

**INSTRUCTIONS TO COMPLETE THE ANNUAL STATEMENT OF EMPLOYER AND SCHEDULES
- ADVANCE PERSONAL INCOME TAX (APIT)
YEAR OF ASSESSMENT 2021 / 2022**

The Annual Statement of Employer - APIT (APIT Annual Statement) entails **three Schedules** namely **Schedule 01, Schedule 02** and **Schedule 03** for the Year of Assessment 2021/2022. These Schedules should be completed and submitted along with the Annual Statement of Employer, manually or electronically, through the Inland Revenue Department (IRD) web portal (www.ird.gov.lk).

GUIDE TO SUBMIT THE ANNUAL STATEMENT OF EMPLOYER AND SCHEDULES

1. General Instructions to submit Annual Statement

You are required to take note of the followings.

- a. Quick Guide for e-filing, new Schedule templates and updated Schedule verification tool are available at the IRD Web Portal (Make sure to use correct schedule formats. Specified formats of **Schedule 01, Schedule 02 and Schedule 03** are attached herewith).
- b. **e-filing link is available from 01st April 2022.** To avoid unnecessary technological issues, you are advised to submit early, than waiting until last moment of the due date.
- c. You are strictly advised to submit **one single** APIT Annual Statement for all categories of employees and all branches of your institution.
- d. Please verify the monthly tax payments before filing the APIT Annual Statement and Schedules while filing the Annual Statement via e-service.
- e. When you submit the hard copy of APIT Annual Statement, you may keep copies of **Annual Statement, Schedule 01, Schedule 02 and Schedule 03** for your future reference.
- f. If you come across any difficulties relating to;
 - **System failure:**
Please contact IRD call center by dialing 1944 and get assistance or keeping a voice record and get a ticket number.
 - **Uploading trouble:**
Please contact Central Document Management Unit by dialing 011-2134162 or 011-2134118.
 - **Issues relating to schedule verification:**
Please contact Central Document Management Unit by dialing 011-2134162 or 011-2134118.

2. Method of filing

a) E – filing

In terms of Section 113 (1A) of the Inland Revenue Act, No. 24 of 2017 (IRA), as amended by the Inland Revenue (Amendment) Act No. 10 of 2021, with effect from April 1, 2021, e-filing of Annual Statement (file tax Returns electronically) is mandatory for,

- (a) companies incorporated in Sri Lanka (all resident limited liability companies);
- (b) companies incorporated outside Sri Lanka (all non-resident limited liability companies); and for
- (c) public corporations.

Therefore, such entities are not entitled to furnish their Annual Statement in writing by using the printed specified forms for this year of assessment and thereafter.

Other employers not referred in above are also entitled to submit their Annual Statement electronically. Further, as provided in Section 113(4) of the IRA, that other employers shall continue the filling of Annual Statement electronically, if such persons have already filed their Annual Statement electronically in previous year of assessment.

Arrangements have been made for e-filing via IRD web portal. Please refer to the quick guide available in the IRD web portal (www.ird.gov.lk) for additional information.

b) Manual filing

Employers who wish to submit their Annual Statement in printed specified forms shall submit the statement to Central Document Management Unit (CDMU) at IRD Head Office or any Regional Office of the IRD through hand delivery or post.

Submit Schedules for APIT by considering followings.

- a. If the aggregate number of employees liable for APIT is greater **than 20**;
 - i. It is compulsory that you submit your **Schedules through e-service/upload to the system** (You may please refer to the Guide).
 - ii. If e-service facility is not available to you, you can submit your schedules (a soft copy) by yourself making use of e-service facility available at “**Nanasala**”, established in the IRD Head Office Ground Floor or at any IRD Regional office.
 - iii. If you are not familiar with the uploading procedure, you may bring a soft copy of the relevant schedules to the IRD Head office and get the assistance of IRD officers stationed at the IRD “**Nanasala**”, or at any **IRD Regional office**.
- b. If the aggregate number of employees liable for APIT is **equal or less than 20**, you have an option to submit hard copies or soft copies of the Schedules.

Hard copies of APIT Annual Statement should be submitted to the **Central Document Management Unit (CDMU) of the IRD Head Office**. However, if you have any difficulty in submitting the Annual Statement to the Head Office, you may submit your Annual Statement to the nearest Regional Office of the IRD. **If you have submitted APIT Annual Statement through e-service, you are not required to submit a hard copy of the same.**

GUIDE TO FILL THE ANNUAL STATEMENT OF EMPLOYER – APIT AND SCHEDULES

❖ APIT ANNUAL STATEMENT

1. PART I of APIT Annual Statement

Number of Employees

- Enter the number of employees whose tax have not been deducted under APIT scheme, as mentioned below.
 - Gross remuneration is less than LKR 3,000,000 per annum - in **Cage “A1”**
 - Consent is not given to deduct APIT under primary employment (Gross remuneration is more than LKR 3,000,000 per annum) - in **Cage “A2”**
 - Consent is not given to deduct APIT under secondary employment - in **Cage “A3”**
- Enter the number of employees whose tax have been deducted under **Primary Employment** and come under each range of gross remuneration during the year of assessment, in Cages “i” to “iv”. **(Information relates with the Schedule 01).**
- Enter the number of employees who are considered to be on Secondary Employment, in **Cage “C”**. **(Information relates with the Schedule 01).**
- Enter the number of employees, whose employment have been terminated during the year of assessment on both Primary and Secondary Employment, in **Cage “E”**. **(Information relates with the Schedule 02).**

Total Gross Remuneration

Enter the total of gross remuneration earned by **each category** of employees.

