
Final Settlement System (FSS) Notice

SUBMISSION OF ANNUAL RECONCILIATION DATA FOR 2006
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IRD Online Services

The Inland Revenue would like to remind you that the end of year reconciliation information (FS7 & FS3's), should reach the FSS Section by not later than 15 February 2007. Late submissions are subject to penalties.

During the last two years the Inland Revenue launched an initiative to reduce the need for some taxpayers to file the Income Tax Returns or Tax Declarations. This initiative is based on the information gathered by the Department from the end of year documents submitted by employers and hence it could not have been implemented without the cooperation of employers. Thus, whilst thanking you for your past cooperation, the Department would like to encourage all employers to file all documents correctly and in time so that this initiative is made available to more taxpayers.

Employers, who have enrolled to use the online services, are encouraged to use the service regularly to ensure that there are no access problems prior to the actual submission. Online users, have to renew the digital certificate every year. This should only be done after a notification has been issued by the Department through an e-Mail.

The Department had introduced a spreadsheet to facilitate the submission process for employers. Through this facility an employer can validate his data and correct any errors on his desktop. This spreadsheet and related further information may be downloaded from: <http://www.ird.gov.mt/services/fss/fssonline.asp>

The online service shall be available as from 9 January 2007 to employers for both testing and filing of FSS end of year information.

In case of difficulties to access the online services (*login, passwords, digital certificates etc...*); an e-Mail, specifying the problems and any related error messages may be sent, to ird.services@gov.mt.

Data Validation

It is important to include all FS3's of each PE number in a single submission, as every submission overwrites the previous information for the PE number and year. Employers who have two sets of information for the same PE number should merge the files using the spreadsheet indicated above

Personal and accounting data must be filled correctly and all required fields should be completed. Particular attention has to be provided to the Social Security Contribution (SSC) information where the basic wage and the number of weeks worked together with the contribution paid by both the employer and employee must be completed. The contribution paid must relate to the rate of the applicable category that is derived from the basic wage and age of the employee. More information on the calculation of Social Security Contributions and an on-line calculator are available at the Inland Revenue website at www.ird.gov.mt.

Some important validations to remember:

- **Personal Data** is being validated directly with the Taxpayer Registration Systems. This means that the Identity Card Numbers and Income Tax Registration Numbers provided must exist and the surname information matches with that of the Inland Revenue System and not only conform to the defined numeric structure. Furthermore records of single taxpayers must have an empty spouse ID Field. Employers who need support on errors regarding taxpayer registration are to send an e-Mail to rhoda.attard@gov.mt or paul.briffa@gov.mt
- **Basic Wage** must be reported up to the first two decimal figures, for example: basic wage of 115.279 should be reported as 115.27. This figure will be the basis for the workings of SSC. (eg : 115.27 x 10%=11.53 x number of employment weeks)
- **Gross Emolument and Tax Deduction values** should be reported as whole numbers without any decimal figures for example: 12 and not 12.00.

- **Pensioners** – Pensioners over 65 years of age should not pay SSC no matter what their earnings are. Such earnings will only be subject to FSS tax.
- Whenever a female employee notifies the employer with changes of her civil status (e.g.: marriage, separation etc...), two FS3's must be compiled for the same year, with the data split accordingly. The FS3 of a married female (prior to separation, prior to husband's death or after marriage), should have her **spouse's ID reported in the appropriate field**.
- *Example: Case where a marriage occurred in September, an FS3 should be compiled covering period from January to September as a **single person (with spouse ID left blank)**, and another FS3 covering October to December as a **married person (with spouse ID quoted in the allocated field)**.*
- The Department will not accept duplicate FS3's pertaining to the same individual under a particular PE number for the same year (except cases explained above). That is one line for each employee in 'F3' file. However, whenever the basic weekly wage or category change, these must all be reported in separate lines in the 'SS' file.
- Unmarried individuals cannot have SSC reported that is greater than the gross main emoluments.
- Whenever part time emoluments exceed the Lm3,000 threshold, the surplus amount should be reported in the same FS3 as main emoluments. The relative 15% withholding tax must be split just the same (maximum of Lm450 part time tax).

The List of all the validations can be found on the Department's website.

