



FSS Payer Annual Reconciliation

Electronic Lodgement Specifications-Including Fringe Benefits

Updated November 2003

Department of Inland Revenue 2001

All rights reserved. No part of this document may be reproduced or published in any form or by any means without prior written permission from the copyright owner.

Introduction

In order to simplify and speedup end of year processing and to reduce problems due to keying errors FSS Payers are encouraged to lodge their annual reconciliation information with IRD in a computer readable electronic format.

Reference should be made to Appendix D of the FSS Reference Guide and the Fringe Benefits Guidelines and Updates, where the information and forms required for the annual reconciliation are explained in detail.

As from January 2004, FSS Tax and Social security contributions files may be submitted on line over the Internet to the Inland Revenue. You may obtain more information and application forms from www.ird.gov.mt.

By complying to these specifications there will be less errors in the submissions and Inland Revenue staff will not need to contact you after you submit the end of year documents. **The validations printed on page 7 will be strictly enforced as from the next submission cycle in 2004.**

Specifications for Electronic Lodgement of Tax and Social Security information on FS3s

The electronic information is to be provided on an IBM compatible (DOS 3.2 or higher) or Macintosh formatted floppy disk.

Special arrangements can be made by the Inland Revenue Department for Apple Mac users.

The following information is to be written on the floppy disk's paper label:

- PE Number
- FSS Payer's Name
- Y/E 31/12/xxxx
- the floppy disk format (i.e. either IBM or Macintosh)
- Contact Name and Telephone number

Requirements by Payers

When lodging annual reconciliation information electronically FSS Payers are to:

- provide the electronic information on a floppy disk
- provide the electronic information in a format approved by IRD
- provide a paper copy of the FS7 in addition to the floppy disk

The following procedure is to be followed by the payers :

- A paper copy of the FS7 is lodged together with the floppy disk containing the FS3 Electronic data. The signed FS7 will serve as authentication that the data has been lodged. Note that the paper copy of the FS7 is to be lodged together with the floppy disk in the same envelope or parcel.
- The payer is to maintain a copy of the data lodged in electronic format in his/her own system for at least eight (8) years from the date of submission. The payer must also be in a position to satisfy an IRD request for paper copies within a time limit as specified by IRD.
- The payer is still required to issue 2 paper copies of the FS3 to all payees.

It is preferable if payers were to lodge their data by hand, since this would permit the Department of Inland Revenue to promptly acknowledge the receipt of the data.

Initial security implementation will consist of a checksum at the end of each record. All the characters of each records will be processed through an algorithm and the result is appended at the end of each record in the file.

Checksum calculation (Example)

Each character is given a weight according to its position in the line, starting from the left hand side of each line , starting with the number 1 and incrementing consecutively by one moving to the right. The ASCII value of each character in the line is multiplied by its weight and each result is added to get one final sum. Append the resulting sum at the end of each line preceded by the field delimiter (**Do not include the last delimiter in checksum calculation**).

Field delimiters should also be included in the checksum calculation.

Example: *Checksum test*

Assign each character a weight :

A	B	C	D
Character	ASCII Value	Weight	Result (B*C)
C	67	1	67
h	104	2	208
e	101	3	303
c	99	4	396
k	107	5	535
s	115	6	690
u	117	7	819
m	109	8	872
	32	9	288
t	116	10	1160
e	101	11	1111
s	115	12	1380
t	116	13	1508
Total All Fields			9337

Actual text written to file would be (assuming pipe delimited text) :
Checksum test|9337

File Format

The annual reconciliation information is to be provided in two variable length files in ASCII format with fields delimited by pipes “|”:

- the first file will contain one record only for each employee with the tax information of the FS3
- second file will contain a record for each Social Security Transaction for each employee with the detailed Social Security information of the FS3.

These two files are to have the following names

- first file (i.e. FS3 information) = ppppppF3.yy
- second file (i.e. FS3 information) = ppppppSS.yy
(where “pppppp” is the PE number and “yy” is the relevant basis year)

The data fields to be contained in each file are set-out on the following page. Note that:

- not all the information that needs to be included on the paper copies of the FS3s is to be provided electronically
- unless a field is indicated as being “must be in a certain format” then the field can be any number of characters up to the maximum
- leading zeroes are to be removed from the data fields wherever possible
- leading and trailing blanks or spaces are to be removed from the data fields wherever possible
- the only fields to be provided in cents are the Social Security fields
- a Carriage Return/Line Feed (CR/LF) marker is to be placed at the end of each record

File 1 FS3 Tax Record Layout

A record for each FS3 issued by the FSS Payer will be contained in this file.

