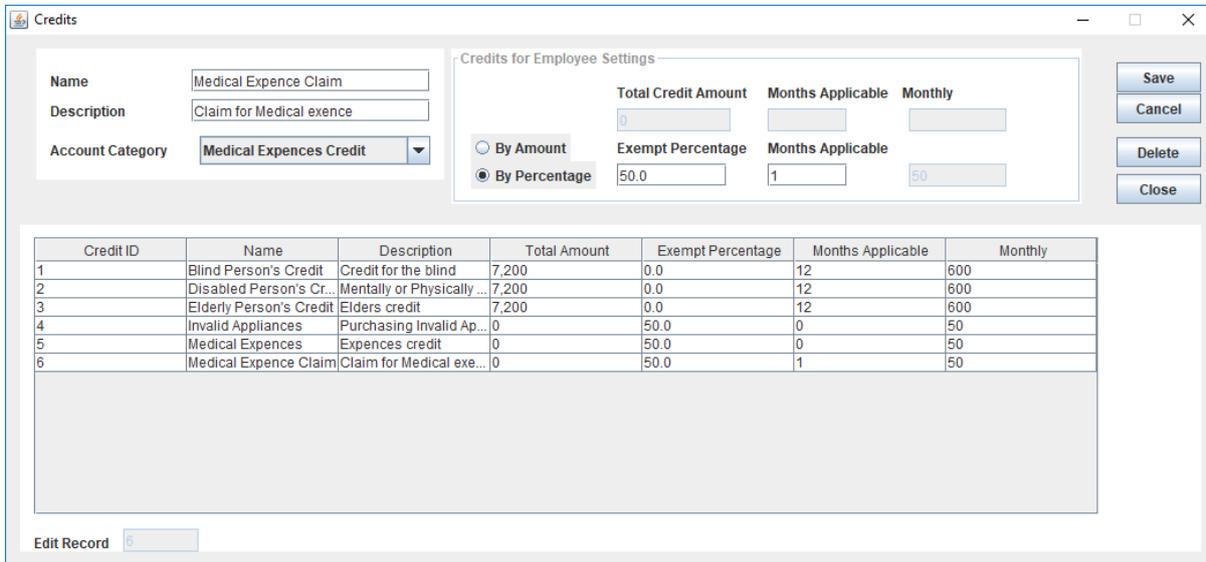
Ensure the following are marked

- Select by percentage
- Enter as 100 to represent 100%
- Enter 1 for months applicable

The above setting will ensure that the tax credit amount is claimed as according to the full amount of \$500 which is what will be captured in the system. As one would have set the percentage consideration at 100% tax credit, ensure that in the allocation of the tax credit claim, one must input \$500.

Option B

One can still capture as \$1000 however the setting would be as follows



The screenshot shows the 'Credits' window with the following configuration for a 'Medical Exence Claim':

- Name: Medical Exence Claim
- Description: Claim for Medical exence
- Account Category: Medical Exences Credit
- Credits for Employee Settings:
 - Total Credit Amount: 0
 - Months Applicable: 1
 - Monthly: 50
 - By Percentage: 50.0

| Credit ID | Name | Description | Total Amount | Exempt Percentage | Months Applicable | Monthly |
|-----------|-------------------------|----------------------------|--------------|-------------------|-------------------|---------|
| 1 | Blind Person's Credit | Credit for the blind | 7,200 | 0.0 | 12 | 600 |
| 2 | Disabled Person's Cr... | Mentally or Physically ... | 7,200 | 0.0 | 12 | 600 |
| 3 | Elderly Person's Credit | Elders credit | 7,200 | 0.0 | 12 | 600 |
| 4 | Invalid Appliances | Purchasing Invalid Ap... | 0 | 50.0 | 0 | 50 |
| 5 | Medical Exences | Exences credit | 0 | 50.0 | 0 | 50 |
| 6 | Medical Exence Claim | Claim for Medical exe... | 0 | 50.0 | 1 | 50 |

- Select by percentage
- Enter as 50 to represent 50%
- Enter 1 for months applicable

Once the claim definition has been done we can then proceed to allocate to the appropriate employee(s). In the capturing we would thus capture as \$1,000 to the amount allocation.