All information submitted shall be verified according to the electronic lodgment specifications as stipulated by the Department. While an acknowledgement will be issued to employers who file correct data, incorrect or incomplete information will generate an online report that can be viewed by the employer. Unless data will be resubmitted correctly in the stipulated time, the employer will be considered as a defaulter and penalties as stipulated by the FSS Rules shall be applied. Employers who need support in resolving submission errors are to send an e-Mail to noel.a.agius@gov.mt or stefania.ciantar@gov.mt quoting the related error messages.

It is important to note that any FS3's modified by the employers must be accompanied by a covering letter explaining the change from the original submitted documents. Employers are being informed that such changes may lead to a more in-depth verification of the systems used.

NEW

Overseas Employment

As from 1 January 2006, employees who satisfy the conditions stipulated in article 56(17) Income Tax Act may opt to have their income from overseas employment taxed at a flat rate of 15%.

However, notwithstanding the 15% flat rate, such emoluments should be reported on the FS3 as main employment and not as part-time.

Payments due

Every FSS Tax and Social Security Contribution payment effected by an employer should be supported by the prescribed FS5 form. An FS5 is also to be submitted where the payment is a discrepancy resulting from the yearly reconciliation data. **Cheques supported by FS5 forms should be sent to the Cash Office block 5, whilst all FS7 and FS3 documentation should be sent directly to the FSS Section block 3.**

Income deriving from part time employment

As from 1 January 2005, there was a major change in the part time rules (Legal Notice 110/2005). This change will affect those married persons, where one of the spouses has full time employment income, and the other is employed on a part time basis. In order for part time employees to benefit from this rule, the 15% withholding tax should be deducted from the total yearly emoluments. These payments should reach the Department through the employer by the end of January 2007 (attached to the December 2006 monthly remittance). If the employer fails to effect the payment, the employee can still benefit from the scheme by paying personally with the prescribed form TA23 by not later than 15 February 2007.

Deregistration of PE number

Whenever an employer has ceased to employ individuals, the proper Deactivation Form should be completed. If employments were terminated within a particular year, the end of year data for that year should still be submitted. Failing to submit the Deactivation Form will hold employers liable to continue submitting FSS documentation.



Commissioner of Inland Revenue
December

2006

Avviż dwar il-Final Settlement System (FSS)**IS-SOTTOMISSJONI TAR-RIKONĊILJAZZJONI
ANNWALI GĦALL-2006****Servizzi "Online"**

Id-Dipartiment tat-Taxxi Interni jfakkrek li l-informazzjoni tar-Rikonċiljazzjoni Annwali (FS7 u FS3), trid tasal fis-Sezzjoni FSS sa mhux aktar tard mill-15 ta' Frar 2007. Formoli mibgħuta tard huma suġġetti għall-penali.

Matul is-sentejn li għaddew id-dipartiment nieda proċess li permezz tiegħu ċerti kategoriji ta' persuni tneħħielhom l-obbligu li jibagħtu l-prospett sħiħ tad-Dħul jew id-dikjarazzjoni tat-taxxa. Permezz ta' din is-sistema d-Dipartiment joħroġ direttament il-kont tat-taxxa bbażat fuq l-informazzjoni li jiġbor mis-sottomissjoni tad-dokumenti ta' l-aħħar tas-sena u għal din ir-raġuni dan seta' biss isir b'koperazzjoni sħiħa minn kull min iħaddem. Għalhekk, filwaqt li jirringrazzjak tal-koperazzjoni tiegħek, id-Dipartiment iħeġġek biex tibgħat id-dokumenti ta' l-aħħar tas-sena korretti u fil-ħin sabiex din is-sistema titgawda minn numru akbar ta' nies.

Kull min juża s-servizz *online* tad-Dipartiment, huwa mfakkar sabiex iġedded iċ-ċertifikat diġitali kull sena. Dan għandu jsir biss wara li jkun intbagħat avviż permezz ta' *e-Mail* mid-Dipartiment. Tajjeb li kull min għandu aċċess għas-servizz, minn żmien għal żmien, jipprova jidhol bil-*password* tiegħu sabiex jiġu evitati problemi ta' aċċess fl-aħħar perijodu tas-sottomissjoni.