No.	Field on FS3	Field Description on FS3	Max No of Characters	Notes
1	A1	Year	4	Must be yyyy format
2		Payee’s Surname	25	Free format field - can contain blanks between words BUT NO LEADING BLANKS AND NO HYPHENS (“-“)
3	A2	Payee’s ID Card/IT Reg. No.	9	NO SPACES or BRACKETS between characters
4	A3	Payee’s Social Security No.	9	NO SPACES or BRACKETS between characters
5	A4	Spouse’s ID Card/IT Reg. No.	9	
6	B1	Period From	8	Must be in ddmmyyyy format
7	B2	Period To	8	Must be in ddmmyyyy format
8	C1	Gross Emoluments (Main & Other)	6	} numeric values only (no cents) and no negative numbers (i.e. with a “-“ in front)
9	C2	Gross Emoluments (Part time)	6	} “ ditto “
10	C5	Category 1: Company Cars	6	} “ ditto “
11	C6	Category 2: Use of an asset and accommodation	6	} “ ditto “
12	C7	Category 3: Other benefits and services	6	} “ ditto “
13	C8	Non Taxable Cash Allowance	6	} “ ditto “
14	D1	Tax Deductions (Main & Other)	6	} “ ditto “
15	D2	Tax Deductions (Part Time)	6	} “ ditto “
16	D3	Tax Deductions (Arrears)	6	} “ ditto “
17	E1	DSS Contributions Totals	7	Numeric value only (including cents)
18	F1	Payer PE No.	6	
19	F2	Date	8	Must be in ddmmyyyy format
20		Checksum	7	Integer as explained in Security

Please note that no hyphen or minus (“-“) should be included in any of the above fields.

File 2 FS3 Social Security Record Layout

A record for information on Social Security Payments will be contained in this file.

No.	Field on FS3	Field Description on FS3 Form	Maximum Number of Characters	Notes
1	A1	Year	4	Must be yyyy format
2		Payee's Surname	25	Free format field - can contain blanks between words BUT NO LEADING BLANKS AND NO HYPHENS ("-")
3	A2	Payee's ID Card/IT Reg. No.	9	NO SPACES or BRACKETS between characters
4		Basic Weekly Wage (Section E)	7	Decimal (including cents)
5		Number of Weeks (Section E)	2	Numeric
6		Class (Section E)	1	Alpha Character
7		Payee - Contributions paid by Payee	7	Decimal - no negative amounts (i.e. with a "-" in front)
8		Payer - Contributions paid by Payer	7	Decimal - no negative amounts (i.e. with a "-" in front)
9		Unpaid Contributions Date From	8	date must be in ddmmyyyy format
10		Unpaid Contributions Date To	8	date must be in ddmmyyyy format
11		Number of Unpaid Contributions	2	Numeric
12	F1	Payer PE No.	6	Employer reference number
13		Checksum	7	As explained in Security

Please note that no hyphen or minus ("-") should be included in any of the above fields.

N.B. This file will have a transaction for each Basic Wage the payee has received during the period of employment, that is, there may be more than one SSC record for each employee.

Example

The following is an example of the correct format for providing FS3 Tax and Social Security information to the IRD on a floppy disk.

In this example there were four FSS Payee Statements of Earnings (FS3s) issued by the payer during the year with emoluments totalling Lm 12000, tax deductions totalling Lm 900 and DSS contributions totalling Lm 880.60

The paper label on the floppy in this example would show:

123456	<i>PE Number</i>
ABC Fish co-op Ltd	<i>Payer Name</i>
Y/E 31/12/97	<i>Year of Reconciliation</i>
IBM Format	<i>Format of Floppy</i>
Mr. Joe Borg Tel:123456	<i>Contact Name and Telephone number</i>

File 1 (FS3-TAX) would be saved on the floppy with the name 123456F3.97

File 2 (FS3-SSC) would be saved on the floppy with the name 123456SS.97

The relevant information on the paper copies of the FS3s is as follows:

