

**INSTRUCTIONS TO COMPLETE THE PAYE ANNUAL DECLARATION AND SCHEDULES etc
YEAR OF ASSESSMENT 2013/2014**

1. Please note that P.A.Y.E. Declaration Form and Schedules have been modified, and therefore, you are required to use a new set of forms issued herewith.
2. You are strictly advised to submit only one P.A.Y.E Annual Declaration (Form PAYE 94(1)) for all categories of Employees in your Organization.
3. In case of any difference in particulars printed on the Form PAYE 94(1) such as name of the organization, address etc, please provide correct and updated information in the given space (Item A).
4. It is compulsory to fill all cages and **do not keep any cage blank** (where not applicable indicate "N/A").
5. Please give the particulars of the Officer-in-charge of P.A.Y.E matters in your Organization enabling the IRD Officers to have direct communication with regard to P.A.Y.E matters. (Item B).
6. Failure to remit the correct amount of deductions on due date to the Department of Inland Revenue will be subjected to imposition of penalty.
7. Monthly remittances can be made through any branch of the Bank of Ceylon . Please remember to indicate the correct particulars such as TIN , sub TIN and relevant period etc correctly in the relevant cages of the PAYE Paying –in- slips.
8. The certificate on the deduction of income tax under PAYE Scheme [T10 (new)]certified with the official frank should be completed and issued for all the Employees, from whom the deductions have been made and T 10(new)/D certificate should be issued for all the Directors from whom the tax deductions have been made under Section 117 and 117A.
9. It is advisable to keep a copy of the completed PAYE Annual Declaration and copies of Schedule 01 and 02 for your reference(T-9A and T-9A(A)).
10. It is pleased to mentioned that Department of Inland Revenue is planning to computerize PAYE Declarations. For this purpose it is necessary to obtain the Employer's annual Declaration , Form T-9A and Form T-9A(A) in electronic form. Therefore , all the employers registered for PAYE Scheme are kindly requested to submit an electronic version of the relevant forms to the E mail **paye9a@ird.gov.lk** in addition to the submission of Declaration and Forms manually to the DPRA Unit(Registered under TIN) or PAYE Branch at Nawam Mawatha(Registered under PAYE/GOV).

The electronic version of the relevant Forms can be downloaded from the Inland Revenue website **ird.gov.lk** . **Please make sure not to alter any formula or fields in the** electronic forms.

Further , you are requested to use only the electronic forms available in the IRD website and not to send them using any other formats. You are required to use the same E- mail account which is mentioned in your Annual Declaration Form (Item B) for submission of electronic versions of Declaration, Schedules etc.

If you need to change the e-mail account you are required to use the " E-mail PAYE"form available in the IRD Website.

Guidance to fill the Declaration & Schedules

1. PART 1 of PAYE Annual Declaration – Form PAYE 94 (1)

- i. Number of Employees
 - Enter the number of Employees those who have earned gross remuneration less than LKR 600,000 per annum, and not made any tax deduction under PAYE, in Cage A.
 - Enter the number of Employees under each range of gross remuneration in Cages i to vii.
 - Enter the number of Employees falls under the Section 117 and 117A.
- ii. Total Gross Remuneration

Enter the total of gross remuneration earned by each category of Employees.
- iii. Tax Deductions

Enter the P.A.Y.E. deductions made under each category of Employees.

2. PART 2 (A) of PAYE Annual Declaration – Form PAYE 94 (1)

- i. Exempt Remuneration

Enter the remuneration paid to Employees in each month during the year of assessment which are exempted under Section 8 of Inland Revenue Act.
- ii. Gross Remuneration below LKR 600,000

Enter the aggregate value of remuneration paid to Employees who earned below LKR 600,000 per annum but deductions were made under P.A.Y.E due to such payments exceed LKR 50, 000 in any month/months, in Column “B”. Enter the aggregate of such tax deductions made in each month in Column “C”.
- iii. Gross Remuneration above LKR 600,000

Enter the aggregate of remuneration paid to Employees who earned above LKR 600,000 per annum and the tax deductions made under P.A.Y.E. in Column “D” and “E”, respectively.
- iv. P.A.Y.E. deducted under Section 117 & 117A of the Inland Revenue Act.

Enter the particulars of payments made and deductions made under Section 117 and 117 A of the Inland Revenue Act, i.e. deductions made according to Table No.07 of the P.A.Y.E Tax Tables, in Column “F” and “G”, respectively.
- v. P.A.Y.E. deducted under Sec. 114, 117 & 117A

Enter the totals of gross remunerations (B+D+F) and tax deductions (C+E+G) in each month in Column “H” and “I”, respectively.
- vi. Remittances Made

Enter the amount of tax remitted to the Department of Inland Revenue in each month in Column “J”.

3. PART 2 (B) of PAYE Annual Declaration – Form PAYE 94 (1)

Enter the summary particulars of Schedule 02 (Form No. T 9 A (A)), in respective columns.

4. Schedule 1 (Form No. PAYE / T-9A)-Remuneration other than Once- and- for- all Payments

Enter the particulars and totals of figures related to each Employee, including non residents, (other than Once- and- for- all payments) extracted from PAYE Pay Sheet (Form No T-6) in respective cages in Schedule 01.

5. Schedule 2 (Form No. PAYE / T-9A(A) -Terminal Benefits & Once- and- for- all Payments

Enter the particulars and totals of figures relating to Employees who have been terminated or ceased their employment during the year of assessment. Please note that only particulars related to Once- and- for- all payments, in other words “Terminal Benefits” should be entered in the Schedule 02 (Form No. T-9A(A)).

6. PAYE Pay Sheet (Form No. PAYE / T-6)

For the purpose of PAYE, a separate Pay Sheet as per the format given in Form No PAYE T-6 (PAYE Pay Sheet) should be maintained for each and every Employee of the Organization.

Please note that PAYE Pay Sheet (Form No. PAYE / T-6) should be kept in your Organization and should furnish to Department of Inland Revenue only when requested to do so. **It should not be furnished along with the Employer’s Annual Declaration.**