Id-Dipartiment diġa introduċa *spreadsheet* fil-websajt tiegħu, li ntlagħet tajjeb ħafna, fejn kull min iħaddem jista' jirranġa xi żbalji u jissottometti l-informazzjoni minnha stess. Dan sar sabiex jiffacilita l-proċess ta' sottomissjoni lil min iħaddem. Din l-*spreadsheet* wieħed jista' isibha fuq: <http://www.ird.gov.mt/services/fss/fssonline.asp>

Kull min għandu s-Servizz jista' jibda jittestja u jissottometti l-informazzjoni elettronika mid-9 ta' Jannar 2007 'l quddiem. F'każ ta' problemi ta' aċċess (login, passwords, ċertifikati diġitali eċċ...) wieħed jista' jibgħat *e-Mail* lil ird.services@gov.mt għal aktar għajjnuna.

Verifika ta' l-informazzjoni

Is-sottomissjoni ta' l-informazzjoni, trid tgħaddi kollha sħiħa f'daqqa. Jiġifieri sett wieħed komplut ta' informazzjoni għandu jintbagħat għal kull numru ta' PE.

L-informazzjoni personali u dik numerika jridu jkunu mimlija sewwa. Trid tingħata attenzjoni partikolari għall-informazzjoni tal-Kontribuzzjonijiet tas-Sigurtà Soċjali fejn il-paga bażika u n-numru ta' ġimgħat maħduma flimkien mal-kontribuzzjoni mħallsa kemm mill-impjegat kif ukoll minn min iħaddem tkun kompluta. Il-kontribuzzjoni mħallsa trid tkun mħallsa bir-rata tal-kategorija tal-kontribuzzjoni applikabbli maħduma fuq il-paga bażika u l-età ta' l-impjegat. Aktar informazzjoni dwar kif jinħadmu l-kontribuzzjonijiet tas-Sigurtà Soċjali, flimkien ma' kalkolatur li jaħdem dawn ir-rati jinsabu fil-websajt tad-Dipartiment www.ird.gov.mt

Tajjeb li wieħed jiftakar xi verifiki importanti:

- **L-informazzjoni personali** ser tkun iċċekkjata direttament mas-sistema ta' registrazzjoni tad-Dipartiment. Dan ifisser li n-numru ta' l-identità u n-numru tar-registrazzjoni tat-taxxa li jingħataw

iridu jkunu jeżistu u l-informazzjoni dwar il-kunjom tkun taqbel ma' dik tad-Dipartiment u mhux biss ma' l-istruttura tan-numri.

- **Il-paga bażika** trid tkun irrapportata sa l-ewwel żewġ figuri deċimali, pereżempju: paga bażika ta' 115.279 trid tiġi rrapportata 115.27. Din il-figura trid tkun il-baži ta' kif tinhadem il-kontribuzzjoni tas-Sigurtà Soċjali (eżempju: $115.27 \times 10\% = 11.53$ x numru ta' ġimgħat).
- **Emolumenti gross u valur tat-taxxa mnaqqsa** jridu jkunu rrapportati bħala numri sħaħ mingħajr figuri deċimali, pereżempju 12 u mhux 12.00
- **Pensjonanti ta' aktar minn 65 sena** m'għandhomx iħallsu kontribuzzjoni, jaqilgħu kemm jaqilgħu. Dan il-qligħ ikun suġġett biss għat-taxxa.
- F'każ li xi impjegata (femminili) tkun avżat li matul is-sena kellha xi bdil fl-istat ċivili tagħha (eż: żwieġ, separazzjoni, eċċ.), iridu jsiru żewġ FS3's, bil-figuri maqsuma skond il-każ. Id-Dipartiment jesiġi li fl-FS3 ta' mara miżżewġa (jiġifieri wara li żżewġet, qabel ma sseparat jew qabel ma romlot), **irid jitniżżel in-numru ta' l-identità tal-konjuġi fil-post allokat.**
- *Eżempju: każ ta' żwieġ f'Settembru : trid issir FS3 minn Jannar sa Settembru bħala persuna waħidha (mingħajr ID tar-raġel), u FS3 minn Ottubru sa Diċembru bħala persuna miżżewġa (bl-ID tar-raġel fil-post allokat).*
- *Mhux ser jiġu aċċettati aktar minn FS3 waħda ta' persuna partikolari ma' numru ta' PE wieħed fl-istess sena (ħlief fil-każ imsemmi fil-paragrafu t'hawn fuq). Jiġifieri linja waħda għal kull individwu fil-'file F3'. Xorta ser tibqa' tintalab aktar minn linja waħda fil-'file SS' f'każ li l-paga bażika/kategorija inbidlu matul is-sena.*
- *Persuna li mhix miżżewġa ma jstax ikollha ddikjarat ammont ta' Sigurtà Soċjali aktar mill-emolumenti prinċipali.*
- *Persuna li mhix miżżewġa ma tridx tniżżel ebda ID fil-post allokat għall-konjuġi.*
- *F'każ li d-dħul minn impjeg part time jaqbeż Lm3,000 f'sena, il-kumplement ta' emolumenti jridu jiġu ddikjarati bħala dħul prinċipali fl-istess formola FS3. It-taxxa bil-15% trid tinqasam ukoll bl-istess mod (jiġifieri massimu ta' Lm450 taxxa 'part time').*

Lista tal-verifiki kollha tinsab fuq is-sit elettroniku tad-Dipartiment.