Tax Deductions

Enter the APIT deductions made under **each category** of employees.

2. PART II of APIT Annual Statement

(a) Exempt / Excluded Remuneration

Enter the aggregate of excluded /exempted remuneration paid in terms of the Inland Revenue Act, No. 24 of 2017, to employees whose tax have been deducted under APIT during each month of the year of assessment in column “A”. **(Information relates with the Schedule 01).**

(b) Total Gross Remuneration liable for APIT and Tax Deductions

Enter the **aggregate of remuneration paid** to employees, whose tax have been deducted under APIT, in Column "B". Enter the **aggregate of such tax deductions** made in each month in Column "C". **(Information relates with the Schedule 01)**

(c) Payments made

PLEASE SPECIALLY NOTE to enter the amount of tax remitted (excluding penalty and interest) to the Inland Revenue Department in each month in Column "D". Please enter cents value clearly.

(d) Total Terminal Benefits and Tax Deductions

Enter the total terminal benefits paid to employees in each month during the year of assessment in Column "E". Enter the aggregate of such tax deductions on Terminal Benefits made in each month in Column "F". **(Information relates with the Schedule 02)**

(e) Payments made

Enter the amount of tax deducted from terminal benefits and remitted to the Inland Revenue Department during each month in Column "G". Please enter cents value clearly.

3. **PART III** of APIT Annual Statement

Declaration

PART (A) Details of Approved Accountant/ Any other person

Where the statement or part of the statement is prepared by an approved accountant, or any other person for a payment other than a full time employee of the taxpayer, fill PART (A) and attach the certificate/s issued by such person.

PART (B) Declaration of the Employer

In terms of Section 126(4) of the IRA, a taxpayer or the taxpayer's duly authorized agent, shall sign the Statement, attesting to its accuracy and completeness. Therefore, the Managing Director/ Head of the Department/ President or Active partner/ Director of Finance/Director/ Secretary/ Trustee/Accountant/ Administration Officer/ Principal Officer/Duly Authorized Agent shall sign (and date) the Annual statement indicating his/her name and designation under PART (B) of the PART III of the Annual Statement

❖ **APIT SCHEDULES**

1. Schedule 01 -Remuneration other than Once-and-for-all Payments

This is the document for employees' information, whose tax were deducted under APIT scheme from their gross remuneration under primary or secondary employment.

Enter the information and figures related to each Employee, ^{*} **including non-residents**, (other than Once-and-for-all payments) extracted from APIT Pay Sheet in respective cages in "Schedule 01".

2. Schedule 02 -Terminal Benefits and Once-and-for-all Payments

This is the document for employees' information, with regard to Once-and-for-all payments.

Enter the information and figures relating to all employees who have been terminated or ceased their employment during the year of assessment. But, do not enter the information of employees whose tax liability on Once-and-for-all payments have not been finalized within 90 days from the date of termination.

Please note that only information related to Once-and-for-all payments ("Terminal Benefits") should be entered in the "Schedule 02".

3. Schedule 03 – List of employees on non-submission of consent

This is the document for employees' information on non-submission of consent.

Enter the information and figures related to all employees, who have not been submitted the consent to deduct APIT or who have been submitted the consent not to deduct APIT, during the year of assessment. (Please refer to "A2" and "A3" of Annual Statement PART I)

However, do not enter the details of employees whose gross remuneration have not been liable to deduct APIT.

Please note that, any employee who has already registered with IRD and obtained a Taxpayer Identification Number (TIN), enter that TIN in Colum "N" of the **Schedule 03**.

- ❖ **Pay your attention to match the figures among the PART I, PART II, Schedule 01, Schedule 02 and Schedule 03 as set out in below table.**

	PART I	PART II	Schedule 1	Schedule 2	Schedule 3
Total Gross Remuneration	Cage A2				Cage 'H' - Total Gross Remuneration under Primary Employment
Total Gross Remuneration	Cage A3				Cage 'H' - Total Gross Remuneration under Secondary Employment
Total Gross Remuneration	Cage 'B' + Cage 'C'	Total of column 'B'			
Tax Deductions	Cage 'B' + Cage 'C'	Total of column 'C'			
Total Gross Remuneration	Cage 'E'	Total of column 'E'			
Tax Deductions	Cage 'E'	Total of column 'F'			
Total Gross Remuneration	Cage 'B' + Cage 'C'		Total of column 'H'		
Tax Deductions	Cage 'B'		Total of column 'J'		
Tax Deductions	Cage 'C'		Total of column 'K'		
Total Gross Remuneration	Cage 'E'			Total of column 'I'	
Tax Deductions	Cage 'E'			Total of column 'M'	
Number of Employees	Cage A2				Total No. of Employees under Primary Employment
Number of Employees	Cage A3				Total No. of Employees under Secondary Employment
Number of Employees	Cage 'B' + Cage 'C'		Total No. of Employees		
Number of Employees	Cage 'E'			Total No. of Employees	
Exempt/ Excluded Remuneration		Total of column 'A'	Total of column 'I'		