NB. Once a definition code has been created there is no need to define it as it is for the life of the system

1.2 Allocation the Tax Credit Claim to the Employees

Option A

Under the menu Bulk Processes select the Tax Credits menu. As we have set our tax credit definition as 100% we capture \$500 to allocate to the employee as shown below



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Tax Credits

Search Allowance

| Credit ID | Name | Description | Amount | Monthly | Percentage |
|-----------|---------------|----------------|--------|---------|------------|
| 1 | Blind Per... | Credit for ... | 7,200 | 600 | 0.0 |
| 2 | Disabled ... | Mentally o... | 7,200 | 600 | 0.0 |
| 3 | Elderly P... | Elders cr... | 7,200 | 600 | 0.0 |
| 4 | Invalid Ap... | Purchasi... | 0 | 50 | 50.0 |
| 5 | Medical E... | Expences... | 0 | 50 | 50.0 |
| 6 | Medical E... | Claim for ... | 0 | 100 | 100.0 |

Tax Credits

Edit Record: 9 Start Date: September 1, 2021

Credit Record: 6 End Date: September 30, 2021

Name: Medical Expen... Claim

Amount: Monthly Amount 100.0 Percentage 100.0 Amount 500

Employee Run

By Employee Search Name

| Select All | Employee Number | Name | Surname |
|-------------------------------------|-----------------|--------|----------|
| <input checked="" type="checkbox"/> | 1 | Sarina | Mortimer |
| <input type="checkbox"/> | 10 | Dis | Mat |
| <input type="checkbox"/> | 11 | Jack | Olivia |
| <input type="checkbox"/> | 12 | James | Emily |
| <input type="checkbox"/> | 13 | Oliver | Sophie |
| <input type="checkbox"/> | 15 | Noah | Ava |
| <input type="checkbox"/> | 16 | Logan | Amelia |

By Grade

| Select | Grade |
|--------------------------|-------|
| <input type="checkbox"/> | 1 |
| <input type="checkbox"/> | 2 |
| <input type="checkbox"/> | 3 |

View Employee: 1 Sarina Mortimer View

| System ID | Credit ID | Credit Name | E. Code | Name | Surname | Amount | S. Date | E. Date |
|-----------|-----------|---------------------------|---------|--------|----------|--------|------------|------------|
| 9 | 6 | Medical Expen... Claim... | 1 | Sarina | Mortimer | 500 | 2021-09-01 | 2021-09-30 |

When allocating the following must be captured accurately

- Start and End date for the tax credit of the period that the credit will be processed in the payroll
- Amount that will be processed in this case because we defined as 100% we therefore capture \$500.

Option B

As we have defined the tax credit as 50% we capture the full amount of \$1,000. Ensure that the dates for the processing are correct

Under the menu Bulk Processes select the Tax Credits menu and allocate the tax credit as shown below



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Tax Credits

Search Allowance:

| Credit ID | Name | Description | Amount | Monthly | Percentage |
|-----------|--------------|---------------|--------|---------|------------|
| 5 | Medical E... | Expences... | 0 | 50 | 50.0 |
| 6 | Medical E... | Claim for ... | 0 | 50 | 50.0 |

Tax Credits

Edit Record: Start Date:

Credit Record: End Date:

Name:

Amount: Monthly Amount Percentage Amount

By Employee Search Name:

| Select All | Employee Number | Name | Surname |
|-------------------------------------|-----------------|--------|----------|
| <input checked="" type="checkbox"/> | 1 | Sarina | Mortimer |
| <input type="checkbox"/> | 10 | Dis | Mat |
| <input type="checkbox"/> | 11 | Jack | Olivia |
| <input type="checkbox"/> | 12 | James | Emily |
| <input type="checkbox"/> | 13 | Oliver | Sophie |
| <input type="checkbox"/> | 15 | Noah | Ava |
| <input type="checkbox"/> | 16 | Logan | Amelia |

By Grade

| Select | Grade |
|--------------------------|-------|
| <input type="checkbox"/> | 1 |
| <input type="checkbox"/> | 2 |
| <input type="checkbox"/> | 3 |

Employee Run:

View Employee:

| System ID | Credit ID | Credit Name | E. Code | Name | Surname | Amount | S. Date | E. Date |
|-----------|-----------|------------------------|---------|--------|----------|--------|------------|------------|
| 9 | 6 | Medical Expece Clai... | 1 | Sarina | Mortimer | 1,000 | 2021-09-01 | 2021-09-30 |

1.3 Reports

Tax credits reports are available in the system as shown below



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All Reports | Reports by Timeline | Custom Templates | Reports by Particular Employee

Select Payroll Type Monthly Fortnightly Weekly

Reports Close

Select Reports

- Payline Payroll Reports
 - Payroll Run Journal Reports
 - Payroll Run Contribution Journals
 - Payroll Run Allowances, Benefits and Deductions Journals
 - Payroll Summary
 - Leave Days
 - Over Time
 - Benefit, Allowance, Deductions and Copayments Allocations
 - Tax Credits**
 - Tax Credits Select
 - Tax Credits Sorted
 - Tax Credit Balance
 - Holidays
 - Employee Details
 - CUSTOM Reports
 - Audit Reports