No.	FS3 Fields	FS3 Field Descriptions	Record 1	Record 2	Record 3	Record 4
1	A1	Year	2001	2001	2001	2001
2		Payee's Surname	Azzopardi	Farrugia	Vella	De Giorgio
3	A2	Payee's ID Card/IT Reg. No.	22222222	34568M	1111111	777777M
4	A3	Payee's Social Security No.	44444444	66666666	2222222	8888888
5	A4	Spouse's ID Card/IT Reg. No.	33333333		3333333	
6	B1	Period From	01012001	01052001	01072001	15062001
7	B2	Period To	31122001	31122001	31102001	31122001
8	C1	Gross Emoluments (Main & Other)	5000	3000	0	1000
9	C2	Gross Emoluments (Part time)	0	0	2000	0
10	C5	Category 1: Company Cars	800	200	0	0
11	C6	Category 2: Use of an asset and accomodation	0	0	0	200
12	C7	Category 3: Other benefits and services	0	0	0	0
13	C8	Non Taxable Cash Allowance	400	0	0	0
14	D1	Tax Deductions (Main & Other)	300	200	0	0
15	D2	Tax Deductions (Part Time)	0	0	300	0
16	D3	Tax Deductions (Arrears)	0	100	0	0
17	E1	DSS Contributions Totals	807.70	245.00	0.00	0.00
18	F1	Payer PE No.	123456	123456	123456	123456
19	F2	Date	31012002	31012002	31012002	31012002
20		Checksum	406505	321735	302000	298702

The contents of file 1 (Tax of FS3s) would be:

2001|Azzopardi|22222222|44444444|33333333|01012001|31122001|5000|0|800|0|0|400|300|0|0|807.70|123456|31012002|406505

2001|Farrugia|34568M|66666666|01052001|31122001|3000|0|200|0|0|200|0|100|245.00|123456|31012002|321735

2001|VELLA|111111|22222222|33333333|01072001|31102001|0|2000|0|0|0|0|300|0|0.00|123456|31012002|302000

2001|De Giorgio|777777M|88888888|15062001|31122001|1000|0|200|0|0|0|0|0.00|123456|31012002|298702

Social Security Information on FS3

Social Security Information has to be provided in detail for each Basic Wage which was paid out to the employee by the employer.

No.	FS3 Fields	FS3 Field Descriptions	Record 1	Record 2	Record 3	Record 4
1	A1	Year	2001	2001	2001	2001
2		Payee's Surname	Azzopardi	Farrugia	VELLA	De Giorgio
3	A2	Payee's ID Card/IT Reg. No.	22222222	34568M	1111111	777777M
4		Basic Weekly Wage (Section E)	76.15	60.00		
5		Number (Section E)	15	37		
6		Class (Section E)	A	C		
7		Payee - Contributions paid by Payee	98.98	185.00		
8		Payer - Contributions paid by Payer	114.22	222.00		
9		Unpaid Contributions Date From				
10		Unpaid Contributions Date To				
11		Number of Weeks Unpaid				
12	F1	Payee PE No	123456	123456	123456	123456
13		Checksum	121412	109029	45666	63654

The contents of file 2 (SSC of FS3s) would be:

2001|Azzopardi|22222222|76.15|15|A|98.98|114.22|123456|121412
2001|Farrugia|34568M|60.00|37|C|185.00|222.00|123456|109029
2001|VELLA|11111111|123456|45666
2001|De Giorgi|777777M|123456|63654

Notes:

- Payee's Surname can contain blanks or spaces between words (but no leading or trailing blanks or spaces)
- Payee's Surname can be upper or lower case and should include alpha characters from A to Z only
- Payee's Surname can also include name as long as field does not exceed 25 characters and provided that the **Surname is always shown first**
- No brackets or spaces should be included in the Payee's ID Card/IT Reg. No. or the Social Security No. (Eg: 12345M is correct - 12345(M) or 12345 M is wrong)
- In Social Sec Number alpha characters should precede numeric figures (Eg: A123456789)
- leading zeroes are to be removed from the data fields wherever possible
- the only fields to be provided in cents are Social Security information fields in both files. A decimal point is required
- each record in the FS3 files must have a <CRLF> marker (i.e. at the end of each record) *note that most data extraction software programs automatically insert the <CRLF> marker at the end of each record.*
- the totals of fields C1, C2, C3, D1, D2, D3 and E1 on all the FS3 records must be equal to the totals shown in respective fields on the FS7 form (e.g. C1 fields on the FS3 file when added together will equal the C1 field on the FS7, and so on)
- field number 5 on file 1 (i.e. the number of FS3s) must equal the number of records on the FS7.

