

ACTIVITY III

PAYE RETURN- Instructions

General guidelines

- i. Download itax form P10 return
- ii. Make sure Macros is enabled, Go to File tab on top left corner > click options> click trust center>trust center settings

Step 1. Basic information sheet (A)

Employers personal identification Number	P021342765U
Type of return	Choose from drop listing – original
Entity type	Head office
Return period from	01/01/2020
Return period to	31/01/2020

Step 2 Details sheets

General instructions

- i. Populate the sheets with information as instructed in **red**
- ii. Don't leave any cells blank unless greyed out, **enter zero (0)** in irrelevant cells
- iii. For all employees choose resident from dropdown listing on the residential status cell
- iv. For all employees except KANYI SAMMY choose primary employee under type of employee
- v. Monthly personal relief is Sh.1408 and you will have to type that in monthly personal relief column
- vi. Last column of employee details sheet **self-assessed PAYE tax** > pick details from previous **PAYE TAX** column
- vii. Click on black tab **ADD ROWS** to enter more employees
- viii. Skip sheets not required as per this instruction
- ix. On the last sheet **TAX DUE (N)** observe how the tax has been computed
- x. Click **VALIDATE**
- xi. In case of **errors** correct them as instructed

xii. The validated folder will be saved on my **documents**- upload it on taxdon for review

Specific instructions – in red

NAME	PIN	BASIC SALARY	BENEFITS	DEDUCTIONS
MATU WASWA Employee details sheet (B) >Primary employee > resident	A004342115V Employee details sheet (B)> PIN	130,000 Employee details sheet (B) >Basic salary	Car- 1600 CC, Sh. 1800,000 Use computation of car benefit sheet (D) and transfer to Employee details sheet (B) > Value of car	Pension -9500 Insurance relief 1500 Respective columns in Employee details sheet (B)
			Overtime- 18000 Employee details sheet (B) > overtime allowance	
KANYI SAMMY Employee details> secondary employee Note 1	A004827003L employee details sheet>PIN	200,000 Employee details sheet (B) >Basic salary	NIL	NIL
AGNES NDILA Use disabled employees sheet> enter PWD number VA123416L Note 2	A004584008T Disabled employees details sheet	180,000 Disabled Employee details sheet (B) >Basic salary	House rented at 43000 Disabled Employee details> type of house choose rented, enter 43000 in rent of house/market value	Pension 12000 Disabled Employee details> actual contribution
			Leave pay- 28,000 Disabled Employee details sheet (B) >Leave pay	Rhosp 5,500 Employee details>deposit on home ownership savings plan> enter 4000 Note 3
			Entertainment allowance 1300 Employee details sheet (B) >other allowance	Notional rent 4200 Employee details>rent recovered from employee
	A004678197T	145,000	House allowance 56,000	Pension 8500

SILVESTER WAFLA Employee details sheet (B)	Employee details sheet (B)	Employee details sheet (B)	Employee details sheet (B)>housing allowance	Employee details sheet (B)> actual contribution
			Transport allowance 12000 Employee details sheet (B) > Transport allowance	Mortgage interest 32,000 Employee details> mortgage interest enter 25000 Note 5
			Education loan Shs 2M, interest P.M 1% prescribed 1.2%, LOAN account 122454237 Use FBT details (fringe benefit tax) sheet Note 4	

NOTES

Note 1- employees with multiple employers are required to elect their primary employer. Other employers are required to treat them as secondary employees and tax them at 30% with no personal relief

Note 2- Employees with disabilities are exempted from tax on their first Sh. 150,000 per month

Note 3- Registered home ownership plan deduction is subject to a limit of Sh. 4,000 per month

Note 4 Fringe benefit tax is tax on employers not employees at 30%

Note 5 Mortgage interest is deductible but subject to a maximum of Sh. 25,000