Kull informazzjoni mibgħuta ser tiġi vverifikata, u informazzjoni żbaljata jew mhix kompluta tirrendi s-sottomissjoni bħala invalida. Din l-informazzjoni tiġġenera rapport ta' l-iżbalji li jridu jiġu kkoreġuti u tiġi meqjusa li ma ntbagħtitx, sakemm din tidhol lura kompluta u korretta. Kull informazzjoni li tasal wara d-data ta' l-għeluq, hija suġġetta għall-multi kif stipulat mil-liġi. F'każ ta' problemi ġenerali ta' sottomissjoni wieħed jista' jibgħat e-Mail lil stefania.ciantar@gov.mt jew noel.a.agius@gov.mt.

Tajjeb li wieħed jinnota li kull bdil li jsir fl-informazzjoni u fuq il-formoli FS3, irid jiġi spjegat permezz ta' ittra annessa mad-dokumenti godda. Min iħaddem qed ikun infurmat li dawn it-talbiet jistgħu jwasslu għal verifika aktar fil-fond tas-sistemi miżmuma minnu.

Għida

Impjieg barra minn Malta

Mill-1 ta' Jannar, 2006 impjegati li jissodisfaw il-kundizzjonijiet stipulati f'artikolu 56(17) ta' l-Att dwar it-Taxxa fuq l-*Income* jistgħu jagħzlu li d-dħul minn impjieg barra minn Malta jiġi intaxxat b'rata fissa ta' 15%.

Minkejja din ir-rata ta' 15% huwa importanti li dawn l-emolumenti jiġu rrapportati fl-FS3 bħala dħul prinċipali u mhux bħala *part-time*.

Flas ta' Pagamenti

Min iħaddem għandu jagħmel kull pagament permezz tal-formola preskritta FS5. Dan jgħodd ukoll għal xi diskrepanza li tirriżulta fl-aħħar tas-sena. **Il-Formoli ta' Rikonċiljazzjoni (FS7 u FS3) m'għandhomx jintbagħtu l-Cash Office blokk 5 flimkien mal-pagamenti, iżda direttament lis-Sezzjoni FSS blokk 3.**

Taxxa fuq xogħol *Part Time*

B'señħ mill-1 ta' Jannar 2005, permezz ta' l-Avviż Legali 110/2005, inbidlu xi regoli dwar taxxa fuq d'ħul minn xogħol *part time*. Din il-bidla affettwat lil dawk il-koppji miżżewwġa fejn persuna minnhom għandha mpjeg principali, u l-parti l-oħra mpjeg *part time*. Sabiex l-impjegati jibbenefikaw minn din l-iskema trid tkun tħallset il-15% taxxa fuq l-emolumenti. Dawn il-pagamenti jridu jitħallsu minn min iħaddem sa l-añħar ta' Jannar 2007 (ma' l-FS5 ta' Diċembru 2006). Jekk it-taxxa fuq il-*part time* ma tkunx tħallset minn min iħaddem, l-impjegat xorta jista' jibbenefika billi jħallas personalment fuq il-formola preskritta TA23 (li tingabar u timtela mill-impjegat) sa mhux aktar tard mill-15 ta' Frar 2007.

Direġistrazzjoni tan-numru tal-PE

Huwa importanti li d-Dipartiment ikun avżat meta persuna ma tibqax tħaddem sabiex in-numru tal-PE li mhux qed jintuża jiġi innutat. Jekk dan isir matul sena partikolari, xorta jibqa' l-obbligu li jintbagħtu d-dokumenti dovuti sad-data ta' l-għeluq. Din in-notifika hi importanti għaliex b'hekk biss ma' jibqgħux jintalbu dokumenti ta' l-FSS.



Kummissarju tat-Taxxi Interni
Diċembru 2006