VERY IMPORTANT: TOTALS OF EMOLUMENTS, FRINGE BENEFITS, TAX AND SOCIAL SECURITY CONTRIBUTIONS SHOWN IN THE FS7 SHOULD AGREE WITH THE TOTAL AMOUNTS OF THE FS3S LODGED ELECTRONICALLY. OTHERWISE DATA LODGEMENT CANNOT BE EFFECTED.

List of fields which will be enforced as from 2004 during the validation process for end of year documents for year 2003:

Field	Box No.	Explanation
Year field in FS3	A1	The year field in the FS3 must be equal to that in the accompanying FS7
Income Tax Registration Number	A2	Income Tax Registration Numbers should be correct in both FS3 Tax and Social Security electronic files and paper documents. ID Card Numbers should be less than 10 characters long and the last character only may consist of 'A', 'M', 'G', 'H', 'L', 'P', 'B', and 'Z'. Income Tax Registration Numbers must all be 9 characters long and issued by (or confirmed with) the Inland Revenue.
Dates in Period (from, to)	B1 and B2	These dates must be valid dates in 'dd/mm/yyyy' format and the year of each date must equal the year field in A1. The dates in B1 and B2 must correctly reflect the period of employment during the year for each employee.
Gross Emoluments	C1, C2, C3, C4	<p>FS3s with zero emolument values will not be accepted. All values must be positive whole numbers (i.e. no decimals) and the following totals must reconcile:</p> <ul style="list-style-type: none"> Gross emoluments (FSS main or FSS other) + Gross Emoluments (FSS part time) + Fringe Benefits must be equal to the Total Gross Emoluments and Fringe Benefits i.e. boxes C1+C2+C3=C4 (applies to manual filers only) Fringe Benefits Category 1 + Category 2 + Category 3 must be equal Fringe Benefits Total less Not Taxable Car Cash Allowance i.e. Box C3 = (C5-C6+C7) – C8 (applies for manual filers only). For all the FS3s submitted, the total emoluments of each FS3 must be equal to the total given in the FS7. This will be applied to each emolument type i.e. the total C1 of each FS 3 must be equal to the value of C1 on the FS 7. The total of C2 of each FS3 must be equal to the value of C2 on the FS7 and the total of C3 of each FS3 must be equal to the value of C3 on the FS7.
Tax Deductions	D1, D2, D3, D4.	<p>All tax deductions values must be positive whole numbers.</p> <p>The total tax deduction must be equal to the tax deduction (FSS main or FSS others) + tax deductions (FSS part time method) + tax arrears deductions i.e. D4 = D1 + D2 + D3 applies for manual filers only).</p> <p>Furthermore, the total of each value of each tax deducted in every FS3 must be equal to the corresponding value on the FS 7 i.e. the total D1 for each FS 3 must be equal to the value D1 on the FS 7, the total D2 of each FS3 must be equal to the value of D2 on the FS 7 and the total of D3 in each FS 3 must be equal to the value of D 3 in the FS 7.</p>
Social Security Contributions	E 1	<p>The records for Social Security Contributions (SSC) must be correctly submitted. Incomplete records where any of the Basic Wage, number of contributions, category, SSC paid by the payee (employee) or SSC paid by the payer (employer) or the total contributions (for manual filers) is missing will not be accepted.</p> <p>Moreover the following validations will also be fully enforced:</p> <ul style="list-style-type: none"> Category must be one of 'A', 'B', 'C', 'D', 'E' and 'F'. Category must correspond to the weekly basic wage of the employee The amounts paid by the payee and the payer cannot be less than the rate multiplied by the number of contributions. <p>The information in weeks without pay must also be submitted correctly. The dates in the From/To periods of the Weeks without pay must be valid dates (in 'dd/mm/yyyy' format) between the From/To period indicated in the B1 and B2. The total number of contributions paid and unpaid must not be greater than the number of contributions payable between the From/To dates B1 and B2.</p> <p>Furthermore for each employee the total SSC (in the FS3 file) withheld indicated in field E1 must reconcile with the total of all SSC paid by payee and payer (in the SSC file).</p> <p>The total SSC in all FS 3s must be equal to the value in E1 in the FS 7.</p>