

Embracing real-time submissions: a leap towards efficient payroll management

In the corporate world, the task of submitting mid-year or interim employer reconciliations to the South African Revenue Service (SARS) has been a constant. However, a significant shift is on the horizon. Companies will soon transition to real-time submissions, a move that promises to reduce effort, curb fraud, and optimise the time of payroll and HR professionals. The key to unlocking this efficiency lies in choosing the right payroll platforms.



Source: Tima Mroshnichenko/Pexels

"The secret to good and efficient modern payroll management is to use a next-generation payroll platform. It's automated, it gathers and updates data from across the business, and it saves a lot of time," says Ania Strydom, compliance research manager at PaySpace.

Employer reconciliation through platforms

Practically every aspect of payroll management can be a time-consuming, manual endeavour. Payroll administrators need to find and validate employee data, adjust payment obligations according to new legislation benchmarks, and incorporate a range of metrics depending on the business and employees. This process grows more complex depending on the company's size.



Deal sees media assurance auditing service extend into Africa

12 Sep 2023



"The larger the business, the more complex your payroll can become," says Strydom. "There's also employee information checks, such as medical aid data and retirement fund data."

These processes often become very insular, limited to payroll administrators and away from the rest of the company, thus creating several problems. First, it's very inefficient and a poor use of employee time. Second, manual vetting leaves room for many errors, especially if it relies on outdated legislation. And third, payroll processes that are primarily kept separate from the rest of the business create more fraud opportunities.

However, a new generation of payroll platforms is changing this. This innovation has introduced integrated and automated data collection, self-service, and reporting tools. These tools extend to all corners of a business, and automatically-update payroll legislation for different regions, sectors and countries. Payroll platforms like PaySpace turn payrolls from isolated events to continual business enhancers. They make it possible to continually administer and reconcile payrolls.

The future is real-time reporting

A real-time payroll is a very effective and cost-saving investment. It's also a determined act of futureproofing because that is where payroll taxes are headed. The 2024 Vision from SARS is a project that will introduce real-time tax submission and reconciliation processes. Rather than a big rush every few months, companies will file monthly.



Anla Strydom, PaySpace

"It was announced in the 2023 budget speech that SARS will eventually move away from the mid-year and annual submissions and change to a monthly submission process. That project has already started - it's in the planning phase and is going to be rolled out soon," says Strydom.

Monthly submissions sound harrowing as they will be without sufficient automation and real-time reporting. Then again, organisations already do this to themselves, cramming mid-year and annual submission processes into a few days or weeks, burning the candle on both ends to meet deadlines.

The 2024 Vision is not a blunt attempt to change tax. It recognises that the future of payroll is efficient, automated, and integrated. Rather than try and build this themselves, companies are turning to payroll platforms with such capabilities.

"The more automated your payroll is, the more you eliminate the possibility of human error," says Strydom.

"There's multiple checks happening—not just one person checking, but three or four people, because they can all access it. Your checks, your processes, your automation, all those things become much smoother. You avoid fines and missed deadlines, because the payroll platform constantly updates legislation at no additional cost and submissions become smoother, even automatic. The future of payroll is in automated platforms."

For more, visit: <https://www.bizcommunity.com>